

Alexander Sloan
Accountants and Business Advisers

Viewpoint Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2018

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 31 MARCH 2018

BOARD OF TRUSTEES

Gordon Iain Anderson	
Nicola Donaldson	
Robert James McNeil	
Robert Hart Rae	Chair (retired 19 September 2017)
Jean Knight Bennett Simpson	Chair of the Remuneration Committee
Roger Alfred Stewart	
Victor Wynne Stewart	
Iain Donald Ker Thompson	Deputy Chair
William Campbell	retired 1 December 2017
Ian Hugh McKay	
Robin Barnes	
Jacqueline Ann Macdonald	Chair (elected 19 September 2017)
Thomas Paul Roehricht	Chair of the Group Risk and Audit Committee
John Gairns Beaton	
Carol Lumsden	Coopted 19 September 2017

EXECUTIVE OFFICERS

Dorry McLaughlin	Chief Executive/Secretary
Helen Barclay	Director of Housing & Property Services (Retired 30 June 2017)
Howard Vaughan	Director of Finance & Assets
Donna MacLeod	Director of Care Services (Retired 18 May 2018)
Esther Wilson	Director of People & Place (Appointed 20 January 2018)

REGISTERED OFFICE
4 South Oswald Road
Edinburgh
EH9 2HG

EXTERNAL AUDITORS
Alexander Sloan
Chartered Accountants
180 St Vincent Street
Glasgow
G2 5SG

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
TC Young
Melrose House
69a George Street
Edinburgh
EH2 2JG

SOLICITORS
ACH Shoosmiths
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The Board of Trustees presents its report and the Financial Statements for the year ended 31 March 2018.

Legal Status

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

Principal Activities

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

Viewpoint's Strategic Objectives are:

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

This year Viewpoint celebrated 70 years of providing accommodation and services. 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 our main client group is older people we also provide mainstream housing.

Viewpoint's Head Office is in Edinburgh and its properties and services are largely in Edinburgh and Fife. Viewpoint has 3 care homes with nursing (133 bed spaces) and 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, Places for People and local authorities including Integrated Health and Social Care Partnerships.

Viewpoint is a member of the Scottish Federation of Housing Associations (SFHA) and has adopted the SFHA Model Rules. The rules comply with the requirements of the Scottish Housing Regulator. Viewpoint is on the Register of Cooperative and Community Benefit Societies and is registered with the Financial Conduct Authority as a Friendly Society. Viewpoint is also registered with the Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord. Viewpoint was assessed as medium risk by the Scottish Housing Regulator. This was due to the development of an extra care housing complex in East Lothian and as a result of data and performance management issues in Housing and Repairs/Maintenance during 2016/7. These issues had largely been addressed during the year but the evidence had not been reviewed by the time the Scottish Housing Regulator reviewed the Regulation Plan in late 2017/8.

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 with the exception of Lennox House which was graded 4s during the year. Viewpoint is confident that the action plan developed for Lennox House will result in improved grades.

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

Report of Board of Trustees (Contd.)

Viewpoint has a fully owned subsidiary Viewpoint Scotland Ltd whose purpose is to manage housing/homes funded by a Special Needs Capital Grant. Viewpoint Scotland Ltd also leased the loan stock portfolio at Kilravock House until 30 November 2017. Following a review of the loanstock arrangement during the year all new vacancies at Kilravock House will be offered on a shared ownership basis and the existing tenants have reverted to tenants of Viewpoint. Viewpoint provided management and development services to Viewpoint Scotland Ltd in respect of the loanstock arrangement for which they were charged until the review. The financial results of Viewpoint Scotland Ltd for the year ended 31 March 2018 have not been consolidated into Viewpoint as these are of an immaterial nature to the results of Viewpoint.

Viewpoint is governed by a voluntary Board of Trustees (Board) whose members each hold one fully paid share of £1 in Viewpoint, are elected by the membership and are unpaid. The Chair retired at the AGM and a new Chair was appointed. One member resigned during the year and one new co-opted member was appointed during the year bringing extensive social care experience to the Board. The Board is supported by a Group Risk and Audit Committee which reviewed its skills mix and terms of reference following the AGM and a Remuneration Committee. Board members have adopted the SFHA Code of Conduct for Governing Body Members. A review of Governance arrangements in relation to performance management made a number of recommendations which were implemented during the year. Furthermore all Governance Policies were reviewed during the year.

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 meets at least once annually without the Executive Team present. The average attendance by all Board members was 83%. The Board held an away day in January 2018 and reviewed the Strategic Objectives and set strategic outcomes and performance measures to be adopted from April 2018.

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

Management is delegated by the Board to the Executive Team. The Chief Executive and Executive Team members hold no interest in Viewpoint's share capital, and although not having the legal status of directors, act as Executives within the authority delegated by the Board. This Team was reviewed during the latter part of the year and now comprises the Chief Executive, Directors of Finance and Assets, People and Place, Care, and Business Support. The Head of Innovation and Development also sat on the Executive Team. Viewpoint has a Schedule of Delegated Authorities which was substantially reviewed during the year, setting out those authorities that are reserved by the Board and those delegated to the Committees and Chief Executive.

Principal Markets and Associated Risks

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

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

The care home environment continues to be dynamic although based on traditional business models. Care homes are increasingly being developed to high standards in more prosperous areas where more potential residents can afford to pay premium fee rates. There is, therefore, an increasing number of new care homes opening in the Edinburgh area.

Principal Markets and Associated Risks (Contd.)

The shortage of care and nursing staff in the Edinburgh area continues to present a challenge with the introduction of the Scottish Living Wage for care workers having made little difference to recruitment.

The Care Inspectorate continues to shape it inspection process to be more outcome focused in line with the Health and Social Care Standards – My support, my life. There is a focus now on improvement as well as compliance.

The Scottish Housing Regulator is also consulting on potential changes to its regulatory framework.

The availability of land and the associated cost in Edinburgh and the Lothians and some uncertainty about funding for Housing Support and care homes means that the environment for developing and acquiring new homes and housing for older people is challenging.

The key risks have been identified as:

· Poor data management, work flow processes and accountability for performance in housing and repairs leading to poor customer experience

· Failure to achieve value for money making Viewpoint vulnerable to reductions in public funding eg grants and welfare reform

· Failure to meet Landlord Health and Safety obligations putting customers and staff at risk of harm

· Poor governance standards perhaps due to lack of skills

· Customer involvement not effective and not learning from complaints leading to poor service standards/customer satisfaction

· Asset Management - potential increase in maintenance, construction costs and/or failure to meet SHQS, EESSH or accommodation not being fit for the future

· Scatter gun approach to new business and poor risk appraisal

· Culture not embedded well, poor work force planning, change management and/or structures not embedded well. This could lead to staff being poorly trained and/or high turnover of staff. This is a particular risk in relation to new business

· Potential for free personal nursing care to be stopped and the NCHC based on cost of care which makes charging more transparent for private payers

The Board has a comprehensive Risk Policy and Strategy including a statement of its risk appetite. The Risk Map is developed annually following review of the strategy and operating environment. The Board and senior staff contribute to this review. The Risk Map is reviewed during the year by both the Board and Group Risk and Audit Committee. Risk is a standing agenda item for both the Group Risk and Audit Committee and Board.

Amalgamate were appointed to provide a Health and Safety advisory service during the year as well as carrying sample audits. There was one material risk identified related to Lone Working arrangements which resulted in a Health and Safety Executive investigation. The action required is in hand. Viewpoint continues to deliver essential health and safety training including manual handling, fire safety and food hygiene.

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

Achievements in 2017/18

Viewpoint's major achievements were as follows:

- 70 years of accommodation and services involving customers, stakeholders and staff was celebrated at the Edinburgh Corn Exchange. Nearly 300 guests heard the Cabinet Secretary for Health and Sport, Shona Robison MSP, open the event and give us an insight into the government's priorities for meeting the needs of older people. A number of providers of technology enabled care displayed at the event and a reminiscence area emphasised the work Viewpoint does with people with dementia as well as highlighting 70 years of services
- Outline planning permission secured for the new extra care development at Glenesk and partnership arrangements developed with Places for People for the provision of development agency services
- Tovertafel a technology based innovation to support residents with dementia introduced to the care homes
- Integrated care at home, housing management and housing support service implemented in sheltered housing with grade 5s achieved from the Care Inspectorate
- Major review of the rent and service charge structure following extensive consultation with tenants
- Major stock condition survey completed paving the way for a new 30 year financial plan
- QL, housing management system, reimplemented and preparations for GDPR completed
- Continued achievement of Investors in People Silver
- Achievement of Leaders in Diversity
- 89 members of staff from across Viewpoint successfully completed qualifications
- An exhibition of over thirty Craft Café artists' work showcased at The Image Collective Gallery in Leith
- 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 an Righ sheltered housing complex
- Substantial investment in properties including window replacement, heating upgrades, new bathrooms and kitchens totalling £1.555m
- All financial targets were achieved and bank covenants met

Financial Performance

The results for the year are shown in the Statement of Comprehensive Income on Page 13. The income related to housing was £8,178,012 (2017: £8,221,993) and for care homes was £7,716,782 (2017: £7,252,206).

The changes in income were due to higher weekly fees charged in our care homes, partly due to a lower level of local authority paid residents.

The surplus of £1,421,804 (2017: £1,231,139) shows a £190,665 increase from the previous year, mainly due to a change in provisions for past pension deficits. The surplus for housing was £1,068,461 (2017: £1,240,109), and for care homes £987,542 (2017: £681,902).

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

Viewpoint continued to invest in its properties, with capital spend on housing of £1,414,200 (2017: £1,315,547) and care of £140,493 (2017: £178,193). We have completed a stock condition survey across all properties and this will inform future investment.

Operational Performance for the Year

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

Care Homes	Target	2017/8	2016/7
Average Occupancy Rate in care homes	97%	96.86%	96.40%
Care home arrears as % income receivable	<4.5%	2.11%	5.50%
Agency hours as % all hours	<7%	8%	7%
Requirements/recommendations from inspection reports dealt with within six months	100%	100%	100%
Housing and Assets	**SHR Average**		
Void loss as % rent and service charge receivable	0.90%	1.43%	1.30%
Arrears as % rent and s/c income	4.30%	3.43%	2.80%
Average void turnaround time (days)	30	47.8	45
% of stock meeting SHQS	100%	100%	100%
Average length of time to complete emergency repairs (hours)	3.6 hours	2.59 hours	4.2 hours
Average length of time to complete non-emergency repairs (hours)	5.6 hours	5.51 hours	6.34 hours
Gas Safety checks completed when due	100%	100%	98.36%
Repairs completed right first time	93%	88.33%	73%%
Complaints	**SHR Average**		
Stage 1 complaints resolved within timescale	95%	68%	92%
Stage 2 complaints resolved within timescale	95%	100%	100%
% all complaints upheld	N/A	64%	63%

Performance in the care homes has been maintained in all areas although there has been a slight increase in agency use as a result of continued challenges in recruiting care and nursing staff.

There has been an improvement in day to day repairs performance although there has been no improvement in void turnaround times and work is underway to achieve improvements.

Operational Performance for the Year

To respond well to the policy agenda for older people and focus on improving outcomes for tenants and residents Viewpoint will:

- Continue to explore the potential to develop or acquire a further care home
- Explore other innovative service models which would support older people and others in the community for example virtual reality
- Develop in partnership with tenants a comprehensive Tenant Involvement Strategy
- Support a Positive Action in Housing (PATH) Trainee for the next 3 years, demonstrating further commitment to Leader in Diversity accreditation
- Complete comprehensive reviews of all our assets to assist with ongoing compliance with SHQS and meet EESSH targets in 2020 and to ensure our accommodation is fit for the future and maintained to modern standards
- Ambitious investment in our housing and homes totalling £3m on planned maintenance and component replacements including major investment in kitchens, bathrooms, heating and window replacement
- Use of the Housing Brixx financial planning tool to underpin investment in existing and new accommodation
- Develop a 3 year ICT and Technology Strategy supporting in particular electronic care planning and mobile working
- Support the development of a Teaching and Research based care home in in Edinburgh
- Build on work undertaken in 2017/8 to develop a Reward Strategy

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 2018 70% of the bank loan facilities were on a fixed rate.

During the year Viewpoint reviewed its Treasury Policy and as a result of continuing depressed bank interest rates decided to allocate £2m of its free reserves towards a balanced investment portfolio. Following a tender process Brewin Dolphin were awarded the contract to manage this investment in April 2018 with the funds being transferred in May 2018.

The primary objective will be to achieve an overall return in excess of inflation and as a result the Board has not set a specific income target. They have also intimated that income from the portfolio will be capitalised.

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

Currently 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.

Viewpoint is currently in the process of introducing a replacement to its loan-stock agreement and new tenancies at Kilravock will be offered on a shared ownership basis and existing loan-stock tenants will be offered an opportunity to convert to this new arrangement. No new loan-stock tenancies will be offered.

For any borrowing decisions Viewpoint will consider the status of the loan-stock and, in the future, the shared ownership liabilities at that point.

Employee Information and Engagement

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

Viewpoint has an establishment of 317 full and part time employees. Turnover of employees increased to 27.3% for care and 15% for housing and support staff.

Viewpoint invested £170K in learning and development and over 70% of staff took up a learning opportunity including:

- Health and Social Care
- NHS courses for registered nurses
- Housing qualifiactions
- Diversity - Positive Steps
- Mental Health Awareness
- IOSH - Supervisory and Managing
- End of life care
- Demenatia care and awareness
- ACCA qualification

The investment continues to result in good care home and housing support grades. A graduation party was held to celebrate the success of our staff during the year.

Staff involvement is achieved through the Employee Forum which meets quarterly, a system of core briefings and use of the Viewpoint web site based Staff Zone. Viewpoint continued to achieve the Investors in People Silver award.

Resident and Tenant Involvement

The Tenant Participation Advisory Service (TPAS) was appointed during the year and commenced a review of tenant involvement working closely with tenants and 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. A particular example involved Marian House residents forming a garden committee to agree ideas for 'bringing the garden into their home'. This resulted in a patio area being built which extends out from the lounge and a water feature and quiet area for residents to take family and friends.

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

Board of Trustees and Executive Officers

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

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

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

Statement of Board of Trustees's Responsibilities

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

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

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

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

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 2018. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Auditors

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

By order of the Board of Trustees

[redacted]

DORRY MCLAUGHLIN
Secretary
21 August 2018

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 by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

[redacted]

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
26 August 2018

Alexander Sloan
Accountants and Business Advisers

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

Opinion

We have audited the financial statements of Viewpoint Housing Association Limited (the 'Association') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires

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

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

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Board of Trustee's Responsibilities as set out on Page 8, the Board of Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

[redacted]

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
26 August 2018

Alexander Sloan
Accountants and Business Advisers

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£	2018 £	£	2017 £
REVENUE	2		16,175,621		15,738,566
Operating Costs	2		(14,491,580)		(14,095,546)
OPERATING SURPLUS			1,684,041		1,643,020
Interest Receivable and Other Income		41,965		78,407	
Interest Payable and Similar Charges	7	(298,202)		(309,288)	
Other Finance Income / (Charges)	10	(6,000)		(181,000)	
			(262,237)		(411,881)
SURPLUS FOR THE YEAR	8		**1,421,804**		**1,231,139**
Remeasurement of Past Service Deficit Liability			-		2,893,000
TOTAL COMPREHENSIVE INCOME			**1,421,804**		**4,124,139**

The notes on pages 17 to 31 form part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	£	2018 £	£	2017 £
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	11 (a)		41,101,113		41,218,252
Other Non-current Assets	11 (b)		1,078,607		1,212,128
			42,179,720		42,430,380
INVESTMENTS					
Investment in subsidiaries	25	111		111	
			111		111
RECEIVABLES: Amounts falling due after more than one year	14		176,499		188,265
CURRENT ASSETS					
Receivables	15	682,324		767,687	
Cash at bank and in hand		12,343,603		11,675,372	
		13,025,927		12,443,059	
CREDITORS: Amounts falling due within one year	16	(6,809,224)		(6,772,804)	
NET CURRENT ASSETS			6,216,703		5,670,255
TOTAL ASSETS LESS CURRENT LIABILITIES			48,573,033		48,289,011
CREDITORS: Amounts falling due after more than one year	17		(5,958,557)		(6,613,470)
DEFERRED INCOME					
Social Housing Grants	19	(14,410,968)		(14,893,403)	
Other Grants	19	(19,256)		(19,652)	
			(14,430,224)		(14,913,055)
NET ASSETS			**28,184,252**		**26,762,486**
EQUITY					
Share Capital	20		138		176
Revenue Reserves			28,093,035		26,664,392
Restricted reserve			91,079		97,918
			28,184,252		**26,762,486**

The Financial Statements were approved by the Board of Trustees and authorised for issue and signed on their behalf on 21 August 2018.

Cha[redacted] [redacted] Trustee [redacted]

The notes on pages 17 to 31 form part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
Net cash inflow from operating activities	18		3,205,139		2,671,208
Investing Activities					
Purchase of investment properties		(1,747,702)		(1,815,781)	
Social Housing Grant Received		40,175		82,133	
Proceeds on Disposal of Other Fixed Assets		20,297		6,287	
Net cash outflow from investing activities			(1,687,230)		(1,727,361)
Financing Activities					
Loan Advances Received		11,766		357,124	
Loan Redemption Payments		-		(432,732)	
Interest Received on Cash and Cash Equivalents		41,965		78,407	
Interest Paid on Loans		(298,202)		(309,287)	
Loan Principal Repayments		(204,872)		(193,291)	
Share Capital Issued		5		8	
Movement in Loan Stock		(195,431)		-	
Net cash outflow from financing activities			(644,769)		(499,771)
Increase in cash			873,140		444,076
Opening Cash & Cash Equivalents			11,375,517		10,931,441
Closing Cash & Cash Equivalents			**12,248,657**		**11,375,517**
Cash and Cash equivalents as at 31 March					
Cash			12,343,603		11,675,372
Bank overdraft			(94,946)		(299,855)
			12,248,657		**11,375,517**

The notes on pages 17 to 31 form part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2018

	Share Capital	Restricted Reserve	Revenue Reserve	Total
	£		£	£
Balance as at 31 March 2016	168	98,159	22,540,012	22,638,339
Issue of Shares	8	-	-	8
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**
Balance as at 1 April 2017	176	97,918	26,664,392	26,762,486
Issue of Shares	5	-	-	5
Cancellation of Shares	(43)	-	-	(43)
Surplus/ (Deficit) for Year	-	(6,839)	1,428,643	1,421,804
Balance as at 31 March 2018	**138**	**91,079**	**28,093,035**	**28,184,252**

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

The notes on pages 17 to 31 form part of these 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 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 participates in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole. The Association has moved from the Defined Benefit scheme to the Scottish Housing Association Defined Contribution Scheme.

The Association accounts 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 the high quality corporate bond.

Valuation Of Housing Properties

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

Component	Useful Economic Life
Main	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

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Non-Current Assets

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

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

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

Social Housing Grant And Other Grants In Advance/Arrears

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

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

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

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

Estimation Uncertainty

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

a) Rent Arrears - Bad Debt Provision
The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

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

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

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.

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) 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 Management, 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

We have calculated the SHAPS past service deficit liability using the latest completed valuation, this being based upon the 2015 triennial valuation, and believe this represents a fair estimate of the liability due at the statement of financial position date.

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.

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

	Notes	2018 Turnover £	2018 Operating Costs £	2018 Operating Surplus / (Deficit) £	2017 Turnover £	2017 Operating Costs £	2017 Operating Surplus / (Deficit) £
Affordable letting activities	3	8,178,012	7,109,551	1,068,461	8,221,993	6,981,884	1,240,109
Other Activities	4	7,997,609	7,382,029	615,580	7,516,573	7,113,662	402,911
Total		**16,175,621**	**14,491,580**	**1,684,041**	**15,738,566**	**14,095,546**	**1,643,020**

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	2018 Total £	2017 Total £
Revenue from Lettings				
Rent receivable net of service charges	1,043,553	4,081,750	5,125,303	5,048,557
Service charges receiveable	185,763	2,454,927	2,640,690	2,658,970
Gross income from rent and service charges	1,229,316	6,536,677	7,765,993	7,707,527
Less: Rent losses from voids	18,471	92,524	110,995	113,895
Net Rents Receivable	1,210,845	6,444,153	7,654,998	7,593,632
Grants released from deferred income	71,895	451,119	523,014	628,361
Total turnover from affordable letting activities	1,282,740	6,895,272	8,178,012	8,221,993
Expenditure on affordable letting activities				
Management and maintenance administration costs	433,322	1,694,894	2,128,216	2,007,546
Service Costs	140,219	1,546,279	1,686,498	1,683,509
Planned and cyclical maintenance, including major repairs	113,215	831,522	944,737	827,442
Reactive maintenance costs	153,954	768,161	922,115	877,810
Bad Debts - rents and service charges	600	30,361	30,961	53,097
Depreciation of affordable let properties	234,414	1,162,610	1,397,024	1,532,480
Operating costs of affordable letting activities	1,075,724	6,033,827	7,109,551	6,981,884
Operating surplus on affordable letting activities	207,016	861,445	1,068,461	1,240,109
2017	180,247	1,059,862		

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

	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2018	Operating Surplus / (Deficit) 2017
	£	£	£	£	£	£	£
Support activities	203,480	-	203,480	-	384,868	(181,388)	(198,463)
Care activities	-	7,716,782	7,716,782	(179,164)	6,908,404	987,542	681,902
Managed association	-	40,892	40,892	-	41,456	(564)	-
Contracted out services undertaken for other organisations	-	-	-	-	-	-	(5,786)
Other activities	-	36,455	36,455	-	226,465	(190,010)	(74,742)
Total From Other Activities	203,480	7,794,129	7,997,609	(179,164)	7,561,193	615,580	402,911
2017	204,087	7,312,486	7,516,573	92,080	7,021,582	402,911	

5. OFFICERS' EMOLUMENTS

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

	2018	2017
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	182,500	212,866
Pension contributions made on behalf on Officers with emoluments greater than £60,000	11,006	15,313
Emoluments payable to Chief Executive (excluding pension contributions)	93,801	92,218
Total Emoluments paid to key management personnel	372,531	313,585

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

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

6. EMPLOYEE INFORMATION

	2018	2017
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	260	260
The average total number of Employees employed during the year was:	310	295
Staff Costs were:	£	£
Wages and Salaries	5,731,555	5,601,594
Social Security Costs	472,670	448,297
Other Pension Costs	174,529	189,935
Temporary, Agency and Seconded Staff	866,598	670,828
	7,245,352	6,910,654

7. INTEREST PAYABLE & SIMILAR CHARGES

	2018	2017
	£	£
On Bank Loans & Overdrafts	298,202	309,288

8. SURPLUS FOR THE YEAR

	2018	2017
Surplus For The Year is stated after charging:-	£	£
Depreciation - Tangible Owned Fixed Assets	1,804,789	2,396,760
Auditors' Remuneration - Audit Services	14,670	19,501
Operating Lease Rentals - Other	2,795	2,795
Gain on sale of fixed assets	10,441	(467)

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

10. OTHER FINANCE INCOME / CHARGES

	2018	2017
	£	£
Unwinding of Discounted Liabilities	6,000	181,000

11. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Care Homes £	Total £
COST			
As at 1 April 2017	62,385,282	9,992,517	72,377,799
Additions	1,414,200	140,493	1,554,693
Disposals	(565,877)	(103,468)	(669,345)
As at 31 March 2018	63,233,605	10,029,542	73,263,147
DEPRECIATION			
As at 1 April 2017	27,455,822	3,703,725	31,159,547
Charge for Year	1,280,288	228,124	1,508,412
Disposals	(449,289)	(56,636)	(505,925)
As at 31 March 2018	28,286,821	3,875,213	32,162,034
NET BOOK VALUE			
As at 31 March 2018	34,946,784	6,154,329	41,101,113
As at 31 March 2017	34,929,460	6,288,792	41,218,252

Additions to housing properties include capitalised development administration costs of £Nil (2017 - £Nil) and capitalised major repair costs to existing properties of £1,554,689 (2017 - £1,493,740).

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £3,421,545 (2017 - £2,016,168). The amount capitalised is £1,554,693 (2017 - £1,493,740) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £1,554,693 (2017 - £1,493,740) and improvement of £Nil (2017 - £Nil).

The Association's Lenders have standard securities over Housing Property with a carrying value of £24,379,911 (2017 - £24,265,395).
The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

11. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Motor Vehicles £	Total £
COST				
As at 1 April 2017	883,156	1,825,541	150,997	2,859,694
Additions	-	159,213	13,499	172,712
Eliminated on Disposals	-	-	(43,732)	(43,732)
As at 31 March 2018	883,156	1,984,754	120,764	2,988,674
AGGREGATE DEPRECIATION				
As at 1 April 2017	266,069	1,286,925	94,572	1,647,566
Charge for year	24,682	246,937	24,758	296,377
Eliminated on Disposals	-	-	(33,876)	(33,876)
As at 31 March 2018	290,751	1,533,862	85,454	1,910,067
NET Book VALUE				
As at 31 March 2018	592,405	450,892	35,310	1,078,607
As at 31 March 2017	617,087	538,616	56,425	1,212,128

12. CAPITAL COMMITMENTS

	2018 £	2017 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	41,376	161,000

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

13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-	2018 £	2017 £
Other		
Not later than one year	2,795	2,795
Later than one year and not later than five years	7,685	10,480

14. RECEIVABLES AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Loan to subsidiary	176,499	188,265

15 RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Arrears of Rent & Service Charges	548,034	826,721
Less: Provision for Doubtful Debts	(185,637)	(373,009)
	362,397	453,712
Other Receivables	188,468	187,239
Amounts Due from Group Undertakings	131,459	126,736
	682,324	767,687

16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank Overdrafts (secured)	94,946	299,855
Housing Loans	216,604	204,625
Loan Stock	3,472,129	2,418,239
Trade Payables	908,985	482,973
Rent Received in Advance	367,807	409,112
Other Taxation and Social Security	132,143	120,392
Amounts Due to Group Undertakings	-	1,249,321
Other Payables	148,301	133,473
Liability for Past Service Contributions	444,000	431,000
Accruals and Deferred Income	1,024,309	1,023,814
	6,809,224	6,772,804

At the balance sheet date there were pension contributions outstanding of £25,979 (2017 - £18,005).

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

	2018	2017
	£	£
Liability for Past Service Contributions	1,318,938	1,757,000
Housing Loans	4,639,619	4,856,470
	5,958,557	6,613,470
Housing Loans		
Amounts due within one year	216,604	204,625
Amounts due in one year or more but less than two years	229,262	216,604
Amounts due in two years or more but less than five years	770,356	783,879
Amounts due in more than five years	3,640,001	3,855,987
	4,856,223	5,061,095
Less: Amount shown in Current Liabilities	216,604	204,625
	4,639,619	4,856,470
Liability for Past Service Contributions		
Amounts due within one year	444,000	431,000
Amounts due in one year or more but less than two years	457,000	444,000
Amounts due in two years or more but less than five years	861,938	1,313,000
	1,762,938	2,188,000
Less: Amount shown in Current Liabilities	444,000	431,000
	1,318,938	1,757,000

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

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
RBS	Standard security over 659 properties	5.7%	2032	Fixed

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

18. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to net cash inflow from operating activities	2018 £	2017 £
Operating Surplus	1,684,041	1,643,020
Depreciation	1,824,501	2,097,185
Re-statement of Past Service Liability	-	2,893,000
Amortisation of Capital Grants	(523,006)	(628,362)
Change in debtors	85,363	32,634
Change in creditors	(13,281)	(3,184,802)
Gain on sale of other fixed assets	(10,441)	(467)
Unwinding of Discount on Pension Liability	(6,000)	(181,000)
Loss on disposal of Housing Property Components	164,005	-
Share Capital Written Off	(43)	-
Net cash inflow from operating activities	3,205,139	2,671,208

19. DEFERRED INCOME

	Housing Properties Held for Letting £	Total £
Social Housing Grants		
As at 1 April 2017	30,629,137	30,629,137
Additions in the year	40,175	40,175
As at 31 March 2018	30,669,312	30,669,312
Amortisation		
As at 1 April 2017	15,735,734	15,735,734
Amortisation in year	522,610	522,610
As at 31 March 2018	16,258,344	16,258,344
Net book value		
As at 31 March 2018	14,410,968	14,410,968
As at 31 March 2017	14,893,403	14,893,403
Other Grants		
As at 1 April 2017	1,725,318	1,725,318
Eliminated on disposal of components and property	(1,365,366)	(1,365,366)
As at 31 March 2018	359,952	359,952
Amortisation		
As at 1 April 2017	1,705,666	1,705,666
Eliminated on disposal	(1,365,366)	(1,365,366)
Amortisation in year	396	396
As at 31 March 2018	340,696	340,696
Net book value		
As at 31 March 2018	19,256	19,256
As at 31 March 2017	19,652	19,652
Total grants net book value as at 31 March 2018	14,430,224	14,430,224
Total grants net book value as at 31 March 2017	14,913,055	14,913,055

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

	2018 £	2017 £
Amounts due within one year	523,006	549,464
Amounts due in one year or more	13,907,218	14,363,591
	14,430,224	14,913,055

20. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
As at 1 April 2017	176
Issued in year	5
Cancelled in year	(43)
At 31 March 2018	138

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.

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2018 No.	2017 No.
General Needs - New Build	275	275
Support Housing	1,101	1,101
	1,376	1,376

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

Name of Organisation	Number of Units 2018 No.	2017 No.
The Action Group	6	6
Garvald Glenesk Limited	-	1
Carr-Gomm	7	7
SAMH	2	2

22. RELATED PARTY TRANSACTIONS

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

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

Board of Trustees cannot use their position to their advantage. Any transactions between the Association and any entity with which a Board of Trustees member has a connection with is made at arm's length and is under normal commercial terms.

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

	2018 £	2017 £
Rent received from tenants on the Board of Trustees and their close family members	18,615	18,510

At the year end total rent arrears owed by the tenant members on the Board of Trustees (and their close family) were £Nil (2017 - £Nil).

Members of the Board of Trustees who are tenants	3	3

23. DETAILS OF ASSOCIATION

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

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

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

24. BOARD OF TRUSTEES MEMBER EMOLUMENTS

Board of Trustees members received £1,044 (2017 - £1,025) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Trustees members in respect of their duties to the Association.

25 INVESTMENTS

Investments	2018	2017
	£	£
Shares in subsidiary	11	11
Shares in Lomond Park Company Limited	100	100
	111	111

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

Viewpoint Housing Association 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 £4,560 (2017: £5,065) in management fees from Viewpoint Scotland Limited, Viewpoint Housing Association charged interest of £11,737 (2017: £12,851) on a loan to Viewpoint Scotland Limited. At 31 March 2018 the balance outstanding on this loan was £188,265 (2017: £200,033). At the year end the total amount due from this company was £307,958 (2017: £326,768). Interest of £Nil (2017: £408) on the inter-company account balance of £119,692 (2017: £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 Limited for the year ended 31 March 2018 were as follows:

	2018	2017
	£	£
Capital & Reserves	(14,219)	(23,829)
Surplus for the year	9,610	8,739

26. 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.

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 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, then the liability of the withdrawing employer is re-apportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

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 £1,762,938 (2017 - £2,188,000). 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 1.51% (2017 - 1.06%).

The Association made payments totalling £128,403 (2017- £115,626) to the pension scheme during the year.

27 OTHER COMPREHENSIVE INCOME

	2018	2017
	£	£
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 the Scottish Housing Association Pension Scheme (SHAPS) as part of the pension scheme's recovery plan. The resulted in the Association recognising a liability of £5.7m. Following the actuarial valuation of the scheme in September 2015 the Pension 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.