



Alexander Sloan
Accountants and Business Advisers

Viewpoint Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. HEP199

FCA Reference No.1228R(S)

Scottish Charity No. SCO05619

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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VIEWPOINT HOUSING ASSOCIATION LIMITED

BOARD OF TRUSTEES, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Board of Trustees

Iain Donald Ker Thompson	Appointed 18 September 2012. Elected Chair 17 September 2019
Thomas Paul Roehricht	Appointed 20 September 2016. Elected Vice Chair 17 September 2019
Caroline Jardine	Appointed 17 September 2019
Katherine Ruthven Kennedy	Appointed 18 September 2018
Carol Lumsden	Appointed 18 September 2018
David Dennis McIntosh	Appointed 17 September 2019
Pamela Russell	Appointed 18 September 2018
Jean Knight Bennett Simpson	Resigned 18 March 2021
John Muir	Appointed 22 September 2020
Jack Clyne	Co-opted 9 February 2021

Executive Officers

Jean Gray	Chief Executive Officer
Helen McMorran	Director of Business Support / Company Secretary
Howard Vaughan	Director of Finance and Assets
Esther Wilson	Director of Housing and Support
Ann Wood	Director of Care

Registered Office

4 South Oswald Road
Edinburgh
EH9 2HG

External Auditors

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

Internal Auditors

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

Bankers

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

Solicitors

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The Board of Trustees presents its report and the financial statements for the year ended 31 March 2021.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No1228RS), the Scottish Housing Regulator as a registered social landlord (No. HEP199) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SCO05619.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

Viewpoint Housing Association Limited (Viewpoint) has its Head Office in Edinburgh and was established in 1947 with the primary objective of providing high quality accommodation and services to tenants and residents across Edinburgh, Lothians and Fife. Viewpoint is a Registered Social Landlord with 1,329 housing properties specialising in the provision of sheltered housing to 24-hour care as well as amenity and general needs housing for people below retirement age. In providing a continuum of care and support, Viewpoint also provide end of life care in three care homes (133 bed spaces).

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

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. It is also regulated by the Care Inspectorate.

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

The SHR's current assessment is that Viewpoint is working towards compliance with the Regulatory Standards of Governance and Financial Management. Viewpoint has prepared a comprehensive action plan which will address the areas of non-compliance and is working openly and constructively with the Regulator on this work.

The Care Home, Housing Support and @Home services are regulated and inspected by the Care Inspectorate. At the most recent inspections, for the service standards reviewed, St Raphael's, Marian House and Lennox House were all assessed at Grade 5's. The sheltered and supported housing service, for the service standards reviewed, were all assessed at Grade 4's.

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

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. One member resigned during the year, one member was appointed and 3 members were reappointed. The Board is supported by a Risk and Audit Committee, an Operations Committee and a Remuneration Committee, which regularly reviews their skills mix and terms of reference. The Board members have adopted the SFHA Code of Conduct for Governing Body Members.

Viewpoint maintains insurance to cover its Board and Officers against liabilities in relation to their duties carried out on behalf of Viewpoint, as authorised by Viewpoint's rules.

The Board meets at least eight times per annum and members take part in the quarterly Risk & Audit and Operations Committees. In line with business requirements, the Board members may also be asked to participate in short-life working groups when required. The Board meets as part of their annual Away Day without the Executive Team present. The average attendance by all Board members was 91%.

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

Principal Markets and Associated Risks

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

Many sheltered housing providers have moved to a retirement housing model where support is no longer provided. Viewpoint operates this model in Fife but is committed at this time to maintaining its support role in Edinburgh and elsewhere in the Lothians albeit the Housing Support Funding was withdrawn from 31 March 2021.

There are a number of Care Homes within the Edinburgh area. The focus of Viewpoint will remain on maintaining the high standard of the three existing care homes delivering palliative and dementia care and demand continues to be high for all three homes.

The Board of Trustees has a comprehensive Risk Policy and Strategic Plan including a statement of its risk appetite. The Risk Register is reviewed bi-annually in line with the Strategic Plan by the Board, quarterly by the Risk and Audit Committee and monthly by the Executive Team.

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

The Association is an associate member of EVH and as such has access to their Health & Safety Service, which includes support and two yearly audits. Viewpoint continues to deliver essential landlord and occupational health and safety training including gas, electric wiring, fire safety, asbestos, legionella, manual handling and food hygiene.

ACHIEVEMENTS IN 2020/2021

Business and Performance Review

As a result of the impact of Covid-19 the organisation's Strategic Business Plan has been extended by a further year until 2022 when a new three year Plan will be implemented.

Viewpoint's vision is 'Joy in Later Years' and its values 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

In order to achieve its vision and working with the values it has developed over the past few years it has recognised that it needs to ensure it continues to review and develop its strategic plan. While its objectives are all interdependent and all contribute to meeting its vision, it is clear that the overriding priority is to ensure that its current properties and care homes are fit for purpose now and for the future to provide, wherever possible, a home for life for older and vulnerable people in Edinburgh, Fife and the Lothians.

Viewpoint have 5 Strategic Objectives:

1. To ensure our customers are at the heart of what we do
2. To be financially strong enough to support the changing needs of the business
3. To empower and support people to live as independently as they choose
4. To have a Board and staff team that are encouraged to be developing and growing
5. To be efficient and effective whilst considering value for money

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.) Viewpoint's key themes over this period are:

- The Board are engaged and risk aware and in support of the strategic direction of the business
 - Develop a Care Strategy that is person-centred, considers sustainability and affordability and provides different care models and tailored support packages for those that need it
 - Deliver an Asset Management Strategy to ensure homes are fuel efficient; fit for purpose and are of the best achievable standard whilst remaining affordable
 - Digital evolution moving towards digital first - develop a the ICT strategy to dovetail with Housing, Care, and Asset Management strategies
 - Staff are empowered and ready for change and continue to invest in their development in line with the aims to create an ongoing succession plan
 - Consider value for money in all that the organisation does
 - Continue to implement the Tenant Participation Strategy to ensure customers, who are fundamental in decision-making, are involved in the ongoing planning and delivery of the strategic direction
- Underpinning all of this is the commitment to lead the organisation with the highest standards of governance, demonstrating openness and accountability, and achieving a high level of compliance the regulatory standards.

ORGANISATIONAL RISK - Viewpoint faces a wide variety of business related risks and in particular this year the organisation has been significantly impacted by the Covid-19 pandemic. Accordingly this has been an area which has been the focus of the Board and the Executive with the formation of a Financial Resilience Short Life Working Group who meet on a regular basis to assess the ongoing impact of the pandemic on the operations particularly around care home and housing void losses and the additional costs of working e.g. care home agency staff.

The other key risk in the year was an allegation of fraud that was not proven following an independent review. However there were a number of recommendations relating to the review which are being completed internally and resulted in an amendment to Viewpoint's Annual Assurance Statement which links to the organisation's current Engagement Plan for 2021-22.

The key risks have been identified as:

- The impact of the Covid-19 pandemic on the business has been reflected in both the operational and strategic risks.
- Welfare benefit reform and the impact on tenancy sustainability
- Change in Health & Social Priorities / longer term impact on housing support and care homes / decommissioning of services
- Reduction in care home demand / sustainable care models / reputational & financial impact
- Asset Management Strategy – action plan / deliverable within achievable timescales / robust life cycle reporting for accurate financial planning and scenario modelling.
- Regulatory Compliance & Assurance
- The ability of the finances to meet the needs of the business considering unsustainable losses; unexpected increase in interest rates; external & internal fraud; changing environment
- ICT and its alignment with the business needs and requirements now and for the future
- Meeting Landlord Health & Safety legislative requirements
- Implement workforce strategy - staff recruitment, retention, ongoing development, Brexit impact on staffing.

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

OPERATIONAL PERFORMANCE 2020/21

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

Key Performance Indicator	Targets 2020/21	Achieved 2020/21
Void – average days to relet	40	168.5
% void loss for housing stock	1	3.74
Gross Rent Arrears %	2.5	2.69
% complaints responsive Stage 1	95	98.53
% tenants satisfied with response repairs	90	92.56
Average time to complete emergency repairs (hours)	3.5	2.71
% properties meeting EESSH	100	97.68

ASSET MANAGEMENT - The Association seeks to maintain its properties to the highest standard. To this end, it carries out repairs and maintenance in distinct time frames:

- Routine Maintenance, which is carried out as emergency, urgent and routine timescales - expenditure in the year was £1,028,385 (2020 - £1,156,481)
- A programme of Planned Repairs carried out throughout the year to deal with the gradual and predictable deterioration of building attributes - expenditure in the year was £124,499 (2020 - £930,165)
- Cyclical Maintenance – expenditure in the year was £384,419 (2020 - £674,522)
- A long-term programme of major repairs for the replacement of components, which have come to the end of their economic lives - direct expenditure capitalised in the year, was £760,482 (2020 - £851,070)

The Board will endeavour to ensure that the necessary funds will be available in the future to cover the Association's commitments under the Scottish Housing Quality Standards and the Energy Efficiency in Social Housing programme.

Landlord Health & Safety – The Association has an ongoing programme of works to ensure that all statutory and regulatory regulations continue to be met. This includes gas safety, electrical, water (legionella), asbestos, lifts and fire risk assessments for all our properties.

VIEWPOINT HOUSING ASSOCIATION LIMITED

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Review of Business and Future Developments (Contd.)

HOUSING SERVICES – In line with Viewpoint's Rent Policy whilst considering affordability and through consultation with tenants the rent increase for 2020/21 was 2%. The Association's policy follows the generally accepted practice/principles of the Social Housing Sector.

The average time taken to re-let properties this year has increased to 168.5 days as a result of the inability to let properties during the Covid-19 pandemic.

Viewpoint works closely with anyone who is in arrears and provide financial advice and support to assist those individuals to manage the debt.

Viewpoint continues to work closely with its tenants to gauge where improvements can be made in its estates and communities. The easing of lockdown restrictions will allow the recruitment of two new handyperson posts early in the next financial year; delayed from 2020/21.

COMPLAINTS – Viewpoint has implemented an updated version of the Model Complaints Handling Procedure ('Model CHP') in line with the Scottish Public Services Ombudsman ('SPSO') request and this is available to all our customers via the website.

TENANT PARTICIPATION - Tenant involvement plays an important part in formulating and agreeing the Viewpoint's aims and objectives. 2020/21 was Year 2 of the Tenant Participation Strategy approved in November 2018.

While the implementation plan for 2020/21 was approved, with the experience of several months of Covid-19 lockdown and with restrictions on the movement of both tenants and staff, implementation resources were shifted to focus on more tenant communication which has continued to be the case for longer than anticipated. Implementation of the strategy overall has been adversely affected by the pandemic, however there has been progress made in a number of areas.

Priorities for 2020/2021 were identified to meet the year 2 objectives of the Strategy. These were agreed by the Board and were as follows:

- Publish Annual Consultation Plan
- Establish Strategic Network
- Review Customer Care Standards
- Establish Tenant Participation Strategy monitoring
- Consultation on social and learning opportunities
- Provide future investment plans
- Hold Tenant Conference

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REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

TENANT PARTICIPATION (Contd.)

The pandemic has highlighted digital inclusion as an issue that needed to be addressed and work has progressed, in conjunction with partners, *Tap Into IT*, to try to address this, by offering and delivering one to one digital training for tenants, as opposed to previous group sessions. They also provided training for tenants to allow them to participate in virtual recruitment of staff. Viewpoint has also successfully applied for and secured 48 iPads from the Scottish Government's Connecting Scotland fund which aims to address social isolation and digital connectivity. These have been distributed to tenants.

The adverse impact of the pandemic on activity in this area over the past year has meant that the organisation has not been able to implement and consolidate the full strategy and therefore achieve all the aims and objectives set out.

It is therefore proposed to extend the period of the existing strategy to April 2023.

STAFF ENGAGEMENT & PERFORMANCE MANAGEMENT High quality staff are an essential part of the ongoing success of the organisation and the range of services delivered. Service delivery is under-pinned by staff performance and remains a high priority as Viewpoint aim to continue to improve performance.

The Organisational Design Programme which commenced during 2019/20 was suspended as a result of the restrictions imposed during lockdown. It is expected that as restrictions continue to be eased this Programme can be restarted to ensure staff are trained, motivated, empowered and valued throughout the organisation.

All employees are required to comply with the SFHA Code of Conduct for Employees and sign an annual declaration.

The Corporate Induction & Training Programme was postponed in March 2020 due to Covid-19. Viewpoint staff continue to utilise the online eLearning system, *eLearning For You (eLFY)* to complete their mandatory and optional training modules. In the last year, 84% of staff have completed their mandatory training modules. Trained care home staff continue to deliver practical Health & Safety training sessions within the care homes.

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REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

STAFF ENGAGEMENT & PERFORMANCE MANAGEMENT (Contd.)

Over 85% of staff have participated in learning opportunities including:

- SVQ Qualifications at levels 2,3 & 4 for care Home and @Home staff
- CIH Level 3 for housing staff
- Health & Safety Training
- RCN Leadership for Nurses
- In house Senior Carer training
- Mental Health Awareness
- Post Graduate Course in Housing
- Professional Development Awards for senior care staff
- Resilience Training
- Adult Support & Protection Training
- Lone Working Training
- Resilience Training
- Positive Behaviour Support Training for Care Home Staff
- Fire Warden Training (May 2021)
- Namaste Training (May, June 2021)
- Train the Trainer Moving & Handling (May/June 2021)
- Train the Trainer Dementia Awareness (May/June 2021)
- Train the Trainer (June 2021)

Additional staff involvement throughout 2020/2021 was achieved through two, quarterly groups, the Health and Safety Consultative Group and the new Joint Consultative Committee (JCC), which has a number of staff representatives from across the organisation.

CARE HOMES – The impact on the care home occupancy levels of Covid-19 throughout the year has been significant with a resultant increase in staff costs through agency to cover staff absences. The occupancy levels have however continued to improve towards the year end.

Viewpoint has three care homes; St Raphael's has 63 en-suite rooms across four units and Marian House has 35 en-suite rooms. Both these homes are in the Grange area of Edinburgh, The third home, Lennox House is in the Trinity area of Edinburgh which has 34 en-suite rooms. Viewpoint also have Cunningham, a Dementia Unit adjacent to St Raphael's.

The overall average occupancy across the three care homes for 2020/21 was 86%. The individual occupancy for each home was as follows:

Lennox House	82%
Marian House	86%
St Raphael's	89%

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

Throughout the year, Viewpoint continued to invest in staff training to ensure the care services delivered are excellent. The quality of services is reflected in the feedback from the Care Inspectorate in the overall grades of '5' for each care home.

Viewpoint continue to offer a range of internal and external events and outings organised by our Activities Coordinators.

FINANCIAL PERFORMANCE - The results for the year are shown in the Statement of Comprehensive Income on Page 20. The income related to housing was £8,572k (2020: £8,602k) and for care homes was £8,816k (2020: £8,342k). The changes in income were due to lower care home occupancy levels due to Covid-19 admission restrictions partially offset by receipt of Scottish Government Sustainability Funding.

The operating surplus of £1,042k (2020 restated: £919k) shows a £123k increase from the previous year mainly due to delayed expenditure as a result of Covid restrictions. The surplus for housing was £960k (2020: £788k), and a surplus for care homes of £354k (2020: surplus £509k)

Viewpoint continued to invest in its properties, with capital spend on housing of £763k (2020: £1,670k) and care homes of £17k (2020: £128k).

Treasury Management

Viewpoint refinanced its loan funding in 2019 with CAF Bank on a 25 year term loan with the first three years being at a fixed rate. The related borrowing covenants are being comfortably met.

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

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

Part of Viewpoint's finance had previously been 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 HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

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

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

STRATEGIC PLAN 2021/22 PRIORITIES

The strategic priorities are that Viewpoint will, in the financial year 2021/22:

- Ensure there is high quality governance and decision making to guide business activities
- Continue to consolidate the work, assess systems, plan change, and the time it will take to deliver. Aim is to improve the business; modernise systems; focus on customers; improve assets; consider value for money and empower staff
- Moving out of the pandemic continue to provide a responsive and effective repair service and start to deliver a challenging planned maintenance programme, commencing a significant investment into existing stock ensuring they are energy efficient and fit for the future
- Continue to review Rent Policy to ensure Viewpoint tenants have rents which continue to be affordable, demonstrate value for money and give customers greater choice over their services
- Continue to deliver the Dementia Strategy across all services and look to work with others to find solutions for people living with dementia, including assisting people to adapt their homes to meet their needs and make them fit for purpose for the future
- Gather evidence to help understand the needs of customers and how can help them either directly or indirectly. Also seek to identify other high quality flexible services targeted to improving the lives of tenants, residents and customers
- Review and redesign @ Home and Support Services across the business ensuring these models deliver quality and reflect what service users want and can afford
- Ensure the organisation has astute financial management to ensure it can maximise impact and protect its longer-term position, including the affordability of range of both housing, housing support and care services
- Further improve the effectiveness of systems and improve their transparency. Evidence what can be done better. Continue to review and agree an ongoing, achievable and affordable implementation plan
- Committed to the evolution of the organisation's digital journey through review and implementation of ICT, Housing, Assets and Care strategies, with the intention of changing mind set to thinking 'digital first'. Look at empowering tenants, residents and staff, continuing to improve the use of technology in homes so that they can contact Viewpoint at a time and in a way that suits them
- Continue to invest in people to enable them to deliver the best services but also to allow them to grow and develop within the organisation
- Continue to improve services; review targets and improve performance, as well as considering what quality marks, standards or tools could support the organisation on its continuous improvement journey
- Plan EESSH 2 programme in line with the Scottish Government's Climate Change Plan whilst ensuring the organisation invests in measures that are sustainable and affordable
- Invest a minimum of £5 million in stock to ensure the organisation maintains good quality homes

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

STRATEGIC PLAN 2021/22 PRIORITIES (Contd.)

- Increase tenant satisfaction further in line with the Scottish Social Housing Charter outcomes as performance continues to improve. Also continue to review resident satisfaction in care homes to ensure quality and efficiency of services
- Challenge to make the most of resources and demonstrate how balance cost, quality and performance to provide the best results for residents and tenants, ensuring strong financial management and value for money
- Develop a marketing strategy to ensure reaching a wider audience and promote the services delivered at Viewpoint
- Work collaboratively with other partners, agencies and volunteers to help increase the activities and support can offer tenants and residents
- Consult with staff on future working models; consider office/home working blended approach; what is needed, considering the lessons learnt from the pandemic going forward to ensure deliver excellent services together to tenants and residents
- Work towards reducing carbon footprint and, as become more informed regarding the Climate Change Plan and the Scottish Government agenda, develop a Sustainability Strategy
- Develop partnerships and learn from other organisations about how organisation can improve and, in ongoing consideration of value for money review operating costs and make sure the business is run as efficiently as possible

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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' Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Board of Trustees to prepare financial statements for each financial year that 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 a going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- 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 2010 and the Determination of Accounting Requirements 2019. It is 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.

Going Concern

Based on its budgetary and forecasting processes the Board of Trustees has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

It is the Board of Trustees' responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement 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 receives 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 end 31 March 2021. 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.

Disclosure of Information to the Auditor

The members of the Board of Trustees at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

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

By order of the Board of Trustees

Jean Gray
Chief Executive Officer
17 August 2021

Helen McMorran
Secretary

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 pages 13-14 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 to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement of Internal Financial Control on pages 13-14 has provided the disclosures required by the relevant Regulatory Standards within 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 Board of Trustees and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board of Trustees' 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 contained 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
Accountants and Business Advisers
Statutory Auditors
Glasgow

17 August 2021



VIEWPOINT HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIEWPOINT HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Viewpoint Housing Association Limited (the 'Association') for the year ended 31 March 2021 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of the 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 Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

Basis of 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 United Kingdom, including the Financial Reporting Council'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 audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the information contained 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.

VIEWPOINT HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIEWPOINT HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Other Information (Contd.)

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

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

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

Responsibilities of the Board of Trustees

As explained more fully in the statement of Board of Trustees' responsibilities as set out on page 14, the Board of Trustees is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of the 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 intend to liquidate the Association or to cease operations, or have 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

VIEWPOINT HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIEWPOINT HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with the Board of Trustees and other management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- meeting with the Association's internal auditors to discuss their findings;
- reviewing reports prepared by the Association and by their external advisors.
- meeting with senior representatives of the Association

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator. HMRC and the Association's legal advisors.

VIEWPOINT HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIEWPOINT HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Description of the auditor's responsibilities for the audit of the financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. The description forms part of our audit report.

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of 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 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.

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
17 August 2021



VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		Restated 2020	
		£	£	£	£
Revenue	2		17,743,795		17,312,689
Operating costs	2		16,701,997		16,393,408
OPERATING SURPLUS			<u>1,041,798</u>		<u>919,281</u>
Gain on sale of housing stock	7	205,943		370,871	
Exceptional item	27	-		(549,149)	
Interest receivable and other income		91,322		123,200	
Interest payable and similar charges	8	(146,609)		(228,989)	
Movement in fair value of financial instruments	13	275,341		(155,395)	
Other Finance income/(charges)	11	<u>(5,000)</u>		<u>(29,000)</u>	
			<u>420,997</u>		<u>(468,462)</u>
SURPLUS FOR THE YEAR			1,462,795		450,819
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	19		<u>(1,120,000)</u>		<u>690,000</u>
TOTAL COMPREHENSIVE INCOME			<u>342,795</u>		<u>1,140,819</u>

The results relate wholly to continuing activities.

The notes on pages 24 to 42 form an integral part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		Restated 2020	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	12		39,813,366		41,029,200
Other tangible assets	12		856,771		948,838
Investments	13		2,220,645		1,903,306
			<u>42,890,782</u>		<u>43,881,344</u>
CURRENT ASSETS					
Receivables	14	1,355,354		665,335	
Cash and cash equivalents	15	8,705,625		8,786,166	
		<u>10,060,979</u>		<u>9,451,501</u>	
CREDITORS: Amounts falling due within one year	16	<u>(4,072,811)</u>		<u>(4,779,875)</u>	
NET CURRENT ASSETS			<u>5,988,168</u>		<u>4,671,626</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			48,878,950		48,552,970
CREDITORS: Amounts falling due after more than one year	17		(4,674,159)		(4,816,120)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	19	<u>(1,149,000)</u>		<u>(392,000)</u>	
			(1,149,000)		(392,000)
DEFERRED INCOME					
Social housing grants	20	(12,846,001)		(13,477,702)	
Other grants	20	<u>(18,558)</u>		<u>(18,709)</u>	
			(12,864,559)		(13,496,411)
NET ASSETS			<u>30,191,232</u>		<u>29,848,439</u>
EQUITY					
Share capital	21		134		136
Revenue reserves			31,270,399		30,170,604
Restricted reserve			69,699		69,699
Pension reserves			<u>(1,149,000)</u>		<u>(392,000)</u>
			<u>30,191,232</u>		<u>29,848,439</u>

The financial statements were approved by the Board of Trustees and authorised for issue and signed on their behalf on 17 August 2021.

Trustee Member

Trustee Member

Secretary

The notes on pages 24 to 42 form an integral part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	£	2021 £	Restated 2020 £
Surplus for the Year			1,462,795	450,819
<i>Adjustments for non-cash items:</i>				
Depreciation of tangible fixed assets	12	2,051,675	2,128,198	(532,596)
Amortisation of capital grants	20	(534,842)	(370,871)	18,540
(Gain) / Loss on disposal of tangible fixed assets		(205,943)	(426,000)	155,395
Loss on disposal of housing components	-	-	(2)	
Non-cash adjustments to pension provisions		(363,000)		
Change in market value of investments		(275,340)		
Share capital written off	21	(8)		
			672,542	972,664
Interest receivable			(91,322)	(123,200)
Interest payable	8		146,609	228,989
Operating cash flows before movements in working capital			2,190,624	1,529,272
Change in debtors		(690,019)	130,534	
Change in creditors		(149,716)	(1,474,135)	
			(839,735)	(1,343,601)
Net cash inflow from operating activities			1,350,889	185,671
Investing Activities				
Acquisition and construction of properties		(780,305)	(1,798,131)	
Purchase of other fixed assets		(119,397)	(187,931)	
Purchase of investment portfolio		(41,999)	(48,565)	
Social housing grant received		65,061	143,327	
Social housing grant repaid		(162,071)	-	
Write off of shares in subsidiaries		-	11	
Proceeds on disposal of housing properties		359,473	575,000	
Proceeds on disposal of other tangible assets		2,398	-	
Net cash outflow from investing activities			(676,840)	(1,316,289)
Financing Activities				
Loan Advances Received / Movement in loan stock		(345,780)	5,143,940	
Interest received on cash and cash equivalents		91,322	123,200	
Interest paid on loans		(146,609)	(228,989)	
Loan principal repayments		(137,770)	(4,685,729)	
Share capital issued	21	6	7	
Net cash (outflow) / inflow from financing activities			(538,831)	352,429
Increase/(decrease) in cash	22		135,218	(778,189)
Opening cash & cash equivalents			8,435,472	9,213,661
Closing cash & cash equivalents			8,570,690	8,435,472
Cash and cash equivalents as at 31 March				
Cash	22		8,705,625	8,786,166
Bank overdraft			(134,935)	(350,694)
			8,570,690	8,435,472

The notes on pages 24 to 42 form an integral part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Share Capital	Restricted Reserve	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£	£
Balance as at 1 April 2019	131	84,552	(1,508,000)	30,130,932	28,707,615
Issue of Shares	7	-	-	-	7
Cancellation of Shares	(2)	-	-	-	(2)
Other comprehensive income	-	-	(690,000)	-	(690,000)
Other movements	-	(14,853)	426,000	(411,147)	-
Prior Period Adjustment	-	-	-	708,514	708,514
Previously Reported Deficit for the year	-	-	-	(257,695)	(257,695)
Restated Balance as at 31 March 2020	136	69,699	(392,000)	30,170,604	29,848,439
Restated Balance as at 1 April 2020	136	69,699	(392,000)	30,170,604	29,848,439
Issue of Shares	6	-	-	-	6
Cancellation of Shares	(8)	-	-	-	(8)
Other comprehensive income	-	-	(1,120,000)	-	(1,120,000)
Other movements	-	-	363,000	(363,000)	-
Surplus for the year	-	-	-	1,462,795	1,462,795
Balance as at 31 March 2021	134	69,699	(1,149,000)	31,270,399	30,191,232

The notes on pages 24 to 42 form an integral part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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 2018. 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 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal accounting policies is set out below

Revenue

Revenue comprises rental and service charge income receivable in the period, income from provision of care services, income from shared ownership first tranche sales, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

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 they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

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

Going Concern

On the basis that the Board of Trustees has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

Investments

Unlisted investments are initially recognised at cost and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment. Listed investments are measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Structure	Over 60 years
Windows	Over 30 years
Heating Systems	Over 20 years
Kitchens	Over 20 years
Bathrooms	Over 20 years
Lifts	Over 20 years
Fire Systems	Over 10 years
Door Systems	Over 10 years

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	2%
Furniture & Fittings	20%
Computer & Office Equipment	20%
Vans	25%

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

Social Housing Grants and Other Capital Grants

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 they relate.

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

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.

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

The Association is a Scottish Charity and is not liable to taxation on its charitable activities.

Leases

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 or the term of the lease whichever is shorter.

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, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Housing Property Managed By Agents

Where a third party manages the Association's housing property the accounting treatment reflects the substance of the transactions. The property is only excluded if the rights and obligations associated with the scheme has been transferred to the third party.

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.

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Association to exercise judgement in applying the its 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.

Key Judgements

a) 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 Board of Trustees considers its cash-generating units to be the schemes in which it manages its housing property and for asset management purposes and individual care homes.

c) Pension Liability

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

d) Loan stock

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

Estimation Uncertainty

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.

d) Costs of shared ownership

The Association allocates costs to shared ownership properties on a percentage basis split across the number of properties the Association owns.

e) Defined pension liability

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	2021			2020 Restated Restated		
		Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	8,571,578	7,611,533	960,045	8,601,650	7,814,106	787,544
Other Activities	4	9,172,217	9,090,464	81,753	8,711,039	8,579,302	131,737
Total		17,743,795	16,701,997	1,041,798	17,312,689	16,393,408	919,281

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

	General Needs Housing £	Supported Housing £	2021 Total £	2020 Restated Total £
Revenue from Lettings				
Rent receivable net of service charges	1,126,515	6,039,885	7,166,400	7,086,337
Service charges receivable	25,543	993,703	1,019,246	1,097,322
Gross income from rent and service charges	1,152,058	7,033,588	8,185,646	8,183,659
Less: Rent losses from voids	27,609	283,372	310,981	114,605
Income from rents and service charges	1,124,449	6,750,216	7,874,665	8,069,054
Grants released from deferred income	75,828	621,085	696,913	532,596
Total turnover from affordable letting activities	1,200,277	7,371,301	8,571,578	8,601,650
Expenditure on affordable letting activities				
Management and maintenance administration costs	446,382	2,002,779	2,449,161	2,237,387
Service costs	150,373	1,819,102	1,969,475	1,991,860
Planned and cyclical maintenance, including major repairs	49,996	383,468	433,464	1,069,806
Reactive maintenance costs	128,096	1,028,385	1,156,481	1,159,496
Bad Debts - rents and service charges	(547)	26,134	25,587	(4,644)
Depreciation of affordable let properties	282,035	1,295,330	1,577,365	1,360,201
Operating costs of affordable letting activities	1,056,335	6,555,198	7,611,533	7,814,106
Operating surplus on affordable letting activities	143,942	816,103	960,045	787,544
2020	305,533	482,011		

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Supporting people income	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2021	Operating surplus / (deficit) 2020
	£	£	£	£	£	£	£	£
Factoring	-	-	29,335	29,335	-	29,919	(584)	1,877
Support activities	-	164,027	138,981	303,008	-	573,830	(270,822)	(187,776)
Care activities	1,212,557	-	7,603,169	8,815,726	41,768	8,419,966	353,992	508,661
Uncapitalised development administration costs/ Abortive costs	-	-	7,188	7,188	-	-	7,188	(188,621)
Other activities	-	-	16,960	16,960	-	24,981	(8,021)	(2,404)
Total From Other Activities	1,212,557	164,027	7,795,633	9,172,217	41,768	9,048,696	81,753	131,737
2020	-	195,974	8,515,065	8,711,039	45,205	8,534,097	131,737	

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2021	2020
	£	£
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.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>395,541</u>	<u>372,987</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>30,478</u>	<u>23,513</u>
Emoluments payable to Chief Executive (excluding pension contributions)	97,825	95,450
Pension contributions paid on behalf of the Chief Executive	<u>7,352</u>	<u>7,118</u>
Total emoluments payable to the Chief Executive	<u>105,177</u>	<u>102,568</u>
Total emoluments paid to key management personnel	<u>426,019</u>	<u>396,500</u>

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

	Number	Number
£60,001 to £70,000	3	2
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
£100,001 to £110,000	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2021	2020
	No.	No.
Average monthly number of full time equivalent persons employed during the year	<u>263</u>	<u>268</u>
Average total number of employees employed during the year	<u>302</u>	<u>308</u>
Staff costs were:	£	£
Wages and salaries	7,051,862	6,889,595
National insurance costs	603,378	568,523
Pension costs	364,786	356,007
Temporary, agency and seconded staff	1,123,247	674,981
	<u>9,143,273</u>	<u>8,489,106</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GAIN ON SALE OF HOUSING STOCK

	2021	2020
	£	£
Sales proceeds	327,500	575,000
Cost of sales	<u>121,557</u>	<u>204,129</u>
Gain on sale of housing stock	<u>205,943</u>	<u>370,871</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
On bank loans and overdrafts	<u>146,609</u>	<u>228,989</u>

9. SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	2,051,675	2,128,198
Auditors' remuneration - audit services	17,760	17,460
Operating lease rentals - other	2,795	2,795
(Loss) / gain on sale of other non-current assets	<u>3,750</u>	<u>(15,704)</u>

10. CORPORATION TAX

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

11. OTHER FINANCE INCOME / (CHARGES)

	2021	2020
	£	£
Net interest on pension obligations	<u>(5,000)</u>	<u>(29,000)</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Care Homes £	Shared Ownership Completed £	Total £
COST				
At 1 April 2020 Restated	64,077,641	10,737,765	246,537	75,061,943
Additions	762,813	17,492	-	780,305
Disposals	(530,212)	(4,945)	(226,408)	(761,565)
Transfers	(411,652)	-	411,652	-
At 31 March 2021	<u>63,898,590</u>	<u>10,750,312</u>	<u>431,781</u>	<u>75,080,683</u>
DEPRECIATION				
At 1 April 2020 Restated	29,691,163	4,231,130	110,450	34,032,743
Charge for Year	1,543,322	299,287	-	1,842,609
Transfers	(190,639)	-	190,639	-
Disposals	(498,239)	(4,945)	(104,851)	(608,035)
At 31 March 2021	<u>30,545,607</u>	<u>4,525,472</u>	<u>196,238</u>	<u>35,267,317</u>
NET BOOK VALUE				
At 31 March 2021	<u>33,352,983</u>	<u>6,224,840</u>	<u>235,543</u>	<u>39,813,366</u>
At 31 March 2020 Restated	<u>34,386,478</u>	<u>6,506,635</u>	<u>136,087</u>	<u>41,029,200</u>

Expenditure on Existing Properties	2021		2020	
	<i>Component replacement</i>	<i>Improvement</i>	<i>Component replacement</i>	<i>Improvement</i>
	£	£	£	£
Amounts capitalised	780,305	-	1,226,228	571,902
Amounts charged to the statement of comprehensive income	148,660	-	985,570	-

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £Nil (2020-£Nil)

The Association's lenders have standard securities over housing property with a carry value of £2,464,714 (2020 - £2,212,535)

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Machinery & Equipment £	Total £
COST				
At 1 April 2020	883,156	1,590,032	126,658	2,599,846
Additions	-	119,397	-	119,397
Eliminated on disposals	-	(347,530)	(13,500)	(361,030)
	<u>883,156</u>	<u>1,361,899</u>	<u>113,158</u>	<u>2,358,213</u>
At 31 March 2021	883,156	1,361,899	113,158	2,358,213
DEPRECIATION				
At 1 April 2020	340,119	1,218,833	92,056	1,651,008
Charge for year	24,684	169,322	15,060	209,066
Eliminated on disposals	-	(347,382)	(11,250)	(358,632)
	<u>364,803</u>	<u>1,040,773</u>	<u>95,866</u>	<u>1,501,442</u>
At 31 March 2021	364,803	1,040,773	95,866	1,501,442
NET BOOK VALUE				
At 31 March 2021	<u>518,353</u>	<u>321,126</u>	<u>17,292</u>	<u>856,771</u>
At 31 March 2020 Restated	<u>543,037</u>	<u>371,199</u>	<u>34,602</u>	<u>948,838</u>

13. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Investments	2,220,645	1,903,306
	<u>2,220,645</u>	<u>1,903,306</u>
Investment Portfolio		
	2021	2020
	£	£
At 1 April 2020	1,903,306	2,010,136
Additions - net reinvested dividends	41,999	48,565
Unrealised gains/(losses) taken to the statement of comprehensive income	275,340	(155,395)
	<u>2,220,645</u>	<u>1,903,306</u>
At 31 March 2021	2,220,645	1,903,306

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

14. RECEIVABLES		
	2021	2020
	£	£
Gross arrears of rent & service charges	599,911	620,418
Less: Provision for doubtful debts	(195,239)	(182,096)
<i>Net arrears of rent and service charges</i>	404,672	438,322
Other receivables	950,682	227,013
	<u>1,355,354</u>	<u>665,335</u>

15. CASH AND CASH EQUIVALENTS		
	2021	2020
	£	£
Cash at bank and in hand	8,693,252	8,769,064
Balances held in deposit accounts	12,373	17,102
	<u>8,705,625</u>	<u>8,786,166</u>

16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	Restated 2020
	£	£
Bank overdrafts	134,935	350,694
Bank loans	141,961	137,770
Loan Stock	2,189,195	2,534,975
Trade payables	307,238	323,255
Rent received in advance	314,158	324,111
Other taxation and social security	166,475	155,369
Other payables	421,214	420,858
Accruals and deferred income	397,635	532,843
	<u>4,072,811</u>	<u>4,779,875</u>

At the balance sheet date there were pension contributions outstanding of £63,137 (2020: £59,862).

17. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2021	2020
	£	£
Bank loans	<u>4,674,159</u>	<u>4,816,120</u>

18. DEBT ANALYSIS - BORROWINGS		
	2021	2020
	£	£
Bank Loans		
Amounts due within one year	141,961	137,770
Amounts due in one year or more but less than two years	150,085	141,635
Amounts due in two years or more but less than five years	497,607	476,112
Amounts due in more than five years	4,026,487	4,198,373
	<u>4,816,140</u>	<u>4,953,890</u>

The Association has one bank loan the principal terms of which are as follows:

Lender	Properties Secured	Effective Interest Rate	Maturity (Year) Variable or Fixed
CAF Bank	112	3.0%	2044 Fixed

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Viewpoint Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

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 reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

Present values of defined benefit obligation, fair value of assets and defined benefit asset / (liability)

	2021 £	2020 £
Fair value of plan assets	11,976,000	11,322,000
Present value of defined benefit obligation	13,125,000	11,714,000
Defined benefit asset / (liability) to be recognised	<u>(1,149,000)</u>	<u>(392,000)</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2021	2020
	£	£
Defined benefit obligation at the start of period	11,714,000	13,295,000
Expenses	12,000	14,000
Interest expense	276,000	295,000
Actuarial losses (gains) due to scheme experience	(308,000)	(108,000)
Actuarial losses (gains) due to changes in demographic assumptions	-	(87,000)
Actuarial losses (gains) due to changes in financial assumptions	1,939,000	(1,177,000)
Benefits paid and expenses	(508,000)	(518,000)
Defined benefit obligation at the end of period	<u>13,125,000</u>	<u>11,714,000</u>

Reconciliation of opening and closing balances of the fair value of plan assets

	2021	2020
	£	£
Fair value of plan assets at start of period	11,322,000	11,787,000
Interest income	271,000	266,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	511,000	(682,000)
Contributions by the employer	380,000	469,000
Benefits paid and expenses	(508,000)	(518,000)
Fair value of plan assets at the end of period	<u>11,976,000</u>	<u>11,322,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £782,000.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2021 £	2020 £
Expenses	12,000	14,000
Net interest expense	5,000	29,000
	<u>17,000</u>	<u>43,000</u>
Defined benefit costs recognised in statement of comprehensive income	17,000	43,000

Defined benefit costs recognised in the other comprehensive income

	2021 £	2020 £
Experience on plan assets (excluding amounts included in interest income) - (loss) / gain	511,000	(682,000)
Experience gains and losses arising on plan liabilities - gain	308,000	108,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain / (loss)	-	87,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	(1,939,000)	1,177,000
	<u>(1,120,000)</u>	<u>690,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	(1,120,000)	690,000
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
	<u>(1,120,000)</u>	<u>690,000</u>
Total amount recognised in other comprehensive income - gain (loss)	(1,120,000)	690,000

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2021	2020	2019
	£	£	£
Absolute Return	590,000	695,000	998,000
Alternative Risk Premia	480,000	907,000	658,000
Corporate Bond Fund	903,000	827,000	827,000
Credit Relative Value	345,000	272,000	205,000
Distressed Opportunities	409,000	207,000	201,000
Emerging Markets Debt	483,000	403,000	378,000
Fund of Hedge Funds	-	-	33,000
Global Equity	1,853,000	1,557,000	1,896,000
High Yield	314,000	-	-
Infrastructure	669,000	667,000	494,000
Insurance-Linked Securities	250,000	304,000	306,000
Liability Driven Investment	2,879,000	2,981,000	4,194,000
Long Lease Property	278,000	277,000	143,000
Net Current Assets	89,000	86,000	12,000
Over 15 Year Gilts	6,000	144,000	303,000
Private Debt	282,000	224,000	152,000
Property	215,000	211,000	234,000
Risk Sharing	428,000	359,000	342,000
Secured Income	658,000	628,000	411,000
Opportunistic Illiquid Credit	307,000	276,000	-
Opportunistic Credit	327,000	-	-
Liquid Credit	207,000	297,000	-
Total assets	<u>11,976,000</u>	<u>11,322,000</u>	<u>11,787,000</u>

None of the fair values of the assets shown above include any direct investment in the Association's own financial instruments or any property occupied by, or other assets used by the Association.

Key Assumptions

	2021	2020	2019
Discount Rate	2.1%	2.4%	2.3%
Inflation (RPI)	3.3%	2.7%	3.3%
Inflation (CPI)	2.8%	1.7%	2.3%
Salary Growth	3.8%	2.7%	3.3%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	<u>25.0</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

20. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants received			
At 1 April 2020	30,734,485	359,952	31,094,437
Additions in the year	65,061	-	65,061
Eliminated on disposal	(263,005)	-	(263,005)
At 31 March 2021	<u>30,536,541</u>	<u>359,952</u>	<u>30,896,493</u>
Amortisation			
At 1 April 2020	17,256,783	341,243	17,598,026
Amortisation in year	534,691	151	534,842
Eliminated on disposal	(100,934)	-	(100,934)
At 31 March 2021	<u>17,690,540</u>	<u>341,394</u>	<u>18,031,934</u>
Net book value			
At 31 March 2021	<u>12,846,001</u>	<u>18,558</u>	<u>12,864,559</u>
At 31 March 2020	<u>13,477,702</u>	<u>18,709</u>	<u>13,496,411</u>

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

	2021 £	2020 £
Amounts due within one year	531,535	529,311
Amounts due in more than one year	12,332,860	12,967,100
	<u>12,864,395</u>	<u>13,496,411</u>

21. SHARE CAPITAL

	2021 £	2020 £
Shares of £1 each, issued and fully paid		
At 1 April	136	131
Issued in year	6	7
Cancelled in year	(8)	(2)
At 31 March	<u>134</u>	<u>136</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.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

22. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

		2021		2020
	£	£	£	£
Increase / (decrease) in cash	135,218	(778,189)		
Cashflow from change in net debt	137,770	(314,271)		
Movement in net funds in the year		272,988		(1,092,460)
Net funds at 1 April		3,481,582		4,574,042
Net funds at 31 March		<u>3,754,570</u>		<u>3,481,582</u>

<i>Analysis of changes in net funds</i>	At 01 April 2020	Cashflows	Other Changes	At 31 March 2021
	£	£	£	£
Cash and cash equivalents	8,786,166	(80,541)	-	8,705,625
Bank overdrafts	(350,694)	215,759	-	(134,935)
	<u>8,435,472</u>	<u>135,218</u>	<u>-</u>	<u>8,570,690</u>
Debt: Due within one year	(137,770)	137,770	(141,961)	(141,961)
Due after more than one year	(4,816,120)	-	141,961	(4,674,159)
Net funds	<u>3,481,582</u>	<u>272,988</u>	<u>-</u>	<u>3,754,570</u>

23. CAPITAL COMMITMENTS

	2021	2020
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	<u>272,338</u>	<u>409,967</u>

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

24. COMMITMENTS UNDER OPERATING LEASES

	2021	2020
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	2,096	2,795
Expiring later than one year and not later than five years	<u>-</u>	<u>2,096</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

25. 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.

26. BOARD OF TRUSTEES MEMBER EMOLUMENTS

Board of Trustees members received £2,209 (2020 - £2,083) 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.

27. EXCEPTIONAL ITEM

	2021	2020
	£	£
Breakage costs	-	(549,149)

During the previous year the Association re-financed. As a result the Association was required to pay breakage costs on the redeemed loan.

28. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021	2020
	No.	No.
General needs	246	246
Supported housing	1,083	1,083
	<u>1,329</u>	<u>1,329</u>

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

Name of Organisation	Number of Units	
	2021	2020
	No.	No.
The Action Group	6	6
Carr-Gomm	7	7
SAMH	2	2

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

29. RELATED PARTY TRANSACTIONS

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

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

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

	2021	2020
	£	£
Rent received from tenants on the Board of Trustees and their close family members	<u>13,871</u>	<u>8,746</u>
Members of the Board of Trustees who are tenants	3	2

Viewpoint Trust provides financial assistance to Viewpoint Housing Association by way of grants the amount paid in the year was £11,897 (2020: £17,629) of this £8,304 (2020: £2,282) was outstanding at the year end.

Viewpoint Housing Association provided management services to Viewpoint Trust in the year. The amount paid amounted to £4,846 (2020: £4,846), of this £3,635 (2020: £1,212) was outstanding at the year end.

30. PRIOR PERIOD ADJUSTMENTS

Previously Reported Deficit in 2019/20	£ (257,695)
Prior Period Adjustments	708,514
Surplus for the year ended 31 March 2020	<u>450,819</u>

Correction of Shared Ownership Disposals

A correction was made to the accounting of disposals of shared ownership properties made in 2019/20. This also resulted in a reduction in carry amount of loan stock.

Change in Accounting Policy for LD1 Fire Alarms

The Board of Trustees have reviewed the accounting policy for LD1 Fire Alarms and have decided that it is more appropriate to treat LD1 Fire Alarms as a component of the house. Costs of LD1 Fire Alarms previously expensed have now been capitalised.

These adjustments had the following impact on previously reported

	<i>Previously Reported</i>	<i>Adjustment</i>	<i>Restated Balance</i>
	£	£	£
Housing Property	34,389,051	(2,573)	34,386,478
Shared Ownership	-	136,087	136,087
Loan Stock	(3,109,975)	575,000	(2,534,975)
Planned Maintenance	1,444,965	(375,159)	1,069,806
Housing Depreciation	1,322,685	37,516	1,360,201
Gain on sale of housing	-	(370,871)	(370,871)