

**GRAMPIAN COMMUNITY CARE
CHARITABLE TRUST**

(Company Number: SC168624)

(Charity Number: SC025334)

(A company limited by guarantee and not having a share capital)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 MARCH 2011

Anderson Anderson & Brown LLP
Chartered Accountants

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS AND TRUSTEES

The directors of the charitable company are its trustees for the purposes of charity law. The directors are as follows:

	Nominated by:		Date
Alan Grant	Langstane Housing Association		
Mike Allan	Grampian Housing Association		
Dennis Wood	Langstane Housing Association	Treasurer	
Jack Nicoll	Castlehill Housing Association		
Aileen Malone	Aberdeen City Council	Councillor	
Barney Crockett	Aberdeen City Council	Councillor - resigned	25 August 2010
Catriona McPhee-Smith	Inspire	Resigned	10 November 2010
Steven Delaney	Grampian Housing Association	Resigned	9 February 2011
Jayne Findlay	Cornerstone	Resigned	9 February 2011
David Lappin	Castlehill Housing Association		
Caroline Campbell	Cornerstone	Appointed	9 February 2011
Karen Pratt	Inspire	Appointed	10 November 2010

Secretaries

Paull & Williamsons LLP

Registered office

Union Plaza, 1 Union Wynd, Aberdeen, AB10 1DQ

Principal office

Huntly House, 74 Huntly Street, Aberdeen, AB10 1TD

Auditors

Anderson Anderson & Brown LLP, 9 Queens Road, Aberdeen, AB15 4YL

Bankers

The Royal Bank of Scotland Plc, 40 Albyn Place, Aberdeen, AB10 1YN

Solicitors

Paull & Williamsons, Union Plaza, 1 Union Wynd, Aberdeen, AB10 1DQ

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the charitable company for the year ended 31 March 2011.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

Grampian Community Care Charitable Trust is a company limited by guarantee (company number SC168624) and recognised as a charity by the Office of the Scottish Charity Regulator (charity number: SC025334). The charitable company is governed by its Memorandum and Articles of Association.

Organisational structure

A board of directors of up to 15 members, who meet at least 4 times a year, administers the charity. Each member Housing Association and Local Authority is entitled to put forward one board member but this is not compulsory.

A manager is employed by the directors to manage the operations of the charity with day to day activities being carried out by the member Housing Associations.

Recruitment and appointment of directors

The powers for appointment and removal of Directors are set out in the company's memorandum and articles of association.

The resignation and appointment of directors who are local authority councillors are as a result of local authority elections.

Prospective independent directors are proposed by an existing director at a minuted board meeting before the individual is approached, and their appointment is based on the candidate's expertise and suitability to the role.

The members have the power to review the composition of the Board at an Annual General Meeting or at an Extraordinary General Meeting, subject to the provision that directors appointed by the three Housing Associations cannot be removed by the Members, Articles 24 and 35. Directors shall also vacate their office through disqualification as required under Articles 46 and 47.

Related parties and affiliations

Castlehill, Grampian and Langstane Housing Associations are all members of Grampian Community Care Charitable Trust and provide management and development services to the Trust. Langstane Housing Association also provides financial services to the Trust.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
DIRECTORS' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The directors have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finance of the company and are satisfied that the systems are in place to manage the exposure to major risks.

Objectives and Activities

Grampian Community Care Charitable Trust was incorporated on 27 September 1996 with the primary objective of providing affordable, specialised housing for people who are unable to live independently in the community.

Initially the main focus of the Trust from its inception has been the NHS Grampian Hospital Resettlement Programme, the aim of which is to provide accommodation in the community for people living in long stay hospital care.

A further progression from this is to provide suitable family accommodation for those with a family member who have specialised requirements.

The directors have agreed a vision statement to guide them in developing the future activities of the Trust: *"To enable people with particular needs to have the dignity of living in their own homes"*.

During the year the charity aimed to establish its own development programme by either the development of new build properties or by the purchase of off-the-shelf properties.

In order to achieve the objectives the charity has engaged with stakeholders to identify opportunities for development, and has also actively participated in the open housing market.

The company's main sources of funding are obtained from The Scottish Housing Regulator (previously Communities Scotland) in the form of Special Needs Capital Grants, Local Authorities and private borrowings. Opportunities to develop the company's portfolio of affordable and specialised housing is assessed on a needs basis and no project is undertaken unless it is financially viable.

ACHIEVEMENTS AND PERFORMANCE

The current housing market in North East Scotland provides a financial obstacle in procuring off-the-shelf properties at a realistic price.

The future of Special Needs Capital Grant (SNCG) continues to be in doubt. Alternative funding sources will require to be identified to continue with future additions to the Trust's stock.

FINANCIAL REVIEW

The results for the year are set out in the Statement of Financial Activities on page 9 and the Income and Expenditure Account on page 10. The Directors of the Company are of the opinion that the state of affairs of the Trust as shown on the Balance Sheet on page 11 is satisfactory.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

The surplus for the year was £148,535 (2010 - £293,671) before £127,446 was transferred to designated reserves.

The unrestricted reserves are made up of a general reserve of £322,032 (2010 - £300,943) and designated reserves of £1,306,754 (2010 - £1,179,308). The Trust has a restricted fund (note 18) which consists of grants received and expended on the acquisition and construction of properties.

Investments

The policy of the Trust in the investment of cash is to achieve a satisfactory return while minimising risk. The overriding principle is to minimise risk rather than maximise return.

Loan funding

The long term loans of the Trust total £2 million at 31 March 2011. No additional loan funding has been drawn down during the year.

Reserves

It is the policy of the Trust to maintain three unrestricted funds, two of which are designated for specific purposes.

The general reserve represents those funds not tied up in fixed assets, designated and restricted funds. The Trust's policy is to maintain the general reserve at a level which equates to between three to six months unrestricted expenditure, which equates to between £173,000 to £346,000 of free reserves. This will provide sufficient funds to cover management and administration costs during any temporary interruption to the Trust's activities. The balance on the general reserve at 31 March 2011 was £322,032. The Board intends to monitor the general reserve annually to ensure the reserve remains at a satisfactory level.

The major repairs reserve has been designated by the Board to fund future planned maintenance - the appropriate level of this reserve has been determined from previous 25-year life cycle cost projections. Regular inspections of the Trust's properties also contribute to planned maintenance. The balance on the reserve at 31 March 2011 was £782,006, which the Board considers to be sufficient.

The services reserve has been designated to fund the replacement of specialised equipment provided by the Trust to tenants, and charged to tenants through a service charge. The specialised equipment is included with the houses for letting costs in the balance sheet. The amount transferred annually to this reserve is equivalent to the surplus of service charge income over costs incurred in the provision of services and replacement of equipment.

PLANS FOR FUTURE PERIODS

It is the intention of the Board that the Trust will continue to work in partnership with statutory and voluntary providers of health and social care to identify and meet the needs of individuals who require specialist accommodation to enable them to live in their communities.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
DIRECTORS' REPORT (continued)

PLANS FOR FUTURE PERIODS (continued)

The future of Special Needs Capital Grant is no clearer than it was a year ago.

In light of this fact, the Trust has actively been pursuing a transfer to Castlehill Housing Association in order to increase development opportunities and improve property and housing management services. Castlehill Housing Association, like the Trust, is a registered Scottish charity. It is also a well-known registered social landlord in the North East of Scotland providing housing for people with general and particular needs. Castlehill Housing Association has also developed and managed some of the Trust properties for over 10 years.

It is envisaged that the Trust will become a wholly controlled subsidiary of Castlehill Housing Association.

PROVISION OF INFORMATION TO AUDITORS

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Anderson Anderson & Brown LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Signed on behalf of the Board of Directors

ALAN GRANT
Director

7 SEPTEMBER 2011
Date

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also trustees of Grampian Community Care Charitable Trust for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF GRAMPIAN COMMUNITY CARE CHARITABLE TRUST

We have audited the financial statements of Grampian Community Care Charitable Trust for the year ended 31 March 2011 set out on pages 9 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and to the charitable company's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's Directors those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Directors, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

The Directors (who are also the trustees of the company for the purposes of charity law) responsibilities for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that the financial statements give a true and fair view, are set out in the Statement of Directors' responsibilities.

We have been appointed auditors under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Directors' report is consistent with those financial statements.

We also report to you if, in our opinion, the charitable company has not kept adequate and proper accounting records, if the charitable company's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF
GRAMPIAN COMMUNITY CARE CHARITABLE TRUST (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Directors' report is consistent with the financial statements.

JOHN A BLACK

John A Black (Senior statutory auditor)

For and on behalf of
ANDERSON ANDERSON & BROWN LLP
Statutory Auditor
9 Queens Road
Aberdeen
AB15 4YL

Date: 7 SEPTEMBER 2011

Anderson Anderson & Brown LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2011

	Note	General funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES						
Incoming resources from charitable activities	2	833,591	-	26,988	860,579	893,069
Incoming resources from generated funds						
Voluntary income	3	-	-	-	-	-
Investment income	4	6,638	-	-	6,638	2,921
TOTAL INCOMING RESOURCES		840,229	-	26,988	867,217	895,990
Grants capitalised		-	-	(26,988)	(26,988)	(46,988)
NET INCOMING RESOURCES		840,229	-	-	840,229	849,002
RESOURCES EXPENDED						
Cost of charitable activities						
Provision of accommodation	5	681,713	-	-	681,713	549,581
		681,713	-	-	681,713	549,581
Governance costs	5	9,981	-	-	9,981	5,750
TOTAL RESOURCES EXPENDED		691,694	-	-	691,694	555,331
Movement in total funds for the year		148,535	-	-	148,535	293,671
Total funds brought forward		300,943	1,179,308	-	1,480,251	1,186,580
Transfer between funds		(127,446)	127,446	-	-	-
Total funds carried forward	16	<u>£ 322,032</u>	<u>£ 1,306,754</u>	<u>£ -</u>	<u>£ 1,628,786</u>	<u>£ 1,480,251</u>

The company has made no gains or losses other than as reported above.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
INCOME			
Donations	3	-	-
Lease income	2	833,591	846,081
		<u>833,591</u>	<u>846,081</u>
EXPENDITURE			
Net operating costs	6	(588,314)	(447,196)
OPERATING SURPLUS		<u>245,277</u>	<u>398,885</u>
Interest receivable	4	6,638	2,921
Interest payable	7	(103,380)	(108,135)
SURPLUS FOR THE YEAR		<u>£ 148,535</u>	<u>£ 293,671</u>

The company has made no gains or losses other than as reported above.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
BALANCE SHEET - 31 MARCH 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Land and buildings	10	9,071,179	9,114,352
Less: grants	11	5,991,690	5,964,702
		<u>3,079,489</u>	<u>3,149,650</u>
CURRENT ASSETS			
Debtors	12	76,468	79,884
Cash at bank		748,277	799,319
		<u>824,745</u>	<u>879,203</u>
CREDITORS: <i>amounts falling due within one year</i>	13	364,722	352,854
NET CURRENT ASSETS		<u>460,023</u>	<u>526,349</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,539,512	3,675,999
CREDITORS: <i>amounts falling due after more than one year</i>	14	1,910,726	2,195,748
NET ASSETS		<u>£ 1,628,786</u>	<u>£ 1,480,251</u>
UNRESTRICTED INCOME FUNDS			
General	16	322,032	300,943
Designated	17	1,306,754	1,179,308
TOTAL FUNDS		<u>£ 1,628,786</u>	<u>£ 1,480,251</u>

Signed on behalf of the board of directors

ALAN GRANT
.....
Director

DENNIS WOOD
.....
Director

7 SEPTEMBER 2011 Date

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

1. ACCOUNTING POLICIES

(a) *Basis of financial statements preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005), the Charities Financial Statements (Scotland) Regulation 2006 and the Companies Act 2006. Due to the nature of the company's activities, the directors consider it appropriate that the company depart from the requirements of the Companies Act 2006 and SORP 2005 and adopt standard accounting practice for Housing Associations in respect of capital grants, in order for the financial statements to show a true and fair view. An explanation of the departure is given at 1(e).

(b) *Incoming resources*

(i) Donations

Donations, including donations in kind, are credited to income in the year in which they are receivable.

(ii) Lease income

Lease income represents rental and service charge income receivable net of voids.

(iii) Revenue grants

Revenue grants are credited to income in the year to which they relate.

(iv) Intangible income

Intangible income, which comprises donated services being the provision of directors and other individuals to attend management meetings, has not been recognised in the Statement of Financial Activities as it has not been possible to obtain estimates of the financial cost borne by the donors.

(c) *Resources expended*

Liabilities are recognised when the charity has an obligation to make a payment to a third party.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT.

Expenditure is directly attributed to the relevant category within the Statement of Financial Activities where practical. Other expenditure is allocated on a pro-rata basis determined by the directors.

(d) *Tangible fixed assets - housing properties*

Housing properties are stated at historical cost. This cost includes:

- Cost of acquiring land and buildings
- Development expenditure
- Interest charged on the development loans raised to finance the scheme
- Directly attributable costs of administration of acquisition and development

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

1. ACCOUNTING POLICIES (continued)

(d) *Tangible fixed assets - housing properties* (continued)

Depreciation is charged on a straight line basis over the remaining expected useful life of the property. All properties are assumed to have a useful economic life of 50 years.

Properties (excluding land) are depreciated at 2% p.a. on original cost less the proportion of Special Needs Capital Grant and other grants relating to buildings.

(e) *Capital Grants*

Grants received in respect of tangible fixed assets have been used to reduce the cost of fixed assets in the Balance Sheet. Such grant income received in advance of incurring expenditure on fixed assets is taken to deferred income.

(f) *Taxation*

The company is recognised by HM Revenue & Customs as a charity and as a consequence of the tax reliefs available in relation to current year income is not liable to taxation.

(g) *Lease Commitments*

Rentals paid under operating leases are charged to income over the term of the lease.

(h) *Funds*

Funds held by the charity comprise:

Restricted funds

This fund represents amounts, received from sponsoring organisations, which have been earmarked for specific purposes by the donor.

Unrestricted funds

- General

This fund is expendable at the discretion of the Directors in furtherance of the objects of the Trust.

- Designated

This fund represents funds earmarked for future major repairs and to fund the replacement of specialist equipment. The Trust maintains its properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. Provision is made for such future expenditure.

The amount transferred annually to the services reserve is equivalent to the surplus of service income over costs incurred in the provision of services and replacement of equipment.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2011 £	2010 £
Provision of accommodation:		
Lease income	833,591	846,081
Property grants received	26,988	46,988
	<u>£ 860,579</u>	<u>£ 893,069</u>

3. VOLUNTARY INCOME

	2011	2010
Donations	<u>£ -</u>	<u>£ -</u>

4. INVESTMENT INCOME

	2011	2010
Bank interest receivable	<u>£ 6,638</u>	<u>£ 2,921</u>

5. RESOURCES EXPENDED

	Cost of charitable activities £	Governance £	2011 £	2010 £
Provision of accommodation:				
Property costs	608,328	-	608,328	472,325
Employment costs	29,673	-	29,673	25,951
Printing, stationery & office	3,274	-	3,274	2,531
Audit	-	9,981	9,981	5,750
Financial	25,379	-	25,379	26,172
Legal and professional	11,858	-	11,858	16,582
Bank charges	694	-	694	584
Insurance	2,507	-	2,507	2,384
Bad debts	-	-	-	3,052
	<u>£ 681,713</u>	<u>£ 9,981</u>	<u>£ 691,694</u>	<u>£ 555,331</u>

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

6. NET OPERATING COSTS

	2011 £	2010 £
Legal and professional	6,277	16,582
Auditors' remuneration	9,981	5,750
Day to day maintenance	65,399	79,106
Planned maintenance	202,123	76,940
Depreciation	58,128	58,277
Property, management and administration costs	246,406	210,541
	<u>£ 588,314</u>	<u>£ 447,196</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
On loans from banks payable wholly or partly in more than five years by instalments	<u>£ 103,380</u>	<u>£ 108,135</u>

8. STAFF COSTS AND EMPLOYEES

Staff costs in the year were as follows:

	2011 £	2010 £
Wages and salaries	27,040	22,668
Social security costs (net of SMP)	2,633	2,180
Pension	-	-
	<u>£ 29,673</u>	<u>£ 24,848</u>

The Trust employs one member of staff (2010 - one). As the Trust is deemed as a 'small employer' by HMRC all statutory maternity payments plus a compensation element are recoverable.

All other staff functions are performed by employees of Castlehill, Grampian and Langstane Housing Associations. Amounts charged for these services in the year are included in the amounts shown in note 21.

9. DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments during the year (2010 - £nil). Professional indemnity insurance was provided for the Directors of the Trust at a cost of £1,360 (2010 - 1,386).

During the year travel expenses of £nil (2010 - £202) were paid to one of the trustees.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

10. TANGIBLE FIXED ASSETS

	Houses for letting £	Houses under construction £	Total £
COST			
At 1 April 2010	9,525,181	-	9,525,181
Additions	14,955	-	14,955
At 31 March 2011	9,540,136	-	9,540,136
DEPRECIATION			
At 1 April 2010	410,829	-	410,829
Charge for the year	58,128	-	58,128
At 31 March 2011	468,957	-	468,957
Net book amounts at:			
31 March 2011	£ 9,071,179	£ -	£ 9,071,179
31 March 2010	£ 9,114,352	£ -	£ 9,114,352

All but one of the Trust's housing land and buildings is heritable property and is for the direct use of the charity.

Included within Houses for letting is a leased property amounting to £227,144 which is fully funded by grants.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

11. GRANTS

	2011 £	2010 £
Grants received at beginning of year	5,964,702	6,011,199
Deferred grant at beginning of year	-	(66,912)
	<u>5,964,702</u>	<u>5,944,287</u>
Capital grants received in year	26,988	46,988
Release of deferred grant in year	-	66,912
Transfer grants to creditors	-	(93,485)
	<u>£ 5,991,690</u>	<u>£ 5,964,702</u>

12. DEBTORS

	2011 £	2010 £
Amounts owed by related parties (Note 21)	32,318	42,241
Other debtors	44,150	37,643
	<u>£ 76,468</u>	<u>£ 79,884</u>

13. CREDITORS: *amounts falling due within one year*

	2011 £	2010 £
Bank loans (Note 14)	95,336	131,599
Trade creditors	2,718	3,792
Amounts owed to related parties (Note 21)	32,727	73,816
Accruals and deferred income	233,941	143,647
	<u>£ 364,722</u>	<u>£ 352,854</u>

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

14. CREDITORS: amounts falling due after more than one year

	2011 £	2010 £
Bank loans for completed schemes		
Repayable as follows:		
In one year or less	95,336	131,599
Between one and two years	97,330	134,739
Between two and five years	294,845	414,111
In five years or more	1,518,551	1,646,898
	<hr/>	<hr/>
	2,006,062	2,327,347
Less: amounts falling due within one year	(95,336)	(131,599)
	<hr/>	<hr/>
	£ 1,910,726	£ 2,195,748

Amounts of loans outstanding per lender at the year end are as follows:

Halifax Bank of Scotland	£1.2m
Royal Bank of Scotland plc	£800k

The loan terms range between 20 and 30 years.

Interest rates prevailing during 2010/11 for fixed loans were as follows:

Halifax Bank of Scotland	- 6.88%
Royal Bank of Scotland plc	- 6.05%

At the year end, approximately 70% of the loan balances were on fixed rate arrangements.

Interest rates prevailing during 2010/11 for varied loans were as follows:

Halifax Bank of Scotland	- 0.75% above base
Royal Bank of Scotland plc	- 0.70% above base

Loans are secured by specific charges on certain of the Trust's properties. A second ranking security is held by The Scottish Housing Regulator and Aberdeenshire Council over certain properties.

15. SHARE CAPITAL

The charity is a company limited by guarantee and has no share capital. The members' liability in the event of winding up does not exceed £1 per member.

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16. UNRESTRICTED FUNDS

	General funds £	Designated funds £	Total £
At 31 March 2010	300,943	1,179,308	1,480,251
Movement in funds for the year	148,535	-	148,535
Transfer of amount designated for future major repairs	(80,000)	80,000	-
Transfer of amount designated for equipment replacement	(47,446)	47,446	-
At 31 March 2011	<u>£ 322,032</u>	<u>£ 1,306,754</u>	<u>£ 1,628,786</u>

17. DESIGNATED FUNDS

	Services £	Major repairs £	Total £
At 31 March 2010	477,302	702,006	1,179,308
Transfer from general funds	47,446	80,000	127,446
At 31 March 2011	<u>£ 524,748</u>	<u>£ 782,006</u>	<u>£ 1,306,754</u>

The purpose of the services designated funds is to fund the replacement of specialist equipment provided by the Trust to tenants. The amount transferred annually to this reserve is equivalent to the surplus of service charge income over costs incurred in the provision of services and replacement of equipment.

The purpose of the major repair designated reserve is to fund future planned maintenance at the appropriate level.

18. RESTRICTED FUNDS

	Land & Buildings	
	2011 £	2010 £
Income	26,988	46,988
Expenditure	(26,988)	(46,988)
At 31 March 2011	<u>£ -</u>	<u>£ -</u>

The above fund represents capital grant funding to be utilised to partly finance capital expenditure.

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Unrestricted funds General £	Designated £	Total funds £
Land and buildings at net book value	5,991,690	3,079,489	-	9,071,179
Grants received	(5,991,690)	-	-	(5,991,690)
	-	3,079,489	-	3,079,489
Net current (liabilities)/assets	-	(846,731)	1,306,754	460,023
Creditors falling due after one year	-	(1,910,726)	-	(1,910,726)
	£ -	£ 322,032	£ 1,306,754	£ 1,628,786

20. OPERATING LEASE COMMITMENT

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and building 2011	2010
Between one and five years	£ 38,750	£ 38,750

21. RELATED PARTY TRANSACTIONS

Castlehill Housing Association Ltd, Langstane Housing Association Ltd and Grampian Housing Association Ltd are Members of the Trust. These housing associations are involved in the development of Trust properties, and undertake certain administrative functions of the Trust.

	Langstane Housing Association £	Castlehill Housing Association £	Grampian Housing Association £	Total £
Repair and development recharges	123,831	37,995	156,579	318,405
Management	46,315	11,999	35,676	93,990
	£ 170,146	£ 49,994	£ 192,255	£ 412,395
Total amount due by Trust at year end (Note 13)	£ 2,597	£ 15,671	£ 14,459	£ 32,727
Amounts collected on behalf of the Trust	£ 277,392	£ 192,757	£ 367,811	£ 837,960
Amounts due to Trust at year end (Note 12)	£ -	£ 1,432	£ 30,886	£ 32,318

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22. CONTINGENT LIABILITIES

Special Need Capital Grants provided by The Scottish Housing Regulator have the sole purpose of funding schemes for people with special needs. If the conditions attached to the grant are breached then the grant is repayable to The Scottish Housing Regulator.

Of the total grant, as disclosed in Note 11, £2,471,454 relates to Special Needs Capital Grants subject to repayment to The Scottish Housing Regulator in the event of breach of conditions.