



**GRAMPIAN COMMUNITY CARE
CHARITABLE TRUST**

(Company Number: SC168624)

(Charity Number: SC025334)

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

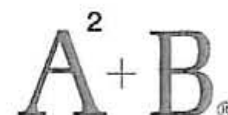
DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2008

Anderson Anderson & Brown LLP

Chartered Accountants

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008



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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:

Sheila Henderson		Chairperson	
Gordon Kyle	Castlehill Housing Association	Vice Chairman	
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	
George McIntyre	The Moray Council	Councillor	Resigned 15 August 2007
Keith Harrison	Grampian Housing Association		Deceased April 2008
Bill Murdoch			
Heather Jolly			Resigned 15 August 2007
Jane Cumming			Resigned 14 November 2007
Bruce Anderson			
Catriona McPhee-Smith			
Anne McKay	The Moray Council	Councillor	Appointed 15 August 2007
Barney Crockett	Aberdeen City Council	Councillor	Appointed 15 August 2007

Secretaries

Paull & Williamsons

Registered office

6 Union Row, Aberdeen, AB10 1DQ

Principal office

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

Auditors

Anderson Anderson & Brown LLP, 6 Carden Place, Aberdeen, AB10 1UR

Bankers

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

Solicitors

Paull & Williamsons, New Investment House, 214 Union Street, Aberdeen, AB10 1QY

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST DIRECTORS' REPORT



The directors submit their report and the audited accounts of the charitable company for the year ended 31 March 2008.

Legal and administrative information set out on page 1 forms part of this report. The accounts 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 bi-monthly, administers the charity. Each member Housing Association and Local Authority is entitled to put forward one board member but this is not compulsory.

A co-ordinator 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Induction and training of Directors

A training and induction manual is provided for all new directors and a programme of site visits to properties is ongoing for new directors.

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.

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 increase the number of units available by either development 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.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
DIRECTORS' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE

The current housing market in the North East Scotland provides a financial obstacle in procuring off-the-shelf properties at a realistic price. The delay in the commencement of the development programme of the local housing associations' due to the Devanha joint procurement programme has also resulted in suitable new build properties not becoming available.

Notwithstanding these issues however, during the year ended 31 March 2008 the Trust's portfolio has been increased by the purchase of 4 Chattan Place, 7 Loudon Place and the completion of the 4 bed unit at Waulkmill, Elgin.

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.

The surplus for the year was £89,265 (2007 - £183,006) of which £54,871 was transferred to designated reserves. The unrestricted reserves are made up of a general reserve of £209,376 (2007 - £174,982) and designated reserves of £885,455 (2007 - £830,584). 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 £2.47 million at 31 March 2008, this includes loans drawn down from The Royal Bank of Scotland plc (RBS) during the year which are secured against Knockothie Court (£174,063) and Pitmedden Terrace (£674,617).

FINANCIAL REVIEW (continued)

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 £171,000 to £342,000 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 2008 was £209,376, which is within this target range. 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 25-year life cycle cost surveys carried out for all of the Trust's properties. The balance on the reserve at 31 March 2008 was £525,006, 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. During the year to 31 March 2008 however, an excess of costs were incurred over service charge income. These relate to the cost of furniture packages at Kaims Court at a cost of £26,057 and installation of sprinkler systems at St Margarets & Greyfriars Close at a cost of £65,852. It is anticipated that this expenditure will be recovered over their useful lives via monthly service charges to tenants. The balance on the reserve at 31 March 2008 was reduced to £360,449, which the Board considers to be sufficient.

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.

With the changes within the regulatory body from Communities Scotland to the Scottish Government (The Scottish Housing Regulator) the future of Special Needs Capital Grant (SNCG) is in doubt. Alternative funding sources will require to be identified to continue with future additions to the Trust's stock. With this in mind developments for 2008-9 include an owner occupier arrangement at Irvine Park, Newmacher.

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

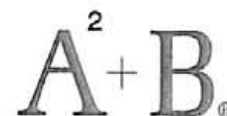
Anderson Anderson & Brown LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Signed on behalf of the Board of Directors

.....S HENDERSON
Sheila Henderson – Director (Chairperson)

.....15 OCTOBER 2008
Date

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
STATEMENT OF DIRECTORS' RESPONSIBILITIES



Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the net income or expenditure of the company for that period. In preparing those accounts, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with Companies Act 1985, 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAMPIAN COMMUNITY CARE CHARITABLE TRUST

This report is issued in respect of an audit carried out under Section 235 of the Companies Act 1985 and Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the accounts of Grampian Community Care Charitable Trust for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Company Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 and to the Charity's trustees, 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 company's members and charity trustees 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 company, the company's members as a body, and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 7 the company's directors, who are the charity trustees, are responsible for the preparation of the Directors' Report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 or not the accounts give a true and fair view, are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the directors' report is consistent with the financial statements, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 accounts 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 accounts.

Opinion

In our opinion the financial statements:-

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulation 2006 and the Companies Act 1985; and
- the information provided in the directors' report is consistent with the accounts.

ANDERSON ANDERSON & BROWN LLP

Anderson Anderson & Brown LLP

Chartered Accountants

Registered Auditors

Aberdeen

15 OCTOBER 2008

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008



	Note	General funds £	Designated funds £	Restricted Funds £	Total 2008 £	Total 2007 £
INCOMING RESOURCES						
Incoming resources from charitable activities	2	763,912	-	114,005	877,917	937,044
Incoming resources from generated funds						
Voluntary income	3	601	-	-	601	1,690
Investment income	4	8,207	-	-	8,207	25,655
TOTAL INCOMING RESOURCES		772,720	-	114,005	886,725	964,389
Grants capitalised		-	-	(114,005)	(114,005)	(725,804)
Deferred grant movement		-	-	-	-	388,500
NET INCOMING RESOURCES		772,720	-	-	772,720	627,085
RESOURCES EXPENDED						
Cost of charitable activities	5	679,260	-	-	679,260	439,664
Governance costs	5	4,195	-	-	4,195	4,415
TOTAL CHARITABLE EXPENDITURE		683,455	-	-	683,455	444,079
TOTAL RESOURCES EXPENDED		683,455	-	-	683,455	444,079
Movement in total funds for the year		89,265	-	-	89,265	183,006
Total funds brought forward		174,982	830,584	-	1,005,566	822,560
Transfer between funds		(54,871)	54,871	-	-	-
Total funds carried forward	16	<u>£ 209,376</u>	<u>£ 885,455</u>	<u>£ -</u>	<u>£ 1,094,831</u>	<u>£ 1,005,566</u>

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

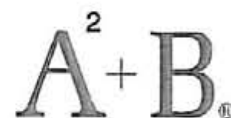
GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008



	Note	2008 £	2007 £
INCOME			
Donations	3	601	1,690
Lease income	2	763,912	598,832
Development allowances	2	-	908
		<u>764,513</u>	<u>601,430</u>
EXPENDITURE			
Net operating costs	6	<u>(538,172)</u>	<u>(328,459)</u>
OPERATING SURPLUS		226,341	272,971
Interest receivable	4	8,207	25,655
Interest payable	7	<u>(145,283)</u>	<u>(115,620)</u>
SURPLUS FOR THE YEAR		<u>£ 89,265</u>	<u>£ 183,006</u>

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

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
BALANCE SHEET – 31 MARCH 2008



	Note	2008 £	2007 £
FIXED ASSETS			
Land and buildings	10	9,176,999	8,848,986
Less: grants	11	5,885,691	5,725,186
		<u>3,291,308</u>	<u>3,123,800</u>
CURRENT ASSETS			
Debtors	12	347,749	270,620
Cash at bank		362,474	385,343
		<u>710,223</u>	<u>655,963</u>
CREDITORS: amounts falling due within one year	13	<u>440,504</u>	<u>1,060,256</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>269,719</u>	<u>(404,293)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,561,027</u>	<u>2,719,507</u>
CREDITORS: amounts falling due after more than one year	14	<u>2,466,196</u>	<u>1,713,941</u>
NET ASSETS		<u>£ 1,094,831</u>	<u>£ 1,005,566</u>
UNRESTRICTED INCOME FUNDS			
General	16	209,376	174,982
Designated	17	885,455	830,584
TOTAL FUNDS		<u>£ 1,094,831</u>	<u>£ 1,005,566</u>

Signed on behalf of the board of directors

S HENDERSON

Sheila Henderson – Director (Chairperson)

A GRANT

Alan Grant – Director

15 OCTOBER 2008

Date

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts 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 Accounts (Scotland) Regulation 2006 and the Companies Act 1985. 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 1985 and SORP 2005 and adopt standard accounting practice for Housing Associations in respect of capital grants, in order for the accounts 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.

1. ACCOUNTING POLICIES (continued)

(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

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) *Pension*

Grampian Community Care Charitable Trust contributes to a defined benefit pension scheme managed for the Scottish Federation of Housing Associations by The Pensions Trust. This scheme is subject to a formal actuarial valuation on a triennial basis using the projected unit method. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives with the Company (note 23).

1. ACCOUNTING POLICIES (continued)

(i) *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 and the actual cost of repair will be charged to the Major Repairs reserve.

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 ACCOUNTS – 31 MARCH 2008



2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2008 £	2007 £
Provision of accommodation:		
Lease income	763,912	598,832
Property grants received	114,005	337,304
Development allowances	-	908
	<u>£ 877,917</u>	<u>£ 937,044</u>

3. VOLUNTARY INCOME

	2008	2007
Donations	<u>£ 601</u>	<u>£ 1,690</u>

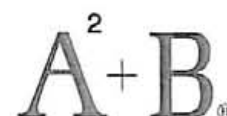
4. INVESTMENT INCOME

	2008	2007
Bank interest receivable	<u>£ 8,207</u>	<u>£ 25,655</u>

5. RESOURCES EXPENDED

	Cost of charitable activities £	Governance £	2008 £	2007 £
Provision of accommodation:				
Property costs	607,739	-	607,739	385,551
Employment costs	19,212	-	19,212	24,484
SFHA affiliation	923	-	923	923
Printing, stationery & office	4,977	-	4,977	6,530
Audit	-	4,195	4,195	4,415
Financial	9,293	-	9,293	9,462
Legal and professional	34,742	-	34,742	5,458
Bank charges	561	-	561	488
Insurance	2,594	-	2,594	2,039
Abortive and other costs	(781)	-	(781)	4,729
	<u>£ 679,260</u>	<u>£ 4,195</u>	<u>£ 683,455</u>	<u>£ 444,079</u>

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE ACCOUNTS – 31 MARCH 2008



6. NET OPERATING COSTS

	2008 £	2007 £
Legal and professional	34,742	5,458
Auditors' remuneration	4,195	4,415
Day to day maintenance	79,432	93,111
Planned maintenance	87,278	19,913
Depreciation	67,211	39,237
Property, management and administration costs	265,314	166,325
	<u>£ 538,172</u>	<u>£ 328,459</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
On loans from banks payable wholly or partly in more than five years by instalments	<u>£ 145,283</u>	<u>£ 115,620</u>

8. STAFF COSTS AND EMPLOYEES

Staff costs in the year were as follows:

	2008 £	2007 £
Wages and salaries	16,798	20,068
Social security costs (net of SMP)	(3,851)	1,374
Pension	3,250	2,810
Secondment costs	2,895	-
	<u>£ 19,092</u>	<u>£ 24,252</u>

The Trust employs one member of staff (2007 - one). For part of the year this member of staff has been on maternity leave and cover has been provided on a part-time secondment basis from Homechoice (Aberdeen) Ltd. 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 22.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE ACCOUNTS – 31 MARCH 2008

9. DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments during the year (2007 - £nil). Professional indemnity insurance was provided for the Directors of the Trust at a cost of £1,386 (2007 - £903).

During the year travel expenses of £34 (2007 - £113) were paid to one of the trustees.

10. TANGIBLE FIXED ASSETS

	Houses for letting £	Houses under construction £	Total £
COST			
At 1 April 2007	7,220,284	1,856,375	9,076,659
Additions	-	395,224	395,224
Transferred to completed	2,251,262	(2,251,262)	-
At 31 March 2008	9,471,546	337	9,471,883
DEPRECIATION			
At 1 April 2007	227,673	-	227,673
Charge for the year	67,211	-	67,211
At 31 March 2008	294,884	-	294,884
Net book amounts at:			
31 March 2008	£ 9,176,662	£ 337	£ 9,176,999
31 March 2007	£ 6,992,611	£ 1,856,375	£ 8,848,986

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 ACCOUNTS – 31 MARCH 2008



11. GRANTS

	2008 £	2007 £
Grants capitalised at beginning of year	5,838,598	5,501,294
Deferred grant at beginning of year	(113,412)	(501,912)
	<u>5,725,186</u>	<u>4,999,382</u>
Capital grants received	114,005	337,304
Release of grant received	46,500	388,500
	<u>£ 5,885,691</u>	<u>£ 5,725,186</u>

12. DEBTORS

	2008 £	2007 £
Trade debtors	3,067	48,591
Amounts owed by related parties (Note 22)	39,147	31,855
Other debtors	80,047	21,974
Counselling & support debtor	10,342	10,342
Grants receivable	215,146	157,858
	<u>£ 347,749</u>	<u>£ 270,620</u>

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

	2008 £	2007 £
Bank loans (Note 14)	106,873	91,275
Trade creditors	18,143	51,512
Rents in advance	32,418	9,903
Amounts owed to related parties (Note 22)	81,414	689,004
Taxation and social security	-	-
Accruals and deferred income	201,656	218,562
	<u>£ 440,504</u>	<u>£ 1,060,256</u>

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE ACCOUNTS – 31 MARCH 2008



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

	2008 £	2007 £
Bank loans for completed schemes		
Repayable as follows:		
In one year or less	106,873	91,275
Between one and two years	109,330	92,762
Between two and five years	345,118	288,277
In five years or more	2,011,748	1,332,902
	<hr/>	<hr/>
	2,573,069	1,805,216
Less: amounts falling due within one year	106,873	91,275
	<hr/>	<hr/>
	<u>£ 2,466,196</u>	<u>£ 1,713,941</u>

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

Lloyds TSB	£0.1m
Clydesdale Bank plc	£0.1m
Bank of Scotland	£1.4m
Royal Bank of Scotland plc	£0.9m

The loan terms range between 20 and 30 years.

Interest rates prevailing during 2007/08 for fixed loans were as follows:

Bank of Scotland	- 6.88%
Royal Bank of Scotland plc	- 6.05% and 6.45%

Interest rates prevailing during 2007/08 for varied loans were as follows:

Lloyds TSB (Scotland)	- 1.00% above base
Clydesdale Bank	- 1.00% above base
Bank of Scotland	- 0.75% 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.

At the request of The Scottish Housing Regulator, the Royal Bank of Scotland have been granted security over all property acquired during the year to 31 March 2008 irrespective of borrowing requirements.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE ACCOUNTS – 31 MARCH 2008



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.

16. UNRESTRICTED FUNDS

	General funds £	Designated funds £	Total £
At 31 March 2007	174,982	830,584	1,005,566
Movement in funds for the year	89,265	-	89,265
Transfer of amount designated for future major repairs	(56,822)	56,822	-
Transfer of amount designated for equipment replacement	1,951	(1,951)	-
At 31 March 2008	<u>£ 209,376</u>	<u>£ 885,455</u>	<u>£ 1,094,831</u>

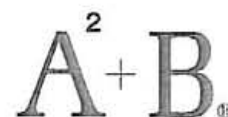
17. DESIGNATED FUNDS

	Services £	Major repairs £	Total £
At 31 March 2007	362,400	468,184	830,584
Transfer from general funds	(1,951)	56,822	54,871
At 31 March 2008	<u>£ 360,449</u>	<u>£ 525,006</u>	<u>£ 885,455</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. During the year to 31 March 2008 however, an excess of expenditure over income was incurred. The excess costs related to the provision of furniture at Kaims Court, also the installation of sprinkler systems at Greyfriars and St Margaret's. In all these cases it is expected to recoup the expenditure through the application of service charges over the useful life of these items.

The purpose of the major repair designated reserve is to fund future planned maintenance at the appropriate level of which have been determined from 25 year life cycle costs surveys carried out for all the Trust's properties.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE ACCOUNTS – 31 MARCH 2008



18. RESTRICTED FUNDS

	Land & Buildings	
	2008	2007
	£	£
Income	114,005	337,304
Expenditure	(160,505)	(725,804)
Deferred grant movement	46,500	388,500
At 31 March 2008	<u>£ -</u>	<u>£ -</u>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds	Unrestricted funds		Total funds
	£	General	Designated	£
		£	£	
Land and buildings at net book value	5,885,691	3,291,308		9,176,999
Grants received	<u>(5,885,691)</u>	<u>-</u>	<u>-</u>	<u>(5,885,691)</u>
	-	3,291,308	-	3,291,308
Net current (liabilities)/assets	-	(615,736)	885,455	269,719
Creditors falling due after one year	<u>-</u>	<u>(2,466,196)</u>	<u>-</u>	<u>(2,466,196)</u>
	<u>£ -</u>	<u>£ 209,376</u>	<u>£ 885,455</u>	<u>£ 1,094,831</u>

20. CAPITAL COMMITMENTS

	2008	2007
Housing properties:		
Expenditure contracted for but not provided in the financial statements	<u>£ -</u>	<u>£ 150,125</u>

21. OPERATING LEASE COMMITMENT

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and building	
	2008	2007
After five years	<u>£ 38,750</u>	<u>£ 32,600</u>

22. 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	22,773	43,175	187,854	253,802
Management	49,026	-	-	49,026
	<u>£ 71,799</u>	<u>£ 43,175</u>	<u>£ 187,854</u>	<u>£ 302,828</u>
Total amount due by Trust at year end (note 13)	<u>£ 17,708</u>	<u>£ 31,465</u>	<u>£ 32,241</u>	<u>£ 81,414</u>
Amounts collected on behalf of the Trust	<u>£ 103,784</u>	<u>£ 72,470</u>	<u>£ 461,968</u>	<u>£ 638,222</u>
Amounts due to Trust at year end (Note 12)	<u>£ 5,941</u>	<u>£ 4,241</u>	<u>£ 28,965</u>	<u>£ 39,147</u>

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE ACCOUNTS – 31 MARCH 2008

23. SCOTTISH FEDERATION OF HOUSING ASSOCIATION RETIREMENT AND DEATH BENEFIT SCHEME

Grampian Community Care Charitable Trust participates in the SFHA Pension Scheme.

The SFHA Pension Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted-out of the state scheme.

The Scheme currently operates with a single benefit structure, final salary with a 1/60th accrual rate. From April 2008 there are three benefit structures available, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- Career average revalued earnings with a 1/70th accrual rate.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Grampian Community Care Charitable Trust has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Grampian Community Care Charitable Trust paid contributions at the rate of 14.0% of pensionable salaries. Member contributions were 7.0%.

As at the balance sheet date there was 1 active member of the Scheme employed by Grampian Community Care Charitable Trust. The annual pensionable payroll in respect of this member was £21,071. Grampian Community Care Charitable Trust continues to offer membership of the Scheme to its employee.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST
NOTES ON THE ACCOUNTS – 31 MARCH 2008

23. SCOTTISH FEDERATION OF HOUSING ASSOCIATION RETIREMENT AND DEATH BENEFIT SCHEME (continued)

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2006 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £268 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £54 million (equivalent to a past service funding level of 83.4%).

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2007. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £310 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £28 million, equivalent to a past service funding level of 91.8%. Annual funding updates of the SFHA Pension Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the scheme since the last full valuation.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2006.

The financial assumptions underlying the valuation as at 30 September 2006 were as follows:

	% pa
- Investment return pre-retirement	7.2
- Investment return post retirement	4.9
- Rate of salary increases	4.6
- Rate of pension increase	2.6
pension accrued pre 6 April 2005	2.6
pension accrued from 6 April 2005	2.25
(for leavers before 1 October 1993	
pension increases are 5.0%)	
- Rate of price inflation	2.6

23. SCOTTISH FEDERATION OF HOUSING ASSOCIATION RETIREMENT AND DEATH BENEFIT SCHEME (continued)

The valuation was carried out using the PA92C2025 short cohort mortality table for non-pensioners and PA92C2013 short cohort mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	Males	Females
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non-pensioners	21.6	24.4
Pensioners	20.7	23.6

The long-term joint contribution rates required from employers and members to meet the cost of *future* benefit accrual were assessed as:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries per annum)
Final salary 60ths	17.8
Career average 60ths	14.6
Career average 70ths	12.6

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the valuation it was agreed that the shortfall of £54 million would be dealt with by the payment of additional contributions of 5.3% of pensionable salaries per annum with effect from 1 April 2008. It is the Scheme policy that the joint contribution rate payable is split between employers and members in the ratio 2:1. Accordingly the joint contribution rates from 1 April 2008 for each of the benefit structures will be:

Benefit structure	Joint contribution rate (% of pensionable salaries per annum)
Final salary 60ths	23.1 comprising employer contributions of 15.4% and member contributions of 7.7%
Career average 60ths	19.9 comprising employer contributions of 13.3% and member contributions of 6.6%
Career average 70ths	17.9 comprising employer contributions of 11.9% and member contributions of 6.0%

23. SCOTTISH FEDERATION OF HOUSING ASSOCIATION RETIREMENT AND
DEATH BENEFIT SCHEME (continued)

A small number of employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 3.5% to reflect the higher costs of a closed arrangement.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an on-going funding basis, by 31 March 2020.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the SFHA Pension Scheme and confirmed that, in respect of the September 2006 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The next full actuarial valuation will be carried out as at 30 September 2009. An Actuarial Report will be prepared as at 30 September 2008 in line with statutory regulations.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

23. SCOTTISH FEDERATION OF HOUSING ASSOCIATION RETIREMENT AND DEATH BENEFIT SCHEME (continued)

Grampian Community Care Charitable Trust has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme based on the financial position of the Scheme as at 30 September 2006. As of this date the estimated employer debt was £ 72,477.

24. 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, £2,444,599 relates to Special Needs Capital Grants subject to repayment to The Scottish Housing Regulator in the event of breach of conditions.

