

**GRAMPIAN COMMUNITY CARE  
CHARITABLE TRUST  
(Company Number: SC168624)  
(Charity Number: SC025334)  
(A company limited by guarantee and not having share capital)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2016**

**Anderson Anderson & Brown LLP  
Chartered Accountants**

**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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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:

Karen Arthur	Inspire
Caroline Campbell	Cornerstone
Geoff Helme	Castlehill Housing Association
David Lappin	Castlehill Housing Association
Jack Nicoll	Castlehill Housing Association
Gail Robertson	Castlehill Housing Association
Jennifer Stewart	Aberdeenshire Council
Sandra Williamson	Castlehill Housing Association

**Registered office**

4 Carden Place, Aberdeen, AB10 1UT

**Principal office**

4 Carden Place, Aberdeen, AB10 1UT

**Auditors**

Anderson Anderson & Brown LLP, Kingshill View, Kingswells, Aberdeen, AB15 8PU

**Bankers**

Clydesdale Bank plc, 1 Queen's Cross, Aberdeen, AB10 4XU

**Solicitors**

Burness Paull, Union Plaza, 1 Union Wynd, Aberdeen, AB10 1SL

## **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 2016.

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 (the 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.

The Trust is a wholly owned subsidiary of Castlehill Housing Association (Industrial & Provident Society number MS 1670 R(S)) & recognised as a charity by the Scottish Charity Regulator (charity number SC013584).

#### **Organisational structure**

A board of directors of up to 11 members, who meet at least 4 times a year, administers the charity. A maximum of 6 members may be representatives of Castlehill Housing Association.

A manager is employed by the Trust's parent company, Castlehill Housing Association Ltd, to manage the operations of the charity with day to day activities being carried out by the member Housing Association.

#### **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, under Articles 22 and 33. Directors shall also vacate their office through disqualification as required under Articles 44 and 45.

**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.

Currently the Trust has 50 individual properties of which 23 are group homes. In total there are 172 bed spaces.

The directors have agreed a vision statement to guide them in developing the future activities of the Trust: "Providing sustainable and adaptable homes for people with particular needs".

During the year the charity pursued its own development programme by the purchase of special needs properties.

In order to achieve the objectives the charity has engaged with stakeholders to identify opportunities for development.

The company's main sources of funding are obtained from The Scottish Government, Local Authorities and private borrowings. Opportunities to develop the company's portfolio of affordable and specialised housing are 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 affordable price.

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 £276,154 (2015 restated - £119,071) before £69,260 was transferred to designated reserves.

The unrestricted reserves are made up of a general reserve of £1,233,507 (2015 restated - £1,026,613) and designated reserves of £1,828,864 (2015 - £1,759,604).

**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 £1,969,176 at 31 March 2016.

**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 designated 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 £205,000 and £411,000 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 2016 was £1,233,507. 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 2016 was £1,182,864 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 the service charge income over costs incurred.

**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.

As a wholly owned subsidiary of Castlehill Housing Association, the Trust will continue to seek out development opportunities.

**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
**DIRECTORS' REPORT (continued)**

**PLANS FOR FUTURE PERIODS (continued)**

During 2015/16 an external consultant reported to the board regarding his recommendation for the future structure of the Trust within the Castlehill Group.

All options were considered regarding Group structure including integrating the Trust within the Castlehill parent association & leaving it as a stand-alone entity.

The final recommendation was approved by all parties - namely that the Trust should remain as a wholly owned subsidiary and be renamed & relaunched.

This process will commence during the 2016/17 financial year.

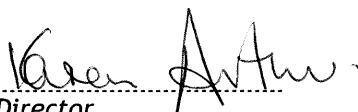
**PROVISION OF INFORMATION TO AUDITORS**

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

  
.....  
Director

KAREN ARTHUR

24.08.16  
.....  
Date

## **GRAMPIAN COMMUNITY CARE CHARITABLE TRUST DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors (who are also trustees of Grampian Community Care Charitable Trust) for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors to prepare the financial statements for each year.

Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the incoming resources and application of resources of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 (as amended). 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 2016 set out on pages 9 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors (who are also the trustees of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

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 2015 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

*John A Black*

John A Black (Senior Statutory Auditor)  
For and on behalf of  
Anderson Anderson Brown LLP

Kingshill View  
Prime Four Business Park  
Kingswells  
Aberdeen  
AB15 8PU

Date: 24 AUGUST 2016

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 2016

	Note	General funds £	Designated Funds £	Restricted funds £	Total 2016 £	General funds £	Designated Funds £	Restricted funds £	Total 2015 £
<b>INCOMING RESOURCES</b>									
Incoming resources from charitable activities	2	1,067,663	-	-	1,067,663	1,056,884	-	-	1,056,884
Incoming resources from generated funds									
Voluntary income	3	-	-	-	-	-	-	-	-
Investment income	4	6,800	-	-	6,800	2,725	-	-	2,725
<b>TOTAL INCOMING RESOURCES</b>		<b>1,074,463</b>	<b>-</b>	<b>-</b>	<b>1,074,463</b>	<b>1,059,609</b>	<b>-</b>	<b>-</b>	<b>1,059,609</b>
Grants Capitalised		-	-	-	-	-	-	-	-
<b>NET INCOMING RESOURCES</b>		<b>1,074,463</b>	<b>-</b>	<b>-</b>	<b>1,074,463</b>	<b>1,059,609</b>	<b>-</b>	<b>-</b>	<b>1,059,609</b>
<b>RESOURCES EXPENDED</b>									
Cost of charitable activities									
Provision of accommodation	5&7	792,843	-	-	792,843	933,765	-	-	933,765
		792,843	-	-	792,843	933,765	-	-	933,765
Governance costs	5	5,465	-	-	5,465	6,773	-	-	6,773
<b>TOTAL RESOURCES EXPENDED</b>		<b>798,308</b>	<b>-</b>	<b>-</b>	<b>798,308</b>	<b>940,538</b>	<b>-</b>	<b>-</b>	<b>940,538</b>
Movement in total funds for the year		276,154	-	-	276,154	119,071	-	-	119,071
Total funds brought forward		1,026,613	1,759,604	-	2,786,217	981,942	1,685,204	-	2,667,146
Transfer between funds		(69,259)	69,259	-	-	(74,400)	74,400	-	-
Total funds carried forward	16	<u>1,233,508</u>	<u>1,828,864</u>	<u>-</u>	<u>3,062,373</u>	<u>1,026,613</u>	<u>1,759,604</u>	<u>-</u>	<u>2,786,217</u>

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

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016

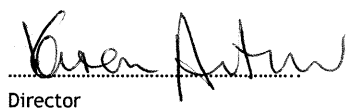
		2016 £	2015 £
	Note		
INCOME			
Donations	3	-	-
Lease income	2	<u>1,067,663</u>	<u>1,056,884</u>
		1,067,663	1,056,884
EXPENDITURE			
Net operating costs	6	<u>(702,436)</u>	<u>(839,972)</u>
OPERATING SURPLUS		365,227	216,912
Interest receivable	4	6,800	2,725
Interest payable	7	<u>(95,873)</u>	<u>(100,567)</u>
SURPLUS FOR THE YEAR		<u>276,154</u>	<u>119,071</u>

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

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
STATEMENT OF FINANCIAL POSITION - 31 MARCH 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Land and Buildings	10	8,683,717	8,859,702
CURRENT ASSETS			
Debtors	12	55,944	44,221
Cash at Bank		1,275,923	1,115,547
		<u>1,331,867</u>	<u>1,159,768</u>
CREDITORS: <i>amounts falling due within one year</i>	13	<u>430,475</u>	<u>479,262</u>
NET CURRENT ASSETS		<u>901,392</u>	<u>680,506</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,585,109	9,540,208
CREDITORS: <i>amounts falling due after more than one year</i>	14	<u>6,522,738</u>	<u>6,753,991</u>
NET ASSETS		<u><u>3,062,371</u></u>	<u><u>2,786,217</u></u>
UNRESTRICTED INCOME FUNDS			
General	16	1,233,507	1,026,613
Designated	17	<u>1,828,864</u>	<u>1,759,604</u>
TOTAL FUNDS		<u><u>3,062,371</u></u>	<u><u>2,786,217</u></u>

Signed on behalf of the board of directors

 KAREN ARTHUR  
Director

 CAROLINE CAMPBELL  
Director

24.08.16 Date

**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
**NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016**

**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 (2015), the Charities Financial Statements (Scotland) Regulation 2006 and the Companies Act 2006.

*(b) Going concern*

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

*(c) 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.

*(d) 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 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.

**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
**NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016**

**1) Accounting policies (continued)**

*(e) 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 used 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.

*(f) Capital Grants*

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where a grant is received from government and other bodies as a contribution towards the capital cost of housing schemes, it is recognised as income using the performance model in accordance with the SORP. Prior to satisfying the performance conditions (e.g. on completion of new build properties), such grants are held as deferred income on the statement of financial position. The adoption of the SORP 2014 changed the accounting for grant income and required a restatement of the prior period results. The effects of these restatements are shown in Note 23.

*(g) Taxation*

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

*(h) Lease Commitments*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
**NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016**

**1) Accounting policies (continued)**

**(i) Funds**

Funds held by the charity comprise:

**Restricted fund:**

A restricted fund is used for amounts received from sponsoring organisations, which have been earmarked for specific purposes by the donor. There was no such fund at the year end.

**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.

**(j) Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**(k) Creditors**

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**(l) Cash and cash equivalents**

Cash comprises cash in hand and deposits repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.



**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
**NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016**

**1) Accounting policies (continued)**

**(m) Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (Other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**(n) Provisions**

The company only provides for liabilities at the year end where there is a legal or constructive obligation incurred which will likely result in the outflow of resources.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2016 £	2015 £
Provision of accommodation:		
Lease income	1,067,663	1,056,884
Property grants received	-	-
	<u>1,067,663</u>	<u>1,056,884</u>

3 VOLUNTARY INCOME

	2016 £	2015 £
Donations	-	-

4 INVESTMENT INCOME

	2016 £	2015 £
Bank interest receivable	<u>6,800</u>	<u>2,725</u>

5 RESOURCES EXPENDED

	Cost of charitable activities £	Governance £	2016 £	2015 £
Provision of accommodation:				
Property, Management and Administration Costs	792,671	-	792,671	906,197
Printing, stationery and office	1,660	-	1,660	3,424
Audit	-	5,465	5,465	6,773
Legal and Professional	4,971	-	4,971	12,990
Bank Charges	239	-	239	266
Insurance	1,957	-	1,957	1,050
Bad Debts	<u>(8,655)</u>	<u>-</u>	<u>(8,655)</u>	<u>9,838</u>
	<u>792,843</u>	<u>5,465</u>	<u>798,308</u>	<u>940,538</u>

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016

6	NET OPERATING COSTS	2016 £	2015 £
	Legal and professional	4,971	12,990
	Auditors' Remuneration	5,465	6,773
	Day to Day maintenance	140,490	175,551
	Planned maintenance	158,321	251,699
	Depreciation	174,335	174,664
	Grant amortisation	(124,156)	(124,156)
	Bad Debts	(8,655)	9,838
	Service costs	112,815	97,977
	Property, management and administration costs	238,850	234,636
		<u>702,436</u>	<u>839,972</u>
7	INTEREST PAYABLE AND SIMILAR CHARGES	2016 £	2015 £
	On loans from banks payable wholly or partly in more than five years by instalments	<u>95,873</u>	<u>100,567</u>
8	STAFF COSTS AND EMPLOYEES	2016 £	2015 £
	Wages and Salaries	-	-
	Social Security costs	-	-
		<u>-</u>	<u>-</u>

The Trust does not directly employ any staff. Management services are provided by the staff of Castlehill Housing Association Ltd, the Trust's parent company.

9 DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments during the year (2015: £nil).  
During the year travel expenses of £ 76 (2015: £113) were paid to one of the trustees.  
Professional indemnity insurance was provided for the Directors of the Trust at a cost of £213 (2015 - £216).

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016

10 TANGIBLE FIXED ASSETS

	Houses for Letting £	Houses under construction £	Total £
<b>COST</b>			
At 1 April 2015	10,855,025	-	10,855,025
Additions	(1,650)	-	(1,650)
Transfers	-	-	-
	<u>10,853,375</u>	<u>-</u>	<u>10,853,375</u>
At 31 March 2016			
	<u>10,853,375</u>	<u>-</u>	<u>10,853,375</u>
<b>DEPRECIATION</b>			
At 1 April 2015	1,995,323	-	1,995,323
Charge for the year	174,335	-	174,335
	<u>2,169,658</u>	<u>-</u>	<u>2,169,658</u>
At 31 March 2016			
	<u>2,169,658</u>	<u>-</u>	<u>2,169,658</u>
<b>Net book values at:</b>			
31 March 2016	<u>8,683,717</u>	<u>-</u>	<u>8,683,717</u>
31 March 2015	<u>8,859,702</u>	<u>-</u>	<u>8,859,702</u>

All but 2 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 and a leased property which GCCCT is the tenant.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016

11	GRANTS	2016 £	2015 £
	Deferred grant at beginning of year	4,921,359	5,045,515
	Capital grants received in year	-	-
	Release of deferred grant in year	(124,156)	(124,156)
	Balance at end of year	4,797,203	4,921,359
	Included in the accounts as follows:		
	Creditors: amounts due within one year (Note 13)	124,156	124,156
	Creditors: amounts due after more than one year (Note 14)	4,673,047	4,797,203
		4,797,203	4,921,359
12	DEBTORS	2016 £	2015 £
	Rental Debtors	37,214	51,765
	Less: Provision for bad debts	(15,646)	(36,435)
	Other debtors	34,375	28,891
		55,944	44,221
13	CREDITORS: <i>amounts falling due within one year</i>	2016 £	2015 £
	Bank loans (Note 14)	118,186	129,926
	Trade Creditors	39,847	24,862
	Amounts owed to parent company	11,863	43,305
	Grant deferred income	124,156	124,156
	Accruals and deferred income	136,423	157,013
		430,475	479,262

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

	2016 £	2015 £
Deferred income	4,673,047	4,797,203
Bank loans for completed schemes	1,849,691	1,956,788
	<u>6,522,738</u>	<u>6,753,991</u>
<b>Bank loans for completed schemes</b>		
Repayable as follows:		
In one year or less	118,186	129,926
Between one and two years	126,150	135,837
Between two and five years	413,855	446,568
In five years or more	1,310,985	1,375,032
	<u>1,969,176</u>	<u>2,087,363</u>
Less: amounts falling due within one year	(118,186)	(129,926)
Less: loan arrangement fee	(1,299)	(649)
	<u>1,849,691</u>	<u>1,956,788</u>

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

Halifax Bank of Scotland	£	875,687
Royal Bank of Scotland plc	£	642,092
Cooperative Bank Plc	£	451,397

The loan terms range between 20 and 30 years.

Interest rates prevailing during 2015-16 for fixed rate 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 2015-16 for varied rate loans were as follows:

Halifax Bank of Scotland	0.75% above base
Royal Bank of Scotland plc	0.70% above base
Cooperative Bank Plc	3.25% 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.

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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.

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016

16 UNRESTRICTED FUNDS

	General funds £	Designated funds £	Total £
At 31st March 2015	1,026,613	1,759,604	2,786,217
Movement in funds for the year	276,154	-	276,154
Transfer of amount designated for future major repairs	(80,000)	80,000	-
Transfer of amount designated for service costs	10,740	(10,740)	-
At 31st March 2016	<u>1,233,507</u>	<u>1,828,864</u>	<u>3,062,371</u>

17 DESIGNATED FUNDS

	Services £	Repairs £	Total £
At 31st March 2015	657,598	1,102,006	1,759,604
Transfer from general funds	(10,740)	80,000	69,260
At 31st March 2016	<u>646,858</u>	<u>1,182,006</u>	<u>1,828,864</u>

The purpose of the services designated funds is to fund the replacement of specialist equipment provided by the Trust to tenants.

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

GRAMPIAN COMMUNITY CARE CHARITABLE TRUST  
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Unrestricted funds General £	Designated £	Total funds £
Land and buildings at net book value	4,797,203	3,886,515	-	8,683,717
Grants received	<u>(4,797,203)</u>	<u>-</u>	<u>-</u>	<u>(4,797,203)</u>
Net current liabilities/assets	-	3,886,515	-	3,886,515
Creditors falling due after one year	-	(927,473)	1,828,864	901,392
	<u>-</u>	<u>(1,849,691)</u>	<u>-</u>	<u>(1,849,691)</u>
	<u>-</u>	<u>1,109,352</u>	<u>1,828,864</u>	<u>2,938,216</u>

19 OPERATING LEASE COMMITMENT

At 31 March 2016 the company had annual commitments under non cancellable operating leases expiring as follows:

	2016 £	Land and Buildings 2015 £
Between one and five years	4,000	120,000
In more than five years	-	58,000
	<u>4,000</u>	<u>178,000</u>

20 Related Party Transactions

The Trust is a wholly controlled subsidiary of Castlehill Housing Association Ltd.

Details of transactions with Castlehill Housing Association included in the Trust's accounts for 2016 are as follows:

	£
Income	<u>-</u>
Expenditure	
Repair and development recharges	47,393
Management	<u>142,860</u>
Total	<u>190,253</u>
Total due by Trust at 31st March 2016	<u>11,863</u>



**21 CONTINGENT LIABILITIES**

Special Needs Capital Grants provided by the Scottish Government 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 Government.

Of the total grant, as disclosed in Note 11, £1,471,454 relates to Special Needs Capital Grants subject to repayment to The Scottish Housing Regulator in the event of breach of conditions.

**22 Capital Commitments**

At 31 March 2016 the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>                    </u>	<u>25,000</u>

**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
**NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016**

**23 Adjustments following the adoption of FRS 102**

*Recognition of grant income*

Previously capital grants received were netted off against the cost of housing properties in the statement of financial position. The grants were allocated to both the land and the structure cost of each property and depreciation was calculated on the cost net of grant. In line with the Housing SORP 2014 and FRS 102, grant received by the Association is now recognised as deferred income within creditors in the statement of financial position. The grant is allocated to the housing property components (excluding land) and the grant is then released in full to the statement of comprehensive income on a systematic basis over the useful life of the housing property. The result of this change is to increase fixed assets, increase deferred income within creditors and to increase the surplus due to the full grant being amortised with no element being allocated to land.

**GRAMPIAN COMMUNITY CARE CHARITABLE TRUST**  
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2016

**23** PRIOR YEAR ADJUSTMENTS (continued)

	Notes	As previously stated 01 April 2014 £	Effect of transition 01 April 2014 £	FRS 102 as restated 01 April 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 as restated 31 March 2015 £
<b>Statement of Financial Position</b>							
Land and Buildings		10,179,252	(1,162,827)	9,016,425	10,124,355	(1,264,653)	8,859,702
Less: grants		(6,461,919)	6,461,919	0	(6,461,919)	6,461,919	0
	10	3,717,333	5,299,092	9,016,425	3,662,436	5,197,266	8,859,702
Debtors	12	40,278	0	40,278	44,221	0	44,221
Cash at Bank		1,117,294	0	1,117,294	1,115,547	0	1,115,547
Creditors: due within one year	13	(383,417)	0	(383,417)	(355,106)	0	(355,106)
Creditors: due after more than one year	14	(2,077,919)	(5,045,515)	(7,123,434)	(1,956,788)	(4,921,359)	(6,878,147)
Net assets		2,413,569	253,577	2,667,146	2,510,310	275,907	2,786,217
General Reserve	16	728,365	253,577	981,942	750,706	275,907	1,026,613
Designated Reserve	17	1,685,204		1,685,204	1,759,604	0	1,759,604
Total funds		2,413,569	253,577	2,667,146	2,510,310	275,907	2,786,217
<b>Statement of Comprehensive Income</b>							
Donations		0		0	0		0
Lease income	2	1,004,287	0	1,004,287	1,056,884	0	1,056,884
Net operating costs	6	(730,963)	22,570	(708,393)	(862,301)	22,330	(839,971)
Interest receivable		2,657	0	2,657	2,725	0	2,725
Interest payable	7	(100,614)	0	(100,614)	(100,567)	0	(100,567)
Surplus for the year		175,367	22,570	197,937	96,741	22,330	119,071