

COMPANY REGISTRATION NUMBER: SC070762
CHARITY REGISTRATION NUMBER: SC004780

**Cornerstone Community Care
Operating as Cornerstone
Company Limited by Guarantee
Financial Statements
31 March 2018**

WILLIAMSON & DUNN
Chartered accountant & statutory auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2018

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Cornerstone Community Care Operating as Cornerstone

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Directors' Annual Report

Year ended 31 March 2018

The directors, who are also the trustees for the purposes of charity law, present their report and the financial statements of the charity for the year ended 31 March 2018.

Objectives and activities

Cornerstone is a leading provider of care and support services for adults, children and young people with disabilities and other support needs. The aim of the charity is to deliver high quality care and support that enables everyone to live a valued life - 'the life they choose'. Every day, Cornerstone supports people to become more independent and to live valued lives in their community.

Cornerstone operates with a person centred approach and identifies and measures outcomes for everyone the charity supports based on four key areas - increased social inclusion, improved health, improved independence and improved wellbeing. Cornerstone achieves this through the provision of a wide range of services focused on the needs of the people the charity supports including:

- children and families
- those who have become involved in the community justice system
- adults and young people with a learning disability
- older people and people with dementia
- young carers
- children and adults with profound and multiple disabilities

In addition to housing support, homecare, supported living, residential care and community based provision Cornerstone operates some specialist services including:

- Self-directed support services
- In Your Corner - a support service for young carers
- short breaks and respite
- fostering service
- shared lives

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

During 2017/18 Cornerstone continued to deliver a wide range of services and in March 2018 was providing services for over 2,400 individuals and their families.

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Achievements and performance *(continued)*

Highlights include:

- the implementation of an ambitious new strategy - Local Cornerstone - which is generating a lot of interest in the pioneering work of Cornerstone;
- opening a number of new services including support for older people living in sheltered housing in Aberdeen;
- further developing innovative new alternatives to day care services under the banner of Cornerstone Connects;
- continuing to develop a range of services and community activities operating from the Carman Centre in West Dunbartonshire;
- providing meaningful daytime activity, employment and training opportunities to adults with a disability;
- working in partnership with the Fragile-X society and hosting their Family Support Worker in Scotland;
- operating the Growing Together Children's project with support from Big Lottery Scotland and growing the number of children and families supported through children's clubs and holiday play schemes in Dundee, Ayrshire and Moray;
- securing monies from the Scottish Government, Carnegie UK Trust and others towards the additional costs of implementing the new strategy - Local Cornerstone;
- generating income through the provision of external training via Cornerstone's training academy;
- continuing to operate the Big Lottery funded Community Justice "Positive Tracks" project in partnership with the Scottish Prison Service;
- expanding the self-directed support service in Aberdeenshire to an increasing number of customers;
- compiling an ambitious fundraising strategy for the newly established Cornerstone Foundation which will provide vital unrestricted income;
- receiving a significant amount of monetary and in-kind support from a number of individual and corporate supporters for which Cornerstone is extremely grateful.

Cornerstone Community Care Operating as Cornerstone

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Achievements and performance *(continued)*

Volunteering in Cornerstone

Cornerstone is immensely grateful for the support received from volunteers and has received Volunteer Friendly awards. During 2017/18, the combined effort of 272 volunteers spent over 26,000 hours making a difference to the lives of people with disabilities across Scotland. This outstanding total was achieved by dedicated volunteers across many vital roles.

From befriending in the community, to helping the ever-growing variety of Connects clubs, volunteers do some fantastic work. Volunteers also play a key part in many of the organisation's flagship fundraising events, such as the Annual Dinner and Fizz Friday.

Employee involvement

Cornerstone holds a gold award from Investors in People and the Investors in Young People award.

Employees are kept well informed about the progress and position of the company by means of regular team meetings, access to a company wide intranet and new communications tool, a staff newsletter and briefings from the Chief Executive.

In addition, Cornerstone holds regular meetings of the Engagement Forum at which staff are invited to give their views on a range of issues directly to senior management.

In order to increase employee involvement in the governance of Cornerstone the Board appointed two employee directors this year and offered positions on other governance committees to employees of the company.

Cornerstone recognises UNISON through a voluntary agreement for the purposes of negotiation and consultation.

People with a disability

The company's policy is to give full and fair consideration to applications for employment made by people with a disability, having regard to their particular aptitudes and abilities. Cornerstone subscribes to the "double tick" scheme which means applicants with a disability who meet the essential criteria in the job specification will be guaranteed an interview.

People with a disability receive appropriate training to promote their career development within Cornerstone. Employees who become disabled are retained in their existing posts where possible or re-trained for suitable alternative posts.

Financial review

2017/18 saw incoming resources increasing to £39.7m (2016/17 £37.9m). This growth included winning new contracts across Scotland.

The accounts show a surplus of £642,096 (2016/17 £578,380). The overall surplus position, while continuing to be modest relative to income, reflects the significant effort which has been made to ensure that all services and central functions operate as efficiently and cost effectively as possible. This has enabled Cornerstone to maintain a strong financial position in the face of on-going funding pressures and additional costs.

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Financial review *(continued)*

Cornerstone continues to face the challenges common to the whole care sector. In particular, Health and Social Care Partnerships, who provide the majority of Cornerstone's funds, continue to experience funding pressures which have had an impact on the care providers who provide services on their behalf.

Additional funding was made available again this year to support the payment of the Scottish Living Wage (SLW), as a minimum, to all staff working in adult social care.

There remains some confusion in the sector about funding to pay the SLW for sleeping time and this has had an impact on the financial position at year end.

With the introduction of the team member rate, in excess of the SLW, services continue to experience funding pressures. The Local Cornerstone strategy seeks to address a financially sustainable way of increasing pay although regular reviews are conducted to analyse service operations and put into place local strategies and actions to ensure services remain financially viable to operate.

Principal Funding Sources

96.5% of the income is payments received from Health and Social Care Partnerships and others for the provision of social care services of which 5.2% relates to Self-Directed Support. The remaining 3.5% is from other sources including charitable fundraising, rental and trading income.

Investment Policy

The Board has retained a measured approach to investment; having previously considered the most appropriate policy for investing funds and decided on a Management Fund which best meets the requirement for capital growth and income.

Reserves Policy

The Board has established a policy to hold unrestricted free reserves at a level which equates to between three to six months of the resources expended. Whilst reserves may not reach this level in the near future, it is considered desirable to work towards this to enable the current activities of the company to continue in the event of a significant reduction in funding.

The reserves held at 31 March 2018 were £5.2 million of which £4.9 million were unrestricted reserves.

Plans for future periods

Fundamentally, Cornerstone exists to enable the people it supports to enjoy a valued life- a life they choose. Without a clear understanding of their needs, desires, aspirations and dreams the charity cannot effectively design and deliver services fit for purpose. Cornerstone continues to develop new models of care and support in response to the changes in public service priorities and most importantly in response to the changing needs of the people it supports. The charity is therefore committed to actively involving the people it supports at every level of operations.

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Plans for future periods *(continued)*

Cornerstone has been working with ARC Scotland on their involvement strategy particularly how it relates to the introduction of a new model of care delivery via Local Cornerstone.

Local Cornerstone continues to be implemented with 2017/18 seeing significant re-structuring, a reduction in central overheads, the initial roll out of the new technology, the establishment of the Cornerstone Foundation and a significant investment in training for coaches, branch leaders and local care and support team members.

This approach of devolved responsibility and local decision making will put the people we support at the centre of all Cornerstone activities and ensure that the organisation demonstrates the value of social care as a profession.

Principal risks and uncertainties

Risk Management

The Directors, along with members of the Leadership Team, have identified the major risks to which Cornerstone is exposed. These are regularly reviewed, and systems established to mitigate against those risks.

Funding constraints allied to externally driven cost pressures present the most significant risk. Every effort is made to try to ensure that services operate in a financially viable way. In addition, Cornerstone continues to lobby both individually and collectively with other care providers to put forward the case for a strong social care sector which is properly and sustainably funded to care for vulnerable people in Scotland.

Cornerstone remains a strong organisation, committed to rising to the challenges presented by the changes in the external environment and continuing to provide reliable, high quality care and support services to some of the most vulnerable people in the community.

Using their voice through the high profile of Local Cornerstone, the Leadership Team continue to share stories to effect systems change in the UK and to inspire others to change.

Health and Safety

The charity recognises and accepts its responsibilities as an employer under the Health and Safety at Work Act 1974 and other relevant legislation. Cornerstone seeks to implement the Act and other legislative requirements in all activities under its control. Cornerstone aims to achieve a balanced approach whereby Health and Safety is given the relevant importance in the workplace and a positive culture of Health and Safety is promoted in all business and service areas.

Financial Instruments

Cornerstone's financial instruments comprise borrowings, cash and liquid resources and trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for Cornerstone's activities.

The principal risks arising from Cornerstone's financial instruments are interest rate risk, market risk, inflation rate risk and credit risk. The Board manages each of these risks as summarised below:

Interest rate risk

Cornerstone has financed the purchase of property through long term variable rate borrowing. Cornerstone is exposed to risks in fluctuations in the bank base rate of interest. The Directors are of the opinion that as borrowings are from recognised financial institutions then interest risk is managed to the extent that it is within the Directors' control.

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Plans for future periods *(continued)*

Market risk

Cornerstone's investments are exposed to fluctuations in the stock market. The Directors have taken advice on appropriate investments for Cornerstone taking into account the public interest and are satisfied that the risk is acceptable. These investments will be reviewed by the Resources Committee annually with any recommendations taken forward to the full Board.

Credit risk

Cornerstone's borrowings are from the Royal Bank of Scotland plc, a recognised high street lender, the Scottish Investment Fund, Big Issue Invest and Lombard Technology Services Ltd. The Directors are satisfied that Cornerstone is not exposed to any significant risk from its financing arrangements.

Cornerstone's borrowings were obtained following production of forecasts that indicated it was capable of meeting the debt repayments and the Directors are satisfied that this is still the case. The Directors do not consider that the borrowings are exposed to risk as a result of its own credit position.

Credit risk on short term deposits is managed by placing deposits only with major UK financial institutions which are regulated by the Financial Services Authority.

Cornerstone's operational cash flows are dependent on the finance it receives from the funding bodies and the credit terms offered by its suppliers. As most of Cornerstone's dealings are with Local Authorities, and it is not dependent on donations to meet its obligations, the Directors are satisfied that credit risk is not significant for revenue income.

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 28th February 1980 and is a Scottish charity, number SC004780. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.00.

Organisational Structure

Cornerstone has a Board of Directors who meet five times a year and are responsible for the strategic direction and overall governance of the charity. At 31 March 2018 the Board had 13 members from a variety of professional and other backgrounds relevant to the work of the charity, including two employee directors. The Chief Executive and other senior staff attend Board and sub-committee meetings in an advisory capacity.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive Edel Harris and the Leadership Team. The Chief Executive has overall responsibility for ensuring that Cornerstone delivers the services specified and that key performance indicators are met.

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Structure, governance and management *(continued)*

Recruitment and Appointment of Board of Directors

The Directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of the members of the Board of Directors must retire each year through voluntary retirement or on a rotational basis. Those retiring by rotation can seek re-election at the next Annual General Meeting.

Potential Directors are identified through their association with Cornerstone or by recommendation. Directors currently include relatives of people Cornerstone has supported, health and social care professionals and individuals with particular relevant skills and experience.

Director Induction and Training

Newly appointed Directors are apprised of their role and responsibilities by the Chair of the Board and the Chief Executive. Most Directors are already familiar with the work of the charity having visited Cornerstone services. Both new and longer serving Directors have regular opportunities to meet with people Cornerstone supports, families, carers and staff and to visit services.

Additionally, new Directors are invited and encouraged to meet with senior staff to familiarise themselves with the charity and the context within which it operates. The Chair of the Board and the Chief Executive play a lead role in this.

During the year the majority of the directors undertook the role of the director training delivered by the Institute of Directors.

Pay Policy for Directors and Senior Staff

All Directors are volunteers and give their time freely. The two employee directors received remuneration in the year by virtue of their employment. Details of Directors remuneration, expenses and related party transactions are disclosed in notes 18 and 30 of the accounts.

The pay of senior staff is reviewed annually by the Board of Directors. The Directors consider increases in conjunction with increases awarded to the wider staff group. In addition, the Directors benchmark pay levels against those in other third sector organisations of comparable size and industry.

Related Parties

In so far as it is complementary with the charity's objectives, the charity is guided by local, Scottish and UK national policy of both Government and care regulators.

Cornerstone is a member of several national organisations who act as representative bodies for the sector. In addition, Cornerstone is also a member of local partnerships in a number of its areas of operation, a number of local Chambers of Commerce and Third Sector Interfaces.

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Reference and administrative details

Registered charity name Cornerstone Community Care

Charity registration number SC004780

Company registration number SC070762

Registered office 39 Huntly Street
Aberdeen
AB10 1TJ

Principal office Centurion Court
North Esplanade West
Aberdeen
AB11 5QH

The directors

Malcolm D. Laing (Chair)	
James C. Douglas	
Zoe Ferguson	(Appointed 13 December 2017)
Alastair Forbes	(Appointed 13 December 2017)
Sharon L. Irvine	(Appointed 13 December 2017)
Steven C. F. Judge	
Andrew B. Lockhart	
Helen D. Munro	
Peter D. Nicholson	(Resigned 25 October 2017)
R. Jonathan A. Parkes	(Appointed 13 December 2017)
Craig A. Pollock	
Ian J. Robbie	
Dr Christopher J. Scott	(Resigned 13 December 2017)
Elaine M. Thomson	
Judith R. Tocher	(Appointed 7 August 2017)
Karen Tyerman	(Resigned 16 August 2017)

Peter T Nicholson, Dr Christopher J. Scott and Karen Tyerman retired from office during the year. Their fellow Board members and the CEO would like to extend their thanks to them for their hard work and commitment to Cornerstone over many years. Steve Judge, Andrew Lockhart, Craig Pollock and Elaine Thomson retire from office by rotation and being eligible offer themselves for re-election.

Applications for membership require to be approved by the Board of Directors.

Key Management Personnel

During the year

Chief Executive	Edel B Harris
Leader of Exceptional Service (Quality)	Hazel Brown
Leader of the Cornerstone Foundation	Lisa Duthie
Leader of Exceptional Service (Strategy Implementation)	Mairi L Martin
Leader of Exceptional Service (Cornerstone Central)	Lynne A Robertson

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Company secretary	Lindsay & Kirk
Auditor	Williamson & Dunn Chartered accountant & statutory auditor 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW
Solicitors	Lindsay & Kirk 39 Huntly Street Aberdeen Scotland AB10 1TJ

Directors' responsibilities statement

The directors, who are also trustees 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 law requires the charity directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 in the applicable Charities SORP;
- make judgments and accounting 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 charity will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Directors' Annual Report *(continued)*

Year ended 31 March 2018

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

A resolution to reappoint Williamson & Dunn as auditors will be proposed at the forthcoming Annual General Meeting.

The directors' annual report and the strategic report were approved on 28 September 2018 and signed on behalf of the directors by:



Ian J. Robbie
Director

Cornerstone Community Care Operating as Cornerstone

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Independent Auditor's Report to the Directors and Members of Cornerstone Community Care

Year ended 31 March 2018

Opinion

We have audited the financial statements of Cornerstone Community Care (the charitable company) for the year ended 31 March 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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).

Basis for opinion

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

Conclusions relating to going concern

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

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

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Independent Auditor's Report to the Directors and Members of Cornerstone Community Care
(continued)

Year ended 31 March 2018

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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 the 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.

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Independent Auditor's Report to the Directors and Members of Cornerstone Community Care
(continued)

Year ended 31 March 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 9, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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Independent Auditor's Report to the Directors and Members of Cornerstone Community Care
(continued)

Year ended 31 March 2018

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of 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 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Kathleen Kirkland MA CA

Kathleen Kirkland MA CA (Senior Statutory Auditor)

For and on behalf of
Williamson & Dunn
Chartered accountant & statutory auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

28 September 2018

Williamson & Dunn is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
Income					
Donations and legacies	5	81,150	546,980	628,130	586,036
Charitable activities	6	498,412	38,433,326	38,931,738	37,150,447
Other trading activities	7	170,785	–	170,785	119,062
Investment income	8	4,674	–	4,674	6,569
Total income		<u>755,021</u>	<u>38,980,306</u>	<u>39,735,327</u>	<u>37,862,114</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	9	(39,371)	(268,256)	(307,627)	(249,952)
Costs of other trading activities	10	(103,356)	–	(103,356)	(66,574)
Expenditure on charitable activities	11,12	(272,225)	(38,409,481)	(38,681,706)	(36,983,582)
Total expenditure	13	<u>(414,952)</u>	<u>(38,677,737)</u>	<u>(39,092,689)</u>	<u>(37,300,108)</u>
Net (losses)/gains on investments	14	(542)	–	(542)	16,374
Net income		<u>339,527</u>	<u>302,569</u>	<u>642,096</u>	<u>578,380</u>
Transfers between funds		290,518	(290,518)	–	–
Net movement in funds		<u>630,045</u>	<u>12,051</u>	<u>642,096</u>	<u>578,380</u>
Reconciliation of funds					
Total funds brought forward		4,232,305	366,513	4,598,818	4,020,438
Total funds carried forward		<u>4,862,350</u>	<u>378,564</u>	<u>5,240,914</u>	<u>4,598,818</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 18 to 33 form part of these financial statements.

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Statement of Financial Position

31 March 2018

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	19		45,760		–
Tangible fixed assets	20		5,792,611		5,629,929
Investments	21		140,746		138,095
			<u>5,979,117</u>		<u>5,768,024</u>
Current assets					
Debtors	22	5,435,895		5,132,708	
Cash at bank and in hand		3,539,318		2,478,667	
		<u>8,975,213</u>		<u>7,611,375</u>	
Creditors: amounts falling due within one year	23	<u>(7,489,397)</u>		<u>(6,274,420)</u>	
Net current assets			<u>1,485,816</u>		<u>1,336,955</u>
Total assets less current liabilities			<u>7,464,933</u>		<u>7,104,979</u>
Creditors: amounts falling due after more than one year	24		<u>(2,224,019)</u>		<u>(2,506,161)</u>
Net assets			<u>5,240,914</u>		<u>4,598,818</u>
Funds of the charity					
Restricted funds			378,564		366,513
Unrestricted funds			4,862,350		4,232,305
Total charity funds	26		<u>5,240,914</u>		<u>4,598,818</u>

These financial statements were approved by the directors and authorised for issue on 28 September 2018, and are signed on behalf of the directors by:



Ian J. Robbie
Director

Registered charity number: SC004780

The notes on pages 18 to 33 form part of these financial statements.

Cornerstone Community Care Operating as Cornerstone

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Statement of Cash Flows

Year ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Net income	642,096	578,380
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	229,213	252,330
Amortisation of intangible assets	22,880	–
Net losses/(gains) on investments	542	(16,374)
Dividends, interest and rents from investments	(3,193)	(3,381)
Other interest receivable and similar income	(1,481)	(3,188)
Interest payable and similar charges	96,137	72,571
Accrued expenses	134,194	87,187
<i>Changes in:</i>		
Trade and other debtors	(306,665)	(429,311)
Trade and other creditors	739,300	(722,581)
Cash generated from operations	1,553,023	(184,367)
Interest paid	(96,137)	(72,571)
Interest received	1,481	3,188
Net cash from/(used in) operating activities	<u>1,458,367</u>	<u>(253,750)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	3,193	3,381
Purchase of tangible assets	(391,895)	(157,971)
Purchase of intangible assets	(68,640)	–
Purchases of other investments	(3,193)	(3,381)
Transfer of fixed assets to revenue	–	69,722
Net cash used in investing activities	<u>(460,535)</u>	<u>(88,249)</u>
Cash flows from financing activities		
Proceeds from borrowings	62,819	911,362
Net cash from financing activities	<u>62,819</u>	<u>911,362</u>
Net increase in cash and cash equivalents	1,060,651	569,363
Cash and cash equivalents at beginning of year	2,478,667	1,909,304
Cash and cash equivalents at end of year	<u>3,539,318</u>	<u>2,478,667</u>

The notes on pages 18 to 33 form part of these financial statements.

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is 39 Huntly Street, Aberdeen, AB10 1TJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention, except for investments which are included at market value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Cornerstone meets the definition of a public benefit entity under FRS 102.

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 judgment, at the time of approving the financial statements, that there is a reasonable expectation 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.

Judgements and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors, including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are expendable at the discretion of the Board in furtherance of the objects of Cornerstone.

Designated funds are unrestricted funds earmarked by the Board for particular future projects or commitments.

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority (e.g. by the restrictive wording of an appeal). Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as local government grants and funds raised for particular activities.

Income

Income is included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Legacy income is recognised when receipt is probable and entitlement is established.
- Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- Investment income is included when receivable.

Capital grants

Grants in respect of capital expenditure are credited to a deferred income account and released to income over the potential repayment period.

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Expenditure and basis of allocation of costs

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 13.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the period of the lease.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software licences - Over 3 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Fixed assets are included in the balance sheet at cost less accumulated depreciation. All project equipment and fixtures are written off against the grant received in the year of receipt. Items are capitalised where the purchase price exceeds £2,000.

The charity currently has no tangible assets to which impairment provisions apply.

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Property	-	Over 50 years
Fixtures and fittings	-	Over 3 years
Motor vehicles	-	Over 4 years
Property improvements	-	Over 3 to 15 years

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Limited by guarantee

The company is limited by guarantee not exceeding £1 per member. At 31 March 2018 there were 37 members (2017 - 32).

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Grants			
Donations	81,150	–	81,150
Donated goods and services	–	117,837	117,837
The Big Lottery Fund - Growing Together	–	126,162	126,162
The Big Lottery Fund - Life Transitions	–	–	–
The Big Lottery Fund - Local evaluation	–	12,000	12,000
Trusts and other funders	–	46,852	46,852
Scottish Government	–	244,129	244,129
	<u>81,150</u>	<u>546,980</u>	<u>628,130</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Grants			
Donations	113,590	53,100	166,690
Donated goods and services	–	69,596	69,596
The Big Lottery Fund - Growing Together	–	131,065	131,065
The Big Lottery Fund - Life Transitions	–	13,707	13,707
The Big Lottery Fund - Local evaluation	–	–	–
Trusts and other funders	3,000	74,607	77,607
Scottish Government	–	127,371	127,371
	<u>116,590</u>	<u>469,446</u>	<u>586,036</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Operations	–	34,464,218	34,464,218
Employment & Training	–	230,676	230,676
Children & Family Services	–	1,665,938	1,665,938
Self Directed Support	–	1,955,177	1,955,177
Community Justice Services	–	45,000	45,000
Rental Income	459,405	–	459,405
Social Firm Activity	39,007	–	39,007
Other income	–	72,317	72,317
	<u>498,412</u>	<u>38,433,326</u>	<u>38,931,738</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

6. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Operations	–	32,336,603	32,336,603
Employment & Training	–	205,590	205,590
Children & Family Services	–	1,624,853	1,624,853
Self Directed Support	–	2,401,685	2,401,685
Community Justice Services	–	3,580	3,580
Rental Income	435,052	–	435,052
Social Firm Activity	14,666	–	14,666
Other income	–	128,418	128,418
	<u>449,718</u>	<u>36,700,729</u>	<u>37,150,447</u>

7. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Fundraising events	<u>170,785</u>	–	<u>170,785</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Fundraising events	<u>117,242</u>	<u>1,820</u>	<u>119,062</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Investment income	3,193	3,193	3,381	3,381
Bank interest receivable	1,481	1,481	3,188	3,188
	<u>4,674</u>	<u>4,674</u>	<u>6,569</u>	<u>6,569</u>

9. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Cost of voluntary income	<u>39,371</u>	<u>268,256</u>	<u>307,627</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Cost of voluntary income	<u>49,727</u>	<u>200,225</u>	<u>249,952</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

10. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Fundraising events - event costs	103,356	103,356	66,574	66,574

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Charitable activities	272,225	35,157,137	35,429,362
Support costs	–	3,252,344	3,252,344
	<u>272,225</u>	<u>38,409,481</u>	<u>38,681,706</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Charitable activities	220,281	33,215,184	33,435,465
Support costs	–	3,548,117	3,548,117
	<u>220,281</u>	<u>36,763,301</u>	<u>36,983,582</u>

12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Charitable activities	35,429,362	3,216,737	38,646,099	36,950,162
Governance costs	–	35,607	35,607	33,420
	<u>35,429,362</u>	<u>3,252,344</u>	<u>38,681,706</u>	<u>36,983,582</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

13. Analysis of total costs

	Voluntary Income £	Fundraising Events £	Charitable Activities £	Support Services £	Governance £	Total 2018 £	Total 2017 £
Staff costs	223,624	60,800	30,415,608	1,779,193	–	32,479,225	31,261,012
Premises	35,852	9,748	1,229,965	194,695	–	1,470,260	1,442,787
Provisions	–	–	191,505	11,357	–	202,862	235,016
Fundraising purchases	–	–	63,631	–	–	63,631	71,302
Events costs	–	19,714	–	–	–	19,714	15,792
Audit and accounts fee	–	–	–	–	26,400	26,400	28,400
Annual reports and AGM	–	–	–	–	5,405	5,405	2,175
Donated goods and services	–	–	117,837	–	–	117,837	69,596
Sundry costs	48,151	13,094	3,410,816	1,231,492	3,802	4,707,355	4,174,028
	<u>307,627</u>	<u>103,356</u>	<u>35,429,362</u>	<u>3,216,737</u>	<u>35,607</u>	<u>39,092,689</u>	<u>37,300,108</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

14. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
(Losses)/gains on listed investments	(542)	(542)	16,374	16,374

15. Net income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Amortisation of intangible assets	22,880	–
Depreciation of tangible fixed assets	229,213	252,330
Land and buildings lease costs	463,395	490,042
Plant and machinery lease costs	35,433	28,209
Interest and similar charges payable	96,137	72,571
Indemnity insurance	16,885	14,467

16. Auditors remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	20,000	20,400
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	6,400	8,000

17. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018 £	2017 £
Wages and salaries	29,743,888	28,574,867
Social security costs	2,108,634	1,993,775
Employer contributions to pension plans	565,087	589,389
	<u>32,417,609</u>	<u>31,158,031</u>

In addition to staff costs noted above, there were redundancy costs of £61,616 (2017 - £102,981).

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

17. Staff costs *(continued)*

The average head count of employees during the year was 1,939 (2017: 1,916). The average number of employees during the year is analysed as follows:

	2018	2017
	No.	No.
Support staff	1,486	1,466
Training and SVQ staff	10	11
Office and administration staff	76	73
Social firm staff	8	9
Relief staff	359	357
	<u>1,939</u>	<u>1,916</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2018	2017
	No.	No.
£60,000 to £69,999	2	3
£70,000 to £79,999	3	2
£100,000 to £109,999	1	1
	<u>6</u>	<u>6</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £463,243 (2017:£374,152).

18. Directors remuneration and expenses

During the year none of the directors received any remuneration for their duties as trustees of the charity (2017 - Nil).

During the year 2 employees were appointed as directors on 13th December 2017 and from that date received the following remuneration as employees of the charity. S Irvine received a salary of £11,830 and employer pension contributions of £185 and A Forbes received a salary of £8,000.

Travel and subsistence costs of £1,089 (2017 - £1,855) in total were reimbursed to 4 (2017 - 5) directors.

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

19. Intangible assets

	Software licences £
Cost	
Additions	68,640
At 31 March 2018	<u>68,640</u>
Amortisation	
Charge for the year	22,880
At 31 March 2018	<u>22,880</u>
Carrying amount At 31 March 2018	<u>45,760</u>
At 31 March 2017	<u>–</u>

20. Tangible fixed assets

	Land and buildings £	Property improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2017	5,970,047	289,656	422,057	44,835	6,726,595
Additions	283,210	85,685	–	23,000	391,895
At 31 March 2018	<u>6,253,257</u>	<u>375,341</u>	<u>422,057</u>	<u>67,835</u>	<u>7,118,490</u>
Depreciation					
At 1 April 2017	548,306	167,325	355,523	25,512	1,096,666
Charge for the year	111,921	54,791	52,043	10,458	229,213
At 31 March 2018	<u>660,227</u>	<u>222,116</u>	<u>407,566</u>	<u>35,970</u>	<u>1,325,879</u>
Carrying amount At 31 March 2018	<u>5,593,030</u>	<u>153,225</u>	<u>14,491</u>	<u>31,865</u>	<u>5,792,611</u>
At 31 March 2017	<u>5,421,741</u>	<u>122,331</u>	<u>66,534</u>	<u>19,323</u>	<u>5,629,929</u>

Capital commitments

	2018 £	2017 £
Contracted for but not provided for in the financial statements	<u>50,778</u>	<u>39,840</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

21. Investments

	Listed investments £
Cost or valuation	
At 1 April 2017	138,095
Additions	3,193
Fair value movements	(542)
At 31 March 2018	<u>140,746</u>
Impairment	
At 1 April 2017 and 31 March 2018	
Carrying amount	
At 31 March 2018	<u>140,746</u>
At 31 March 2017	<u>138,095</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The fixed asset investments have been recorded in the accounts at fair value. Details of the fair value were obtained from the Brewin Dolphin portfolio valuation as at 5 April 2018.

The historical cost of listed investments is £93,037 (2017 - £89,844).

The company holds one £1 ordinary share (100% of the issued share capital) in Corners Turned Limited, a company registered in Scotland. This company is now dormant.

22. Debtors

	2018 £	2017 £
Prepayments and accrued income	131,596	135,074
Other debtors	5,304,299	4,997,634
	<u>5,435,895</u>	<u>5,132,708</u>

23. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank and other loans	516,362	219,447
Accruals and deferred income	1,240,116	1,089,400
Social security and other taxes	457,557	457,010
Property grants	28,046	28,046
Other creditors	5,247,316	4,480,517
	<u>7,489,397</u>	<u>6,274,420</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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

	2018	2017
	£	£
Bank and other loans	1,520,438	1,754,534
Accruals and deferred income	20,000	40,000
Property grants	683,581	711,627
	<u>2,224,019</u>	<u>2,506,161</u>

25. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £565,087 (2017: £589,389).

26. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2017	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2018
	£	£	£	£	£	£
General funds	876,030	755,021	(414,952)	(139,636)	(542)	1,075,921
Designated capital fund	3,356,275	–	–	430,154	–	3,786,429
	<u>4,232,305</u>	<u>755,021</u>	<u>(414,952)</u>	<u>290,518</u>	<u>(542)</u>	<u>4,862,350</u>

Restricted funds

	At 1 Apr 2017	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2018
	£	£	£	£	£	£
Operations and other services	–	38,433,326	(38,409,481)	(23,845)	–	–
General fund	303,683	546,980	(268,256)	(263,234)	–	319,173
Jigsaw (Helensburgh) fund	62,830	–	–	(3,439)	–	59,391
	<u>366,513</u>	<u>38,980,306</u>	<u>(38,677,737)</u>	<u>(290,518)</u>	<u>–</u>	<u>378,564</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

26. Analysis of charitable funds *(continued)*

Purpose of restricted funds

Operations - Funds used to support individuals to live a valued life in their own homes.

General - Represents fundraising monies designated for particular purposes.

Jigsaw (Helensburgh) Fund - Funds transferred from Jigsaw (Helensburgh) to be used for the provision of children's services.

27. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Intangible assets	45,760	–	45,760	–
Tangible fixed assets	5,792,611	–	5,792,611	5,629,929
Investments	140,746	–	140,746	138,095
Current assets	1,671,660	7,303,553	8,975,213	7,611,375
Creditors less than 1 year	(564,408)	(6,924,989)	(7,489,397)	(6,274,420)
Creditors greater than 1 year	(2,224,019)	–	(2,224,019)	(2,506,161)
Net assets	<u>4,862,350</u>	<u>378,564</u>	<u>5,240,914</u>	<u>4,598,818</u>

28. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
Loan commitments measured at cost less impairment		
Due in one year or less or on demand	516,362	219,447
Due in more than one year but not more than two years	326,168	337,439
Due in more than two years but not more than five years	728,759	751,127
Due in more than five years	465,511	665,968
	<u>2,036,800</u>	<u>1,973,981</u>

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

28. Financial instruments *(continued)*

During 2008 a loan of £300,000 was advanced by the Royal Bank of Scotland towards the building of a new house at Maud. The loan is secured by a Standard Security over the property at Maud. The loan is repayable over 300 monthly payments, commencing one month after the loan was drawn. The term loan bears interest at 1.95% above the Bank's Base Rate. The amount outstanding at 31 March 2018 was £186,000.

During 2010 a loan of £400,000 was advanced by the Scottish Investment Fund towards the building of a new house at Dunfermline. The loan is secured by a Standard Security over the property at Dunfermline. The loan is repayable over 120 monthly payments, commencing one month after the loan was drawn. The loan bears interest at 5%. The amount outstanding at 31 March 2018 was £126,855.

During 2010 a risk capital loan of £300,000 was advanced by the Scottish Investment Fund on deferred terms. The loan is repayable over 60 months and bears interest at 6%. Repayments commenced in June 2015 and the amount outstanding at 31 March 2018 was £141,090.

During 2012 a loan of £320,000 was advanced by the Royal Bank of Scotland towards the purchase of properties at New Deer. The loan is secured by a Standard Security over the properties at New Deer. The loan is repayable over 59 equal monthly payments commencing one month after the loan was drawn and a final instalment sufficient to repay the outstanding balance in full. The loan bears interest at 2.25% above the Bank's Base Rate. The amount outstanding at 31 March 2018 was £157,064.

During 2014 a loan of £200,000 was advanced by the Royal Bank of Scotland towards the building of a property at Portlethen. The loan is secured by a Standard Security over the property at Portlethen. The loan is repayable over 59 equal monthly payments commencing one month after the loan was drawn and a final instalment sufficient to repay the outstanding balance in full. The loan bears interest at 4.99%. The amount outstanding at 31 March 2018 was £128,331.

During 2014 the Carman Centre was purchased from West Dunbartonshire Council under a deferred payment arrangement. The amount due is secured by a standard security over the property. The amount outstanding at 31 March 2018 was £40,000.

During 2016 a loan of £600,000 was advanced by the Royal Bank of Scotland towards the building of a new house at Dumbarton. The loan is secured by a Standard Security over the property at Dumbarton. The loan is repayable over 120 monthly payments, commencing one month after the loan was drawn. The loan bears interest at 2.62%. The amount outstanding at 31 March 2018 was £515,215.

During 2017 a loan of £500,000 was advanced by the Big Issue Social Enterprise Investment Fund. The loan is secured by a floating charge. The loan is repayable over 60 monthly payments, commencing two years after the loan was drawn. The loan bears interest at 8.00%. The amount outstanding at 31 March 2018 was £500,000.

During 2018 a loan of £300,000 was advanced by Lombard Technology Services Ltd. The loan is repayable over 60 monthly payments, commencing in the month the loan was drawn. The loan bears interest at 5.00%. The amount outstanding at 31 March 2018 was £282,245.

The Royal Bank of Scotland also has a bond & floating charge over all other monies and undertakings.

The Scottish Investment Fund loans are also secured by a bond & floating charge, ranking behind the Royal Bank of Scotland.

Cornerstone Community Care Operating as Cornerstone

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

29. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	281,421	331,773
Later than 1 year and not later than 5 years	458,139	644,875
Later than 5 years	155,233	209,803
	<u>894,793</u>	<u>1,186,451</u>

30. Related parties

During the year, the company received services amounting to £25,823 (2017 - £10,973) from Ledingham Chalmers LLP. Malcolm Laing is a director of Cornerstone and a consultant and former partner in Ledingham Chalmers LLP. The company also received services amounting to £86,702 (2017 - £126,293) from Space Solutions Limited. Steven Judge is a director of Cornerstone and Space Solutions Limited.