

Garvald Edinburgh
Report and Financial Statements
for the year ended 31 March 2011

Charity number: SC014228
Company number: SC060926

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Garvald Edinburgh

Contents

	Page
Charity information	1
Trustees' Annual Report	2 - 4
Chairman's Review	5 - 9
Independent Auditor's Report	10 - 11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 - 24

Garvald Edinburgh

Legal and Administrative Information

Charity name	Garvald Edinburgh	
Charity registration number	SC014228	
Company registration number	SC060926	
Directors	Laurie Naumann Roy MacIver James Sherratt Marion Smith Margaret Whoriskey Robert Walley Martin Dawson Judy Miller Stewart Munro Edward Weeple Alan Swift	Chair Resigned 18 February 2011 Appointed 24 March 2011
Company secretary	Serena Lindsay	
Senior management	Mike Casey	Chief Executive
Principal office and Registered office	2 Montpelier Terrace Edinburgh EH10 4NF	
Auditors	Alexander Sloan Chartered Accountants 1 Atholl Place Edinburgh EH3 8HP	
Bankers	Royal Bank of Scotland plc 206 Bruntsfield Place Edinburgh EH10 4DF	
Solicitors	Lindsays WS Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE	

Garvald Edinburgh

Directors' Annual Report for the year ended 31 March 2011

The Directors present their report and the financial statements of the charity for the year ended 31 March 2011. This Chairman's report should be read in conjunction with this report, of which it forms an integral part.

Directors

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The Directors serving during the year and since the year end are detailed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Garvald Edinburgh is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Appointment of Directors

Trustees are appointed in accordance with the Articles of Association.

Directors' induction and training

Appropriate induction is given to directors on appointment. Training and/or development in relevant areas is offered to directors as the need or opportunity arises.

Organisational structure

A board of no fewer than six and no more than twelve directors, who meet as they see fit, administer the charity. Responsibility for the management of day to day operations is delegated to a chief executive.

Risk management

The major risks to which the charity is exposed as identified by the directors have been reviewed and systems have been established to mitigate these risks.

OBJECTIVES AND ACTIVITIES

The charity's object is to provide services for people with learning disabilities. This work is inspired by the ideas of Rudolf Steiner, an Austrian philosopher, to recognise and value the uniqueness of each person and seeks to create a quality of environment, activities and social relationships enabling people to realise their potential.

The charity meets its objective by providing day and accommodation services to people with a learning disability. It now provides such services to a total of approximately 150 adults, comprising members (ie. those who attend the day services), residents (ie. those who live in the community house at Napier Road) and tenants (ie. those who are supported in their own accommodation).

Garvald Edinburgh

Directors' Annual Report for the year ended 31 March 2011

ACHIEVEMENTS AND PERFORMANCE AND FINANCIAL REVIEW

These are covered in the Chairman's report.

Reserves policy

The charity's free reserves comprise the general and designated funds, less the value of the fixed assets held within the designated funds. The directors consider that in order to meet legal and other obligations it is prudent to have free reserves of three to six months' running costs. The level of free reserves will be kept under regular review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Trustees (who are also Directors of Garvald Edinburgh for the purposes of company 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Garvald Edinburgh

**Directors' Annual Report
for the year ended 31 March 2011**

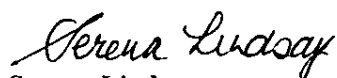
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution proposing that Alexander Sloan, Chartered Accountants, be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Directors on 25 October 2011 and signed on their behalf by



Serena Lindsay
Secretary

Garvald Edinburgh

Chairman's Review for the year ended 31 March 2011

Introduction

Garvald Edinburgh is an established Scottish charity and a company limited by guarantee which provides day, accommodation and support services for adults with disabilities mainly from Edinburgh and the surrounding area. The charity has a board of directors of whom a third are appointed or reappointed each year at the Annual General Meeting. They are members of the company and also its trustees.

Garvald aims to offer services that promote the growth and development of each person supported through an approach that is holistic, recognises the uniqueness of each individual as a human being and builds on the strengths and abilities that each person can offer to the local and wider community.

Values and principles

Garvald Edinburgh is inspired by the ideas of Rudolf Steiner, in particular those relating to Social Therapy. A central principle is respect for and a desire to include others regardless of their disability or the difficulties they may face in meeting the world. In adopting this approach, Board members, along with staff recognise that we have as much, if not more, to learn from those we support as we have to offer them. Our whole Garvald community is enriched by the measure to which we consciously strive to include and value the whole of our user membership.

The social therapeutic approach to our work is fundamentally linked to attitude, a quality of respect and care with attention to detail and a sense of shared destiny of individuals. We seek to create both an environment and approach that allows people to grow in confidence and self-esteem as individuals and in groups.

Rather than focussing solely on people's needs, the focus of support is both on developing independence and recognising the value and strength that can be gained from interdependence.

Activities and performance

Garvald Edinburgh services overall have continued to perform well in all areas reported on by the Care Commission (the Scottish Government's Regulator of care). These above average standards have been maintained in a very challenging environment of change, particularly in the accommodation services where pressure to work within or, indeed, reduce costs is still very high. In the day service we have continued to plan early with the Edinburgh Council Transition Team for those leaving school who form a major source of new workshop members.

In our day provision we continue to offer services to 140 different people that are primarily focused around studios and workshops providing a craft, artistic, and an educational focus. Attendance varies from full time to only a few tailored hours a week with an increasing number of members requiring one to one support at all times. There is also a shop selling a wide range of the products made in the studio workshops which has just commenced a development phase professionally guided by a volunteer supplied through the Chamber of Commerce. Many of the areas in the day service continue to combine and develop the balance of maintaining a trading or enterprise approach and make a return into the running costs as well as providing a place of care, support and development for members.

Garvald Edinburgh

Chairman's Review for the year ended 31 March 2011

As well as supporting the personal growth of each individual an important aspect of the work is to enable real and meaningful opportunities for people to broaden and develop their links with, and contribute to the local and wider community.

In late November a large exhibition was hosted at the Botanic Gardens in Edinburgh. The theme of artwork, and the event, was "Judge for Yourself" based on the work of the Scottish Court Services . Through a partnership with the Scottish Court Service, artists were able to get back room access to the courts, the people who work there, as well as the stories and folk lore of the Scottish legal system. The result was a highly innovative exhibition featuring work in a range of media opened to an audience of over 200 people by Lord Hamilton, Justice General and Lord President of the Court of Session.

A major and long awaited upgrade programme improving the toilet and shower facilities along with general improvements in the overall environment was completed this year at our Gorgie premises. The outcome of this offers a much improved working environment and improved toilet facilities which is enabling increased independence for a number of people who use the Gorgie building. We are grateful to the various trusts and grant giving bodies, as well as individual donors who contributed to these welcome improvements.

Overall a trend towards part time placements at our day services exists. This is something that we need to continue to adjust towards so that we can effectively and efficiently manage and give personal attention to the increased number of people who now come to the service each week. This year also saw a positive shift in the number of people making application to the day services. Almost exclusively new applications were from people in receipt of a direct payment enabling them to purchase their choice of day service rather than the more traditional referral funded by the Council. The major impact being experienced is on physical space and administration and oversight at all levels of service delivery. The services continue to take forward applications however we are projecting a position where we will be full early in the next year and unable to take forward any further applications within existing premises.

The accommodation service continues to support forty people. The concerns around tendering have reduced in the immediate term. In the interim, agreement was reached during the year with our principal funder, Edinburgh Council, for a reduction of 10 *per cent* in our hourly housing support rate. This resulted in a significant reduction in income to support the same number of tenants. A strategy was put in place to bring costs in line with the revised income and a restatement of the management accounts took place at the financial year mid-point. The cost reduction strategy remains on track and it is anticipated that costs will fall in line with income for these services early in the 2011-2 financial year.

A significant transfer of undertakings is planned between Edinburgh Council departments overseeing contracts and funding for housing support. This, along with the development of a commissioning strategy by Edinburgh Council dictate that continuing uncertainty will exist for some time yet over the future direction and funding of housing support and other similar services.

Garvald Edinburgh

Chairman's Review for the year ended 31 March 2011

For most of the financial year there were two longer standing vacancies in Napier, our community house that remained a cause for concern. Flagging of these vacancies had not met with any successful referrals. Dialogue has begun with commissioners and it is anticipated that we will receive at least one potential new resident.

The Board and senior management team gave specific focus during the year to planning for the future of the organisation. This has resulted in the development of a strategic plan spanning 2011 to 2013. The document is now well progressed and sets the priorities for successive financial years. Setting direction for new service provision will form a significant element of planning in the coming year.

At the AGM in January Garvald Edinburgh launched an involvement strategy building on from the National Involvement Network charter and a pilot involvement worker role. The involvement strategy sets out the intent and aim to increase the ways those receiving a service and their families are able get involved the organisation and influence in decision making around the service they receive and the decisions taken in the organisation.

Financial position and outlook

The accounts to the year end show a positive, but reduced outturn relative to those in recent years. This level of outturn is, in part, due to delay in getting agreement to the level of reduction in hourly rates for the housing support services with our principal funder, Edinburgh Council. This in turn delayed the anticipated negative financial impact of this change. The reduction of income from two vacancies in our community house is also having a significant financial impact, through lowering the contribution to the outturn. The improvement in fee level income and the trend towards working to capacity in the day service, alongside a well a managed reduction in costs in the accommodation service, has contributed to maintaining a largely positive position for Garvald Edinburgh. Further posts are however required in the day service to meet the increase support being provided, which will add to the running costs in 2011-2.

Sustaining this level of outturn will be challenging to maintain. Fundraising will play an increasingly important role in meeting some of the costs in delivering services. A revision of the fundraising strategy and priorities is planned to ensure fundraising is targeted at priority areas.

The uncertain financial position of councils and the funding climate for services remains a concern and a risk area for Garvald Edinburgh going forward. The ability to achieve any uplift in fees from our funders to match increases in the cost of running the service, or to avoid the imposition of further efficiency cuts in the coming years, feels a very challenging prospect. Careful financial planning and a focus on financial sustainability will continue to be highly important activities over the coming years.

The development of the Scottish Government's publication "Changing Lives: Personalisation: a shared understanding, City of Edinburgh's *Learning Disability Capacity Plan*, the and the Edinburgh commissioning strategy for Adult Social Care and Support will set out important directions that are likely to bring both challenge and opportunity, and will be important strategies for which we need to be prepared.

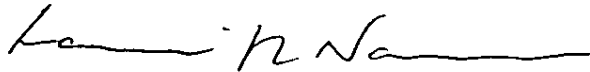
Garvald Edinburgh

Chairman's Review for the year ended 31 March 2011

Conclusion

While the year for Garvald Edinburgh members, tenants and residents was thankfully a little more settled than had been the case for the last few years, there remains considerable concern for management and the Board about the future funding prospects particularly for the accommodation service. We are committed to maintaining the range and quality of provision, but that can only be achieved with a longer term guarantee of a reasonable level of fees to meet the service costs. The Board, which has now welcomed two new members, is also aware of the growing demands on its day services and looking at the options for the future of the Gorgie workshops and meeting the needs of potential interested members from outwith Edinburgh.

The Board, as ever, is indebted to its dedicated staff and management under the able leadership of Mike Casey, who with constant pressure beyond their immediate control, have continued to provide an acknowledged first class service for the existing and past residents, tenants and members. It would not be possible to deliver this service without the co-operation of Edinburgh Council and the other local authorities that are purchasing or funding the individual purchasers which is greatly appreciated. We cannot, however, in the current economic climate, depend solely on fees and have benefited from the generous terms granted us by our landlords, the Garvald Trust, and the many other charitable trusts, businesses and individuals who have contributed financially and in kind sometimes towards specific developments or activities and also, importantly, to our general funds upon which we rely for new initiatives to progress our longstanding inclusive care and support objectives.



Laurie M Naumann

Chair of the Garvald Edinburgh Board of Directors

October 2011

Garvald Edinburgh
Chairman's Review
for the year ended 31 March 2011

Donors

Companies, Charitable Trusts and Foundations who have donated to Garvald Edinburgh in the period to 31 March 2011:

Companies

RBS Community Fund
Green City Wholefoods
Edinburgh Training Centre
Rifkind & Brophy Optometrists
Scottish Courts Service
Trinity Factors

Charitable Trusts and Foundations

Albert Hunt Trust
Baily Thomas Charitable Fund
Claire Hunter Charitable Trust
D'Oyly Carte Charitable Trust
Cruden Foundation
David Solomons Trust
Forbes Charitable Foundation
Garfield Weston Foundation
Greggs Foundation in Scotland
Hilda and Johnny Gibb Charitable Trust
Lynn Foundation
Miss BW Muirhead Charitable Trust
Miss Hazel Wood Trust
Monamy Trust
Nancie Massey Charitable Trust
Nancy Roberts Charitable Trust
North British Hotel Trust
Queensberry House Trust
Russell Trust
Sir Jules Thorn Charitable Trust
Stevenston Charitable Trust
Global Concerns Trust

Clubs, Community Groups, Schools

Stow Primary School
Craigmount High School
Rosslyn Chapel Congregation

Garvald Edinburgh

Independent Auditor's Report to the Directors of Garvald Edinburgh

We have audited the financial statements of Garvald Edinburgh for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the charity's Directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's 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 charity and its Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement (set out in the Directors' Annual Report), the Directors (who are also the Trustees of the charity 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 rather than also with the Companies Act 2006. Accordingly we have been appointed as Auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with that Act.

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 [APB'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 charitable company's circumstances and have been consistently 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 2011 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).

Garvald Edinburgh

Independent Auditor's Report to the Directors of Garvald Edinburgh (continued)

Matters on which we are required to report by exception

In respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Directors' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Isobel Gray, C.A., F.C.C.A. (Senior Statutory Auditor)

for and on behalf of

**Alexander Sloan
Chartered Accountants and
Statutory Auditor**

**1 Atholl Place
Edinburgh**

Alexander Sloan is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Garvald Edinburgh

**Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 March 2011**

		Unrestricted		Restricted	2011	2010
		General	Designated	funds	Total	Total
Notes	£	funds	funds	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	53,722	-	25,666	79,388	42,591
Activities for generating funds	3	26,854	-	-	26,854	28,949
Investment income	4	3,391	-	-	3,391	3,823
Incoming resources from charitable activities						
	5	2,744,562	-	-	2,744,562	2,751,564
Total incoming resources		<u>2,828,529</u>	<u>-</u>	<u>25,666</u>	<u>2,854,195</u>	<u>2,826,927</u>
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	7	(24,521)	-	-	(24,521)	(29,223)
Charitable activities	8	(2,647,658)	(40,410)	(27,370)	(2,715,438)	(2,648,373)
Governance costs	9	(4,308)	-	-	(4,308)	(6,463)
Total resources expended		<u>(2,676,487)</u>	<u>(40,410)</u>	<u>(27,370)</u>	<u>(2,744,267)</u>	<u>(2,684,059)</u>
Net incoming resources before transfers						
		152,042	(40,410)	(1,704)	109,928	142,868
Gross transfers between funds		(86,998)	86,159	839	-	-
Net movement in funds		<u>65,044</u>	<u>45,749</u>	<u>(865)</u>	<u>109,928</u>	<u>142,868</u>
Reconciliation of funds						
Total funds brought forward		<u>1,276,180</u>	<u>1,806,489</u>	<u>9,917</u>	<u>3,092,586</u>	<u>2,949,718</u>
Total funds carried forward		<u>1,341,224</u>	<u>1,852,238</u>	<u>9,052</u>	<u>3,202,514</u>	<u>3,092,586</u>

The notes on pages 14 to 24 form an integral part of these financial statements.

Garvald Edinburgh

Balance Sheet as at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	16	1,381,816	1,363,863
Current assets			
Stocks		32,636	40,142
Debtors	17	288,719	274,390
Cash at bank and in hand		1,566,774	1,482,793
		<u>1,888,129</u>	<u>1,797,325</u>
Creditors: amounts falling due within one year	18	<u>(67,431)</u>	<u>(68,602)</u>
Net current assets		1,820,698	1,728,723
Net assets		<u>3,202,514</u>	<u>3,092,586</u>
Funds			
Unrestricted funds			
General funds	20	1,341,224	1,276,180
Designated funds	21	1,852,238	1,806,489
Restricted funds	22	9,052	9,917
		<u>3,202,514</u>	<u>3,092,586</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Directors on 25 October 2011 and signed on their behalf by



Laurie Naumann

Trustee

Registered number: SC060926

The notes on pages 14 to 24 form an integral part of these financial statements.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2. Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from the charity shop is included in the year in which it is receivable.

Income from investments is included in the year in which it is receivable.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

1.3. Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

1.4. Tangible fixed assets and depreciation

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Workshop equipment	-	5 year straight line

Freehold land and buildings are not depreciated

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

2. Voluntary income

	2011	2010
	£	£
Grants and donations	79,388	42,591
	<u>79,388</u>	<u>42,591</u>

3. Activities for generating funds

	2011	2010
	£	£
Friends of Garvald - Bazaar	12,501	8,357
Activities for generating funds	14,353	20,592
	<u>26,854</u>	<u>28,949</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

4. Investment income

	2011	2010
	£	£
Interest received	3,391	3,823
	<u>3,391</u>	<u>3,823</u>

5. Incoming resources from charitable activities

	2011	2010
	£	£
Canteen and lunches	24,697	24,747
Tool sales	2,628	1,460
Sale of bread	26,500	33,427
Sale of craft work	4,996	9,626
Shop sales	82,261	96,635
Rental income	5,040	5,428
Room hire - Orwell Arts	252	-
Fees - day & accommodation services	2,596,050	2,578,103
Management fees	2,138	2,138
	<u>2,744,562</u>	<u>2,751,564</u>

6. Analysis of incoming resources from charitable activity

	2011	2010
	Total	Total
	£	£
Day services	1,362,673	1,207,606
Accommodation services	1,381,889	1,543,958
	<u>2,744,562</u>	<u>2,751,564</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

7. Costs of generating voluntary income

	2011	2010
	£	£
Wages and salaries	19,716	19,158
Employer's NI contributions	1,793	1,720
General expenses	3,012	8,345
	<u>24,521</u>	<u>29,223</u>

8. Costs of charitable activities

	2011	2010
	£	£
Staff costs	2,067,403	1,988,576
Premises costs	320,578	323,704
Running costs	287,149	291,720
Interest and finance charges	3,003	3,126
Depreciation	38,205	41,247
(Gain)/loss on disposal of assets	(900)	-
	<u>2,715,438</u>	<u>2,648,373</u>

9. Governance costs

	2011	2010
	£	£
Audit	4,308	6,463
	<u>4,308</u>	<u>6,463</u>

10. Net incoming resources for the year

	2011	2010
	£	£
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible assets	38,205	41,247
Auditors' remuneration	4,308	6,463
	<u></u>	<u></u>
and after crediting:		
Profit on disposal of tangible fixed assets	900	-
	<u></u>	<u></u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

11. Analysis of charitable expenditure by activity

Activity or Programme	Activities undertaken directly £	Support costs £	2011 Total £	2010 Total £
Day services	1,183,273	107,049	1,290,322	1,213,049
Accommodation services	1,275,453	149,663	1,425,116	1,435,324
	<u>2,458,726</u>	<u>256,712</u>	<u>2,715,438</u>	<u>2,648,373</u>

12. Analysis of support costs by charitable activity

	Staff costs	Running costs		2011 Total	2010 Total
Activity or programme	£	£	£	£	£
Day services	68,897	28,959	9,193	107,049	87,869
Accommodation services	96,324	40,487	12,852	149,663	122,848
	<u>165,221</u>	<u>69,446</u>	<u>22,045</u>	<u>256,712</u>	<u>210,717</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

13. Employees

Number of employees

The average monthly numbers of employees during the year were:

	2011 Number	2010 Number
Management and administration	4	5
Day and accommodation service staff	73	71
	<u>77</u>	<u>76</u>

Employment costs

	2011 £	2010 £
Wages and salaries	1,861,805	1,790,965
Social security costs	151,578	143,302
Other pension costs	75,529	75,187
	<u>2,088,912</u>	<u>2,009,454</u>

There were no employees who received remuneration of over £60,000 in the period.

14. Directors' emoluments

No trustees or any persons connected with them received remuneration in the period, other than the wife of Martin Dawson, the wife of Alan Swift and the daughter of James Sherratt, who were employed under normal terms and conditions, and received gross salaries of £13,463, £13,011 and £14,837 respectively.

15. Pension costs

The company operates two defined contribution pension schemes in respect of the staff members. The assets of the company's pension schemes are held separately from those of the company. The pension charge represents contributions due from the company and amounted to £75,529 (2010 - £75,187). There is no outstanding balance owed at the year end (2010; £nil).

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

16. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Workshop equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Office equipment £	Total £
Cost							
At 1 April 2010	135,000	1,314,790	76,891	9,972	43,418	48,282	1,628,353
Additions	-	56,159	-	-	-	-	56,159
Disposals	-	-	-	-	(13,975)	-	(13,975)
At 31 March 2011	<u>135,000</u>	<u>1,370,949</u>	<u>76,891</u>	<u>9,972</u>	<u>29,443</u>	<u>48,282</u>	<u>1,670,537</u>
Depreciation							
At 1 April 2010	-	97,969	64,849	9,972	43,418	48,282	264,490
On disposals	-	-	-	-	(13,975)	-	(13,975)
Charge for the year	-	32,870	5,336	-	-	-	38,206
At 31 March 2011	<u>-</u>	<u>130,839</u>	<u>70,185</u>	<u>9,972</u>	<u>29,443</u>	<u>48,282</u>	<u>288,721</u>
Net book values							
At 31 March 2011	<u>135,000</u>	<u>1,240,110</u>	<u>6,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,381,816</u>
At 31 March 2010	<u>135,000</u>	<u>1,216,821</u>	<u>12,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,363,863</u>

17. Debtors	2011 £	2010 £
Trade debtors	155,207	157,044
Other debtors	130,832	115,215
Prepayments and accrued income	2,680	2,131
	<u>288,719</u>	<u>274,390</u>

18. Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	4,249	4,294
Other taxes and social security costs	42,270	41,595
Other creditors	533	1,480
Accruals and deferred income	20,379	21,233
	<u>67,431</u>	<u>68,602</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

19. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2011 as represented by:				
Tangible fixed assets	-	1,381,816	-	1,381,816
Current assets	1,408,655	470,422	9,052	1,888,129
Current liabilities	(67,431)	-	-	(67,431)
	<u>1,341,224</u>	<u>1,852,238</u>	<u>9,052</u>	<u>3,202,514</u>

20. Unrestricted General Funds	1 Apr '10 £	Incoming £	Outgoing £	Transfers £	31 Mar '11 £
General Fund	1,276,180	2,828,529	(2,676,487)	(86,998)	1,341,224
	<u>1,276,180</u>	<u>2,828,529</u>	<u>(2,676,487)</u>	<u>(86,998)</u>	<u>1,341,224</u>

Purposes of General Funds

General Fund

The general fund comprises surpluses generated from the company's core activities of providing day and accommodation services to people with learning disabilities.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

21. Unrestricted Designated Funds	1 Apr '10	Outgoing	Transfers	31 Mar '11
	£	£	£	£
Property	402,628	-	-	402,628
Minibus	-	-	30,000	30,000
Other fixed assets	147,041	(5,335)	-	141,706
Tenant's improvements	1,216,820	(32,870)	56,159	1,240,109
Skeltiemuir property upkeep	5,000	(1,917)		3,083
Furnishings	10,000			10,000
I.T. fund	25,000	(288)		24,712
	<u>1,806,489</u>	<u>(40,410)</u>	<u>86,159</u>	<u>1,852,238</u>

Purposes of Designated Funds

Property

The Property reserve was established to build up funds towards the cost of refurbishing Orwell Arts. This work is now complete and the proportion of this fund now represented by the capital asset of the tenants' improvements has been transferred to a separate designated fund which will carry the total net book value of this asset.

Minibus

The purpose of this fund is to set aside funds to purchase a new minibus.

Tenant's improvements

The purpose of this fund is to carry the value of the improvements made to the properties leased by the charity. Currently this comprises the refurbishment of the Orwell Arts property and the upgrade of the toilet block at Gorgie Road.

Skeltiemuir property upkeep

This fund is set aside to maintain the fabric, furnishings and fittings of the Skeltiemuir property.

Furnishings

This fund is set aside to upkeep partial furnishing and white goods within designated flats.

IT Reserve

This fund is set aside to enable the upgrade of outdated IT equipment and software support and continued development of the IT infrastructure.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

22. Restricted funds	1 Apr '10	Incoming	Outgoing	Transfers	31 Mar '11
	£	£	£	£	£
Tools for self reliance	4,382	-	(1,311)	-	3,071
Weaving workshop	-	500	-	-	500
Music and arts	-	3,500	-	-	3,500
Ponton House	-	-	(839)	839	-
Slateford Green Sinking Fund	-	1,116	(1,116)	-	-
Textile studio	299	-	-	-	299
John Muir and Duke of Edinburgh	3,554	-	(3,554)	-	-
Promotional DVD	1,682	-	-	-	1,682
Gorgie Road refurbishment	-	20,550	(20,550)	-	-
	<u>9,917</u>	<u>25,666</u>	<u>(27,370)</u>	<u>839</u>	<u>9,052</u>

Purposes of restricted funds

Tools for self reliance

The Tools for self reliance relates to donations given to provide refurbished tools to the third world.

Weaving workshop

Donations towards the purchase of materials used in the weaving workshop.

Music and arts

Donations received to fund music and art therapy sessions for adults with learning difficulties, including equipment and materials for the arts workshops.

Textile studio

Textile studio - to provide equipment for the textile studio.

John Muir and Duke of Edinburgh

John Muir & Duke of Edinburgh - to provide resources for service users to participate in the Duke of Edinburgh and John Muir Award Schemes.

Promotional DVD

Promotional DVD - to provide funding for the creation of a promotional DVD.

Gorgie Road refurbishment

Gorgie Road refurbishment - grants were provided to fund the costs of installing new toilet and shower facilities in the Gorgie Road premises.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2011

23. Financial commitments

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

	2011 £	2010 £
Expiry date:		
Within one year	10,905	16,119
In over five years	72,320	71,600
	<u>83,225</u>	<u>87,719</u>