

Garvald Edinburgh
Report and Financial Statements
for the year ended 31 March 2013

Charity number: SC014228
Company number: SC060926

MONDAY



SCT
09/09/2013
COMPANIES HOUSE

S2GJ6SEQ

#547

Garvald Edinburgh

Contents

	Page
Charity information	1
Directors' Annual Report	2 - 4
Directors' Review	5 - 11
Independent Auditor's Report	12 - 13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16 - 26

Garvald Edinburgh

Legal and Administrative Information

Charity name	Garvald Edinburgh	
Charity registration number	SC014228	
Company registration number	SC060926	
Directors	Laurie Naumann Roy MacIver Paul Miele James Sherratt Marian Reid Marion Smith Margaret Whoriskey Robert Walley Martin Dawson Judy Miller Stewart Munro Lesley Clemenson Alan Swift	Chair resigned 10/09/2012 appointed 10/09/2012 resigned 25/02/2013 resigned 10/09/2012 appointed 10/09/2012
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 2013

The Directors present their report and the financial statements of the charity for the year ended 31 March 2013. The Directors' Review forms an integral part of the Directors' Annual Report and should be read in conjunction with this report.

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 2013

ACHIEVEMENTS AND PERFORMANCE

These are covered in the Directors' Review.

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 2013

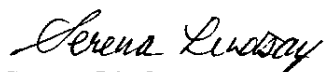
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 3 September 2013 and signed on their behalf by



Serena Lindsay
Secretary

Garvald Edinburgh

Directors' Review For the year ended 31 March 2013

Introduction

Garvald Edinburgh is an established Scottish charity and a company limited by guarantee which provides day, accommodation and supported living 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 the charity's trustees.

Garvald Edinburgh 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 disabilities or the difficulties they may experience. 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 total Garvald Edinburgh community is enriched by the measure to which we consciously strive to include and value the contribution made by the whole of our user membership in both the day and accommodation services.

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 individuals' shared destiny. We seek to create both an environment and an approach that allows people to grow in confidence and self-esteem as individuals and in groups.

Rather than focussing solely on people's needs, which subtly change over time, 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 has continued to provide a wide range of support and opportunities to individual users through the provision of day and supported living services.

Garvald Edinburgh

Directors' Review for the year ended 31 March 2013

The day service has continued operating close to full capacity with 160 members attending on a full and part time basis – approximately 50 are full-time. The trend towards applicants seeking part time places has continued. We are still experiencing a significant demand for our services reflected by the 30 people on our waiting list for a day service. Development plans highlighted later in the report will play a significant role in meeting this growing demand.

The main activities of the day service continue to offer a diverse range of opportunities across two main sites; Gorgie workshops and Orwell Arts as well as our shop, the Mulberry Bush, in Morningside. In addition to the opportunities in place within the workshops and studios a range of additional opportunities are supported using local resources. These include dance, swimming yoga and regular walking groups. Supported access to college courses has continued to be offered for a number of people.

Several notable events and opportunities have occurred this year through the joint endeavours of members and staff.

An exhibition of paintings developed over time by two Garvald members within the art studio was launched and were exhibited over a number of months in Paterson's Hair salon. A significant proportion of the artworks were purchased. Work has already started on a future exhibition, involving a wider group of members, commissioned by The Royal Botanical Gardens in Edinburgh.

The Tools group completed its 410th toolkit containing refurbished tools. The group continues to work with partner agencies, such as Tools for Self-Reliance, to deliver much needed reworked tools and sewing machines to supporting projects within communities in a range of developing countries. Building on the success of the Borders college module accreditation we have been piloting a small number of ASDAN modules that encompass a greater breadth.

The Mulberry Bush shop development programme has now been completed providing a greatly improved trading space and much clearer linkage between the shop, the day service workshops and the products made in them.

Garvald Edinburgh

Directors' Review for the year ended 31 March 2013

The Supported Living service enables 39 people to live in the community. Individuals are living in their own family home or tenancies, most of which have been accessed via nomination agreements with local housing associations. Eight people stay in Napier Road community house, which provides more intensive 24 hour support. Discussions about the long term future of this provision remain on-going with the landlord, Garvald Trust.

All of Garvald Edinburgh services are regulated by the Care Inspectorate (the Scottish regulator of care), which has continued to report very favourably on each of the individual services.

This year saw significant progress towards realising Garvald Edinburgh's strategic development plan. A full redesign of the website has taken place. Negotiation was successful in securing a long lease on new premises on Gorgie Road which will support an expansion of the workshop and studio opportunities available to existing people attending as well as offering places to those who are on our waiting list. The new opportunities, which are planned to open early 2014, will include the relocation of the puppetry to sit alongside a drama studio; a small theatre; a base for the land group and a new canteen. Working groups, made up of those attending Garvald Edinburgh day services and staff, have played a central role in the decision making around new opportunities and in designing the new service environment. A number of pilots were set up to test out new opportunities. The Land group has been working successfully as a pilot and has built up positive working links with Gorgie City Farm, developing and maintaining areas of its land. An allotment site has also been secured at Bridgend Community allotments and possible further options to build working partnerships from there are being explored.

Negotiations were also progressing positively during the year on leasing a further two premises. One of these will support a relocation of the office to a more accessible building. The other will support a major new service development and expansion of the existing Edinburgh day service model into Midlothian.

Garvald Edinburgh continues to keep in touch with the local authority planning around Self-directed support (SDS) and other significant strategies that will shape the way service procurement and funding will evolve, as well as enabling the expansion of the day service provision.

Garvald Edinburgh

Directors' Review for the year ended 31 March 2013

Financial position and outlook

Garvald Edinburgh accounts for the year ended 31st March 2013 show a surplus of £69,662. The organisation continues to manage the impact of reduced hourly rates for housing support agreed with Edinburgh Council. Further rate reduction negotiations are anticipated as Edinburgh Council continues to seek lower cost delivery models and plan for self-directed services.

Pressures on operational budgets are anticipated to increase over the coming year due to a combination of a further year of flat income alongside general cost increases. Managing the operational transition costs associated with new development, is also likely to have a significant impact. The probability of posting an operational deficit in the next financial year exists. There will be a transitional period when there will be a time lag between building up the new services revenue and the upfront investment in facilities and new staff. To mitigate this risk the organisation will focus on bringing new members as quickly as possible.

It has been a year of change for fundraising at Garvald Edinburgh. Our first ever fundraiser, Grace Canham left us and moved to a new post in May 2012. We are very grateful for Grace's hard work in the seven years she was with us. She was a dedicated and talented staff member who, among other achievements, helped to secure over £450,000 for the successful Orwell Arts project.

After a staff vacancy of a few months, our new fundraiser, Clare McKeown was appointed in August 2012. As part of this change in staffing, a revised fundraising strategy was written and implemented to provide guidance and directions over the next few years.

Garvald Edinburgh had two successful fundraising events in the year, including the Lunar Love Disco in June and the Christmas Ceilidh in December which, in addition to raising funds, provided popular social opportunities for members and tenants.

During 2012-13, we continued with a range of fundraising activities, including our Loose Change appeal which remains popular with our members and tenants, our annual Prize Draw, as well as applications to trusts and foundations.

In Autumn 2012, in line with our commitment to promoting member participation, our members' fundraising group was re-started and has provided an invaluable resource to fundraising. Among other things, the group drafted and helped send the appeals for prize draw donations, and was very active in organising the Christmas Ceilidh.

Garvald Edinburgh

Directors' Review for the year ended 31 March 2013

As part of Garvald Edinburgh's new website launch, the fundraising section of the website was updated with a streamlined donation procedure, using Virgin Money Giving to process online donations and claim gift aid on our behalf. We also continue to grow our social media presence as we seek new ways to engage supporters.

Garvald Edinburgh is very appreciative of all the generous individuals and companies who support its work. A fundraising plan has been developed which focuses on supporting the costs associated with the new developments.

Going forward the fundraising strategy is guided by a few key principles. Historically trust and foundation fundraising has made up the majority of Garvald Edinburgh's fundraised income, and this is likely to continue to be the case over the next few years. Across the voluntary sector, trust and foundation fundraising consistently achieves higher return on investment than any other type of fundraising except for legacy fundraising, which is far less reliable and stable.

Corporate and major donor fundraising also provide potential for high returns with greater visibility than trust fundraising, and Garvald Edinburgh will look to continue to put systems and initiatives into place that will grow those strands of fundraising income over a number of years.

Reserves policy

In line with charity organisation guidelines Garvald Edinburgh maintains a general reserve of between 3-6 months running costs.

Conclusion

This has been another exciting and again challenging year for Garvald Edinburgh. It is not every year that one, let alone two, new major developments are initiated by the organisation. At the same time the national economic climate continues to have a significant impact on the public sector and what it is prepared to pay to ensure quality for individuals in need of services. As can be seen from the foregoing report, Mike Casey, his senior management team, all the other staff, members, tenants and residents have, again, pulled together in securing the expansion of services and revising some of the operational practices, which has not always been easy, in order to meet the financial constraints imposed by local authorities who now have more limited purchasing power.

Garvald Edinburgh

Directors' Review for the year ended 31 March 2013

The Garvald Edinburgh board is delighted to be taking part in the oversight not only of the continued delivery of a range of highly acclaimed services for people with learning disabilities in Edinburgh, but also playing its part in enabling the expansion of services. This has, in part, been secured through the relatively new phenomena of having a waiting list of people who are in receipt *direct payments* and personally in charge of them, wishing to purchase their own tailored day services. These new developments and the expansion of services are something that Board members and staff could hardly have envisaged happening only five years' ago.

A big vote of thanks is due to Mike Casey and all his staff, the City of Edinburgh Council and others local authorities who provide the bulk of the funding for tenants and members to attend, trusts and other funders who have contributed to the Garvald Edinburgh's services, parents and carers and all the many other supporters of the organisation who have played such a significant part in the transition witnessed during 2012-13.



Laurie M Naumann

**Chair and on behalf of the Garvald Edinburgh Board of Directors
August 2013**

Garvald Edinburgh
Directors' Review
for the year ended 31 March 2013

Donors

Companies, Charitable Trusts and Foundations who have donated to Garvald Edinburgh in the period to 31 March 2013:

Companies

Trinity Factors
Scotsman Publication Ltd

Charitable Trusts and Foundations

Robert O'Curle Charitable Trust
Big Lottery 2014 Communities
Miss BW Muirhead Charitable Trust
Edinburgh and Lothian Greenspace Trust
R S Macdonald Trust

Clubs, Community Groups, Schools

St Ninian's Church of Scotland
St Matthew's Episcopal Church, Rosslyn Chapel
Women of Greenbank Church

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 2013 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 Directors 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 2013 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.



David Jeffcoat, F.C.C.A. (Senior Statutory Auditor)

for and on behalf of

Alexander Sloan

Chartered Accountants and

Statutory Auditor

3 September 2013

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 2013

		Unrestricted		Restricted	2013	2012
		General	Designated	funds	Total	Total
Notes	£	funds	funds	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	58,004	-	9,000	67,004	29,726
Activities for generating funds	3	23,746	-	-	23,746	27,391
Investment income	4	4,085	-	-	4,085	3,722
Incoming resources from charitable activities	5	2,929,244	4,652	-	2,933,896	2,856,701
Total incoming resources		<u>3,015,079</u>	<u>4,652</u>	<u>9,000</u>	<u>3,028,731</u>	<u>2,917,540</u>
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	7	(33,523)	-	-	(33,523)	(28,555)
Charitable activities	8	(2,854,361)	(49,376)	(16,505)	(2,920,242)	(2,810,724)
Governance costs	9	(5,304)	-	-	(5,304)	(5,662)
Total resources expended		<u>(2,893,188)</u>	<u>(49,376)</u>	<u>(16,505)</u>	<u>(2,959,069)</u>	<u>(2,844,941)</u>
Net incoming resources before transfers						
		121,891	(44,724)	(7,505)	69,662	72,599
Gross transfers between funds		(46,083)	46,083	-	-	-
Net movement in funds		<u>75,808</u>	<u>1,359</u>	<u>(7,505)</u>	<u>69,662</u>	<u>72,599</u>
Reconciliation of funds						
Total funds brought forward		<u>1,464,509</u>	<u>1,803,099</u>	<u>7,505</u>	<u>3,275,113</u>	<u>3,202,514</u>
Total funds carried forward		<u>1,540,317</u>	<u>1,804,458</u>	<u>-</u>	<u>3,344,775</u>	<u>3,275,113</u>

The notes on pages 16 to 26 form an integral part of these financial statements.

Garvald Edinburgh

Balance Sheet as at 31 March 2013

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16		1,357,126		1,349,745
Current assets					
Stocks		37,208		39,879	
Debtors	17	388,789		371,897	
Cash at bank and in hand		1,683,819		1,614,773	
		<u>2,109,816</u>		<u>2,026,549</u>	
Creditors: amounts falling due within one year	18	<u>(122,167)</u>		<u>(101,181)</u>	
Net current assets			1,987,649		1,925,368
Net assets			<u>3,344,775</u>		<u>3,275,113</u>
Funds					
Unrestricted funds					
General funds	20		1,540,317		1,464,509
Designated funds	21		1,804,458		1,803,099
Restricted funds	22		-		7,505
			<u>3,344,775</u>		<u>3,275,113</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Directors on 3 September 2013 and signed on their behalf by



Laurie Naumann
Director

Company registration number: SC060926

The notes on pages 16 to 26 form an integral part of these financial statements.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and where appropriate modified to include the revaluation of certain fixed assets 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 2013

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
Fixtures, fittings & equipment		5 year straight line

Freehold land and buildings are not depreciated as the directors deem the depreciable cost to be immaterial.

The directors estimate that the residual value of the property, at prices prevailing at the date of acquisition, is not materially lower than its carrying value in the balance sheet as the charity has a policy of regular maintenance and repair which ensures the building is kept in good condition.

The residual value is estimated (after excluding the effect of price changes since the date of acquisition) by considering similar properties of an age and state of repair equivalent to that anticipated at the end of the property's deemed expected useful life of not more than twenty years.

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

	2013	2012
	£	£
Grants and donations	24,079	29,726
Garvald Trust grants	42,925	-
	<u>67,004</u>	<u>29,726</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

3. Activities for generating funds

	2013	2012
	£	£
Friends of Garvald - Bazaar	14,182	13,247
Activities for generating funds	9,564	14,144
	<u>23,746</u>	<u>27,391</u>

4. Investment income

	2013	2012
	£	£
Interest received	4,085	3,722
	<u>4,085</u>	<u>3,722</u>

5. Incoming resources from charitable activities

	2013	2012
	£	£
Canteen and lunches	29,106	28,113
Tool sales	2,320	2,066
Sale of bread	32,784	28,451
Sale of craft work	3,095	4,147
Shop sales	80,881	80,810
Rental income	4,652	5,040
Room hire - Orwell Arts	140	60
Fees - day & accommodation services	2,778,780	2,705,876
Management fees	2,138	2,138
	<u>2,933,896</u>	<u>2,856,701</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

6. Analysis of incoming resources from charitable activity

Activity or Programme	2013 Total £	2012 Total £
Day services	1,504,054	1,488,165
Accommodation services	1,429,842	1,368,536
	<u>2,933,896</u>	<u>2,856,701</u>

7. Costs of generating voluntary income

	2013 £	2012 £
Wages and salaries	23,083	19,945
Employer's NI contributions	1,986	1,779
Staff pension costs	1,233	-
General expenses	7,221	6,831
	<u>33,523</u>	<u>28,555</u>

8. Costs of charitable activities

	2013 £	2012 £
Staff costs	2,305,168	2,208,242
Premises costs	292,922	346,483
Running costs	278,622	212,303
Interest and finance charges	4,829	4,345
Depreciation	38,701	39,351
	<u>2,920,242</u>	<u>2,810,724</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

9. Governance costs

	2013 £	2012 £
Audit	5,184	5,662
AGM and Trustee meetings	120	-
	<u>5,304</u>	<u>5,662</u>

10. Net incoming resources for the year

	2013 £	2012 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible assets	38,701	39,351
Auditors' remuneration	<u>5,184</u>	<u>5,662</u>

11. Analysis of charitable expenditure by activity

Activity or Programme	Activities undertaken directly £	Support costs £	2013 Total £	2012 Total £
Day services	1,377,224	139,404	1,516,628	1,400,064
Accommodation services	<u>1,208,715</u>	<u>194,899</u>	<u>1,403,614</u>	<u>1,410,660</u>
	<u>2,585,939</u>	<u>334,303</u>	<u>2,920,242</u>	<u>2,810,724</u>

12. Analysis of support costs by charitable activity

Activity or programme	Staff costs £	Premises costs £	Running costs £	2013 Total £	2012 Total £
Day services	82,691	34,013	22,700	139,404	104,599
Accommodation services	<u>115,608</u>	<u>47,554</u>	<u>31,737</u>	<u>194,899</u>	<u>146,236</u>
	<u>198,299</u>	<u>81,567</u>	<u>54,437</u>	<u>334,303</u>	<u>250,835</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

13. Employees

Number of employees

The average monthly numbers of employees during the year were:

	2013 Number	2012 Number
Management and administration	5	5
Day and accommodation service staff	82	83
	<u>87</u>	<u>88</u>

Employment costs

	2013 £	2012 £
Wages and salaries	2,047,166	1,964,094
Social security costs	141,364	145,399
Other pension costs	91,737	79,854
	<u>2,280,267</u>	<u>2,189,347</u>

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

14. Directors' emoluments

No trustees received remuneration or expenses in the period. The following persons, connected to trustees, received remuneration in the period: the wife of Martin Dawson, the wife of Alan Swift, the daughter of James Sherratt, the wife of Paul Miele, and the daughter of Laurie Naumann were employed under normal terms and conditions, and received gross salaries of £10,961, £12,882, £8,772, £1,564, and £1,480 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 £91,737 (2012 - £79,854). There is no outstanding balance owed at the year end (2012; £nil).

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

16. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Workshop equipment £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost						
At 1 April 2012	135,000	1,370,949	76,891	29,443	65,534	1,677,817
Additions	-	46,082	-	-	-	46,082
At 31 March 2013	135,000	1,417,031	76,891	29,443	65,534	1,723,899
Depreciation						
At 1 April 2012	-	165,113	74,095	29,443	59,421	328,072
Charge for the year	-	34,274	2,001	-	2,426	38,701
At 31 March 2013	-	199,387	76,096	29,443	61,847	366,773
Net book values						
At 31 March 2013	135,000	1,217,644	795	-	3,687	1,357,126
At 31 March 2012	135,000	1,205,836	2,796	-	6,113	1,349,745

17. Debtors	2013 £	2012 £
Trade debtors	352,875	243,092
Other debtors	35,914	127,625
Prepayments and accrued income	-	1,180
	<u>388,789</u>	<u>371,897</u>

18. Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	11,347	7,213
Other taxes and social security costs	39,808	40,488
Other creditors	6,851	482
Accruals and deferred income	64,161	52,998
	<u>122,167</u>	<u>101,181</u>

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

19. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total funds £
Fund balances at 31 March 2013 as represented by:			
Tangible fixed assets	-	1,357,126	1,357,126
Current assets	1,662,484	447,332	2,109,816
Current liabilities	(122,167)	-	(122,167)
	<u>1,540,317</u>	<u>1,804,458</u>	<u>3,344,775</u>

20. Unrestricted General Funds	1 Apr '12 £	Incoming £	Outgoing £	Transfers £	31 Mar '13 £
General Fund	1,464,509	3,015,079	(2,893,188)	(46,083)	1,540,317
	<u>1,464,509</u>	<u>3,015,079</u>	<u>(2,893,188)</u>	<u>(46,083)</u>	<u>1,540,317</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 2013

21. Unrestricted Designated Funds	1 Apr '12	Incoming	Outgoing	Transfers	31 Mar '13
	£	£	£	£	£
Property	402,628	-	-	-	402,628
Minibus	30,000	-	-	-	30,000
Other fixed assets	143,909	-	(4,427)	-	139,482
Skeltiemuir property upkeep	2,455	4,652	(4,770)	-	2,337
Furnishings	10,000	-	-	-	10,000
I.T. fund	8,272	-	(5,905)	-	2,367
Tenant's improvements	1,205,835	-	(34,274)	46,083	1,217,644
	<u>1,803,099</u>	<u>4,652</u>	<u>(49,376)</u>	<u>46,083</u>	<u>1,804,458</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.

Other fixed assets

This fund has been set up to carry the value of the freehold property and fixed assets such as equipment.

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 furnishings and white goods within designated flats.

I.T. Fund

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

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.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

22. Restricted funds	1 Apr '12	Incoming	Outgoing	31 Mar '13
	£	£	£	£
Tools for self reliance	1,335	-	(1,335)	-
Weaving workshop	500	-	(500)	-
Music and arts	3,500	-	(3,500)	-
Ponton House	189	-	(189)	-
Textile studio	299	-	(299)	-
Promotional DVD	1,682	-	(1,682)	-
Participation worker	-	6,000	(6,000)	-
Orwell Arts equipment	-	3,000	(3,000)	-
	<u>7,505</u>	<u>9,000</u>	<u>(16,505)</u>	<u>-</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.

Ponton House

Donations received for Ponton House.

Textile studio

Textile studio - to provide equipment for the textile studio.

Promotional DVD

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

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.

Participation worker

A grant was received to fund the salary of participation worker.

Orwell Arts equipment

Funding for equipment at Orwell Arts Centre.

Garvald Edinburgh

Notes to the Financial Statements for the year ended 31 March 2013

23. Financial commitments

At 31 March 2013 the charity had annual commitments under non-cancellable operating leases as follows:

	2013	2012
	£	£
Expiry date:		
Within one year	49,073	49,249
Between one and five years	10,320	-
In over five years	24,000	34,320
	<u>83,393</u>	<u>83,569</u>