

**Garvald Edinburgh**  
**Report and Financial Statements**  
**for the year ended 31 March 2010**

**Charity number: SC014228**  
**Company number: SC060926**

WEDNESDAY



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## **Garvald Edinburgh**

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## **Garvald Edinburgh**

### **Legal and Administrative Information**

<b>Charity name</b>	Garvald Edinburgh	
<b>Charity registration number</b>	SC014228	
<b>Company registration number</b>	SC060926	
<b>Directors</b>	Laurie Naumann Roy MacIver James Sherratt Marion Smith Margaret Whoriskey Robert Walley Martin Dawson Judy Miller Stewart Munro Edward Weeple	Chair         Appointed 10/11/09
<b>Company secretary</b>	Serena Lindsay	
<b>Senior management</b>	Mike Casey	Chief Executive
<b>Principal office and Registered office</b>	2 Montpelier Terrace Edinburgh EH10 4NF	
<b>Senior Statutory Auditor Auditors</b>	Isobel Gray, C.A., F.C.C.A. Alexander Sloan Chartered Accountants 1 Atholl Place Edinburgh EH3 8HP	
<b>Bankers</b>	Royal Bank of Scotland plc 206 Bruntsfield Place Edinburgh EH10 4DF	
<b>Solicitors</b>	Lindsays WS Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE	

## **Garvald Edinburgh**

### **Chairman's Review for the year ended 31 March 2010**

#### **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 in 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 meeting. They are members of the company and 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 bases its work on the thinking of Rudolf Steiner; in particular the influence of Anthroposophy and 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 genuinely 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 environments and an approach that allows people to grow in confidence and self-esteem as individuals and in groups.

Rather than focussing solely on people 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 has continued to perform well and sustain positive feedback from the Care Commission (the Government's regulator of care in Scotland) in all registered areas; achieving very good grading across a number of inspection criteria. These standards have been achieved in what remains a rapidly changing and very challenging operating environment.

In our Day provision we continue to offer services that are primarily focused around studios and workshops providing a craft, artistic and educational focus. There is also a shop selling a wide range of the products made in the studio and workshops. Many of these areas continue to combine the balance of maintaining a trading or enterprise approach and make a return into the running costs of the services as well as providing a place of care and support and development for members.

As well as supporting the personal growth of individuals, an important aspect of the activity remains enabling real and meaningful opportunities for people with disabilities to broaden and develop their links with, and contributions to, the local and wider community.

## **Garvald Edinburgh**

### **Chairman's Review for the year ended 31 March 2010**

The year saw the annual Borders College award ceremony hosted at the Scottish Parliament where a number of members were able to perform on instruments made within Garvald Edinburgh. A puppet show featuring hand made puppets was also performed helping celebrate over 25 skills certificates being awarded and adding to a very memorable event.

Garvald has also hosted a number of community events in including a ceilidh, valentine disco and a conference titled "community in the city". All these events came about through the combined efforts of staff, members and tenants and volunteering by family and friends.

A highly successful exhibition of artistic work by Garvald took place between July and September 2009 at *The Lot* in Edinburgh which lead to a number of sales of pieces of artwork. The exhibition programme continues to raise the profile of highly skilled work by individuals we support as artists in their own right and raises the profile of the organisation in making such events possible.

Following a challenging period of renegotiation and a long period of uncertainty over renewal of the day contract with the City of Edinburgh Council, a three year contract encompassing a new funding structure for the service was agreed. The contract is formed around a framework model, which no longer gives the financial security of a block contract. There is, however, confidence that the contract will offer a more stable financial position for these services than has existed for some time, going forward. The new contract commenced from 1<sup>st</sup> April 2010.

It is notable that a number of the people seeking to come to Garvald Edinburgh during the year came from outside of City of Edinburgh. The majority of others were signposted to us via Edinburgh's Health and Social Care Transition team which supports school leavers to manage the transition period from school. This latter group is almost exclusively funded through a direct payment made to individual. This new system has required some major changes in administration for both the Council and Garvald Edinburgh. There has also been a marked increase in the number of people accessing the service part time continues as people use their direct payment flexibly.

No new referrals came via the traditional route of Edinburgh social work offices in this period. This will be an area to observe as we go forward

The accommodation service supports forty people and has continued to operate within the most turbulent contracting environment that has existed for many years. The year saw the real and highly possible risk of Garvald Edinburgh losing all its current housing support services through a process of tendering being applied by the City of Edinburgh Council to these and all similar services in the City. The process placed a significant strain on those we support, their families and all frontline and senior staff.

## **Garvald Edinburgh**

### **Chairman's Review for the year ended 31 March 2010**

Late in the financial year the Council brought the tendering process to an end. This followed a significant joint campaign by people who use services, including many Garvald Edinburgh tenants, residents and their families. Legal scrutiny of the process ultimately ended this tender process. At the end of the year there was no certainty over what process would follow the ending of the tender that may bring greater longer term security of service to people who use our services or Garvald Edinburgh's financial stability. This remains an area of high concern and risk for the organisation.

Napier Road, Garvald Edinburgh's remaining care home, continued to operate with a vacancy throughout the year with a further vacancy being possible in coming months. The financial management, the model of support and development of this service will need careful consideration in the coming period to ensure that it remains responsive to the needs of those being supported as well as being financially secure.

#### **Financial position and outlook**

The accounts to the year-end again show a positive out turn but the forward looking financial environment remains challenging and uncertain. The prolonged tender process that we expected to bring a major change to our financial position has now not happened. We remain certain however that the organisation will face a financial challenge as revenue from the accommodation support activity drops and the financial restrictions facing all sectors of public sector spending begin to filter through.

One of the outcomes of the accommodation service tender process was a shift from having no tenants or residents funded with a direct payment to approximately eight people now dependent on that system of payment, with further anticipated. This is significant in that these services are no longer open to be tendered. This also represents a new and flexible funding relationship – directly with the service user making the decision about what to purchase. Some significant uncertainty exists however over the fee rate that service users will receive from the Council to purchase services in future.

The re-establishment of a new day contract, negotiated during the year, will play an important part in offering some financial stability with the new funding structure supporting improved and more realistic fees for any new referrals. The overall contract value for existing support has, however, not increased. We will need to continue to focus on achieving and sustaining the service as close to maximum capacity as possible.

Fundraising remains an important activity for the organisation. Donations have supported improvements to the fabric of buildings including the purchase and installation of new hoists at Orwell Arts premises which greatly improved the accessibility. Grants and donations also enabled a feasibility study for Gorgie premises refurbishment to be taken forward. A key focus of fundraising going forward will be on recovery of revenue to support general activity.

## **Garvald Edinburgh**

### **Chairman's Review for the year ended 31 March 2010**

Service users and families have played an important role in supporting fundraising. This has included letter writing and responding to donations and giving of their time. Support also included service users leading a sponsored swim which was well supported and made a significant financial contribution.

Board strategy planning sessions are in progress assisting us to review activity and try to anticipate and stay ahead of the trends in the field of social care.

#### **Conclusion**

The financial year was a tumultuous one for Garvald Edinburgh, having to maintain the existing services to their recognised high standards, while at the same time gearing up to what might have been the biggest change that could have happened to the organisation in its four decades of history as a care, support and training provider in the city. The support of the Parents and Carers' Action Group and the many other friends of Garvald Edinburgh, along with tenants and members helped to ensure the relatively satisfactory outcome to the whole tendering debacle. The Board is heavily indebted to the committed staff working under Mike Casey's capable leadership, in ever more stringent financial times, not only managing the day to day operations, but also coping admirably with the outside pressures associated with successfully negotiating the day service fees and handling the uncertain period pending the eventual outcome of the accommodation service tendering process.

Garvald Edinburgh remains in a financially uncertain environment with revenue challenges ahead. The organisation has attempted to plan for the changes that it could anticipate to date and those that are likely over the coming year. The wider national economic position makes robust financial planning challenging and an uncertain process. As an organisation we go forward with as robust a reserves position as we could hope for, and with the appropriate planning mechanisms in place to enable us to remain adaptable to what the next year brings.



**Laurie M Naumann**  
**Chair of the Garvald Edinburgh Board**  
**25 October 2010**

## **Garvald Edinburgh**

### **Chairman's Review for the year ended 31 March 2010**

#### **Donors**

Companies, Charitable Trusts and Foundations who have donated to Garvald Edinburgh in the period to 31 March 2010:

#### **Companies**

Agilent Technologies Limited  
Boots Comely Bank  
Edinburgh Training Centre  
Rifkind & Brophy Optometrist  
Scotsman Publications  
Scottish Court Service  
Trinity Factors  
Waitrose

#### **Charitable Trusts and Foundations**

Awards for All  
Christina Mary Hendrie Trust  
Claire Hunter Charitable Trust  
Cordis Charitable Trust  
Cotton Trust  
Cruden Foundation Limited  
Global Concerns Trust  
JTH Charitable Trust  
Lady Marion Gibson Trust  
MacLennan Trust  
Miss BW Muirhead Charitable Trust  
Monamy Trust  
Ponton House Trust  
Scottish Community Projects Fund

#### **Clubs, Community Groups, Schools**

Craigmount Community Centre  
Craigmount High School  
Longniddry Rotary Club  
St Georges School for Girls  
Wardie Guild



## **Garvald Edinburgh**

### **Directors' Annual Report for the year ended 31 March 2010**

The directors present their report and the financial statements of the charity for the year ended 31 March 2010.

This report has to be read in conjunction with the Chairman's Review, which covers information on the *Achievements and Performance* for the year and future prospects of the charity and forms an integral part of 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 (approximately six-weekly in the period to 31 March 2010) 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.

## **Garvald Edinburgh**

### **Directors' Annual Report for the year ended 31 March 2010**

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).

#### **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 business.

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.

## **Garvald Edinburgh**

### **Directors' Annual Report for the year ended 31 March 2010**

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.

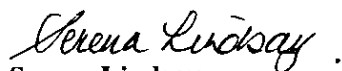
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **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 26 October 2010 and signed on their behalf by



**Serena Lindsay**  
**Secretary**

## **Garvald Edinburgh**

### **Independent Auditors' Report to the Directors of Garvald Edinburgh**

We have audited the financial statements of Garvald Edinburgh for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditors**

The directors' (who are directors of the charity for the purposes of company law) responsibilities for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

The directors have elected for the financial statements not to be audited in accordance with the Companies Act 1985. Accordingly we have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the Directors' Annual Report is not consistent with the financial statements, if the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Directors' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Garvald Edinburgh**

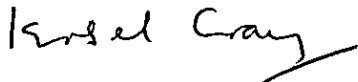
### **Independent Auditors' Report to the Directors of Garvald Edinburgh (continued)**

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.



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

**for and on behalf of**

**Alexander Sloan**

**Chartered Accountants and**

**Statutory Auditors**

**1 Atholl Place**

**Edinburgh**

Eligible to act as auditors in terms of section 1212 of the Companies Act 2006

**26 October 2010**

# Garvald Edinburgh

## Statement of Financial Activities (Incorporating Income and Expenditure Account)

for the year ended 31 March 2010

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2010 Total £	2009 Total £
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	24,061	-	18,530	42,591	214,294
Activities for generating funds	3	28,949	-	-	28,949	30,591
Investment income	4	3,823	-	-	3,823	53,925
<b>Incoming resources from charitable activities</b>	5	2,751,564	-	-	2,751,564	2,692,362
<b>Total incoming resources</b>		<u>2,808,397</u>	<u>-</u>	<u>18,530</u>	<u>2,826,927</u>	<u>2,991,172</u>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income	7	(29,223)	-	-	(29,223)	(28,474)
<b>Charitable activities</b>	8	(2,565,386)	(47,042)	(35,945)	(2,648,373)	(2,642,860)
<b>Governance costs</b>	9	(6,463)	-	-	(6,463)	(5,429)
<b>Total resources expended</b>		<u>(2,601,072)</u>	<u>(47,042)</u>	<u>(35,945)</u>	<u>(2,684,059)</u>	<u>(2,676,763)</u>
<b>Net incoming resources before transfers</b>						
		207,325	(47,042)	(17,415)	142,868	314,409
Gross transfers between funds		(41,116)	41,116	-	-	-
<b>Net movement in funds</b>		<u>166,209</u>	<u>(5,926)</u>	<u>(17,415)</u>	<u>142,868</u>	<u>314,409</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>1,109,971</u>	<u>1,812,415</u>	<u>27,332</u>	<u>2,949,718</u>	<u>2,635,309</u>
<b>Total funds carried forward</b>		<u>1,276,180</u>	<u>1,806,489</u>	<u>9,917</u>	<u>3,092,586</u>	<u>2,949,718</u>

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

# Garvald Edinburgh

## Balance Sheet as at 31 March 2010

		2010		2009	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16		1,363,863		1,405,108
<b>Current assets</b>					
Stocks		40,142		44,417	
Debtors	17	274,390		342,247	
Cash at bank and in hand		1,482,793		1,257,539	
		<u>1,797,325</u>		<u>1,644,203</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(68,602)</u>		<u>(99,593)</u>	
<b>Net current assets</b>			1,728,723		1,544,610
<b>Net assets</b>			<u>3,092,586</u>		<u>2,949,718</u>
<b>Funds</b>					
Unrestricted funds	20		1,276,180		1,109,971
Designated funds	21		1,806,489		1,812,415
Restricted funds	22		9,917		27,332
			<u>3,092,586</u>		<u>2,949,718</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 board on 26 October 2010 and signed on its behalf by



**Laurie Naumann**

**Chair**

**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 2010**

#### **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.



## **Garvald Edinburgh**

### **Notes to the Financial Statements for the year ended 31 March 2010**

#### **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.

#### **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
Plant and machinery	-	5 year straight line
Office 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.

The cost of tenant's improvements to leasehold properties will be amortised over the period of the lease, which is for forty years.

#### **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.

## Garvald Edinburgh

### Notes to the Financial Statements for the year ended 31 March 2010

#### 2. Voluntary income

	2010	2009
	£	£
Donations	42,591	54,294
Legacies	-	25,000
Property donated by Enzo Londei Trust	-	135,000
	<u>42,591</u>	<u>214,294</u>

#### 3. Activities for generating funds

	2010	2009
	£	£
Friends of Garvald - Bazaar	8,357	10,775
Activities for generating funds	20,592	19,816
	<u>28,949</u>	<u>30,591</u>

#### 4. Investment income

	2010	2009
	£	£
Interest received	3,823	53,925
	<u>3,823</u>	<u>53,925</u>

# Garvald Edinburgh

## Notes to the Financial Statements for the year ended 31 March 2010

### 5. Incoming resources from charitable activities

	2010	2009
	£	£
Canteen and lunches	24,747	19,927
Tool sales	1,460	3,509
Sale of bread	33,427	25,492
Sale of craft work	9,626	3,330
Shop sales	96,635	81,478
Rental income	5,428	4,379
Room hire - Orwell Arts	-	1,959
Fees - day & accommodation services	2,578,103	2,540,150
Management fees	2,138	2,138
The Big Lottery - Investing in Ideas	-	10,000
	<u>2,751,564</u>	<u>2,692,362</u>

### 6. Analysis of incoming resources from charitable activity

	2010	2009
Activity or Programme	Total £	Total £
Day services	1,207,606	1,197,301
Accommodation services	1,543,958	1,495,061
	<u>2,751,564</u>	<u>2,692,362</u>

### 7. Costs of generating voluntary income

	2010	2009
	£	£
Wages and salaries	19,158	19,046
Employer's NI contributions	1,720	1,742
Indian art exhibition	-	1,400
General expenses	8,345	6,286
	<u>29,223</u>	<u>28,474</u>

# Garvald Edinburgh

## Notes to the Financial Statements for the year ended 31 March 2010

### 8. Costs of charitable activities

	2010 £	2009 £
Staff costs	1,988,576	2,016,119
Premises costs	370,196	345,518
Running costs	245,228	236,066
Interest and finance charges	3,126	2,431
Depreciation	41,247	42,726
	<u>2,648,373</u>	<u>2,642,860</u>

### 9. Governance costs

	2010 £	2009 £
Audit	6,463	5,429
	<u>6,463</u>	<u>5,429</u>

### 10. Net incoming resources for the year

	2010 £	2009 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible assets	41,247	42,726
Auditors' remuneration	6,463	5,429
	<u></u>	<u></u>

### 11. Analysis of charitable expenditure by activity

Activity or Programme	Activities undertaken directly £	Support costs £	2010 Total £	2009 Total £
Day services	1,141,715	87,869	1,229,584	1,206,733
Accommodation services	1,331,627	122,848	1,454,475	1,436,127
	<u>2,473,342</u>	<u>210,717</u>	<u>2,684,059</u>	<u>2,642,860</u>

# Garvald Edinburgh

## Notes to the Financial Statements for the year ended 31 March 2010

### 12. Analysis of support costs by charitable activity

Activity or programme	Staff costs	Premises costs	Running costs	2010 Total	2009 Total
	£	£	£	£	£
Day services	52,867	22,417	12,585	87,869	103,312
Accommodation services	73,913	31,340	17,595	122,848	134,187
	<u>126,780</u>	<u>53,757</u>	<u>30,180</u>	<u>210,717</u>	<u>237,499</u>

### 13. Employees

#### Number of employees

The average monthly numbers of employees during the year were:

	2010 Number	2009 Number
Management and administration	5	5
Day and accommodation service staff	71	76
	<u>76</u>	<u>81</u>

#### Employment costs

	2010 £	2009 £
Wages and salaries	1,790,965	1,818,885
Social security costs	143,302	143,498
Other pension costs	75,187	74,524
	<u>2,009,454</u>	<u>2,036,907</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 and the daughter of James Sherratt, who were employed under normal terms and conditions, and received gross salaries of £8,945 and £10,700 respectively.

# Garvald Edinburgh

## Notes to the Financial Statements for the year ended 31 March 2010

### 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 £75,187 (2009 - £74,524). There is no outstanding balance owed at the year end (2009; £nil).

16. Tangible fixed assets	Land and buildings freehold	Long leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Office equipment	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2009	135,000	1,314,790	76,891	9,972	43,418	48,282	1,628,353
At 31 March 2010	135,000	1,314,790	76,891	9,972	43,418	48,282	1,628,353
<b>Depreciation</b>							
At 1 April 2009	-	65,100	56,473	9,972	43,418	48,282	223,245
Charge for the year	-	32,869	8,376	-	-	-	41,245
At 31 March 2010	-	97,969	64,849	9,972	43,418	48,282	264,490
<b>Net book values</b>							
At 31 March 2010	135,000	1,216,821	12,042	-	-	-	1,363,863
At 31 March 2009	135,000	1,249,690	20,418	-	-	-	1,405,108

17. Debtors	2010 £	2009 £
Trade debtors	157,044	169,304
Other debtors	115,215	168,151
Prepayments and accrued income	2,131	4,792
	<u>274,390</u>	<u>342,247</u>

# Garvald Edinburgh

## Notes to the Financial Statements for the year ended 31 March 2010

### 18. Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	4,294	8,980
Other taxes and social security costs	41,595	38,506
Other creditors	1,480	10,717
Accruals and deferred income	21,233	41,390
	<u>68,602</u>	<u>99,593</u>

### 19. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2010 as represented by:				
Tangible fixed assets	-	1,363,863	-	1,363,863
Current assets	1,344,782	442,626	9,917	1,797,325
Current liabilities	(68,602)	-	-	(68,602)
	<u>1,276,180</u>	<u>1,806,489</u>	<u>9,917</u>	<u>3,092,586</u>

### 20. Unrestricted funds

	1 Apr '09 £	Incoming £	Outgoing £	Transfers £	31 Mar '10 £
General Fund	1,109,971	2,808,397	(2,601,072)	(41,116)	1,276,180
	<u>1,109,971</u>	<u>2,808,397</u>	<u>(2,601,072)</u>	<u>(41,116)</u>	<u>1,276,180</u>

### Purposes of unrestricted 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 2010

21. Designated funds	1 Apr '09 £	Outgoing £	Transfers £	31 Mar '10 £
Property	374,455	-	28,173	402,628
Accommodation Services	4,679	(5,795)	1,116	-
Other fixed assets	155,418	(8,377)	-	147,041
Workshops	28,173	-	(28,173)	-
Tenant's improvements	1,249,690	(32,870)	-	1,216,820
Skeltiemuir property upkeep	-		5,000	5,000
Furnishings	-		10,000	10,000
I.T. fund	-		25,000	25,000
	<u>1,812,415</u>	<u>(47,042)</u>	<u>41,116</u>	<u>1,806,489</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.

##### Accommodation Services

Accommodation service charges relating to Merchiston, Murdoch Terrace and Slateford Green have been designated to be used for the refurbishment and maintenance of these flats.

##### Other fixed assets

The purpose of this fund is to carry the value of the charity's other fixed assets.

##### Workshops

This fund has been set aside for workshop expenditure.

##### 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.

##### 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 tenable the upgrade of outdate IT equipment and software and support continued development of the IT infrastructure.



## Garvald Edinburgh

### Notes to the Financial Statements for the year ended 31 March 2010

22. Restricted funds	1 Apr '09 £	Incoming £	Outgoing £	31 Mar '10 £
Tools for self reliance	1,357	3,025	-	4,382
Scottish Executive Training Grant	6,530	-	(6,530)	-
Light Up The World	-	10,800	(10,800)	-
Textile studio	299	-	-	299
John Muir and Duke of Edinburgh	3,554	-	-	3,554
Promotional DVD	1,682	-	-	1,682
Napier	4,895	-	(4,895)	-
Gorgie Road refurbishment	4,063	4,705	(8,768)	-
Gorgie Road - Feasibility study	395	-	(395)	-
The Big Lottery - Investing in Ideas	4,557	-	(4,557)	-
	<u>27,332</u>	<u>18,530</u>	<u>(35,945)</u>	<u>9,917</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.

##### *Scottish Executive Training Grant*

Scottish Executive Training Grant - to provide training for managers.

##### *Light Up The World*

Donations towards the purchase of specialist lighting and stage equipment at Orwell Arts

##### *Glass workshop*

Glass workshop - to provide equipment for a glass workshop.

##### *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.

##### *Napier*

Napier - to help fund the costs of fire-proofing doors, replacing door-openers and the new boiler needed at Napier House.

## Garvald Edinburgh

### Notes to the Financial Statements for the year ended 31 March 2010

#### *Gorgie Road refurbishment*

Gorgie Road refurbishment - grants were provided to fund the costs of installing ventilation and extraction fans needed in the joinery and wood workshops in Gorgie Road.

#### *Gorgie Road - Feasibility study*

Gorgie Feasibility Study - a grant was provided to carry out a feasibility study for the Gorgie Road workshop refurbishment project

#### *The Big Lottery - Investing in Ideas*

The Big Lottery - Investing in Ideas - a grant was received for business consultant, retail and catering consultant and exchange visits in the UK for staff, volunteers and members.

### 23. Financial commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows:

	2010 £	2009 £
<b>Expiry date:</b>		
Within one year	16,119	16,008
In over five years	71,600	71,600
	<u>87,719</u>	<u>87,608</u>

### 24. Capital commitments

2010 £	2009 £
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Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in  
the financial statements

<u>-</u>	<u>5,811</u>
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