

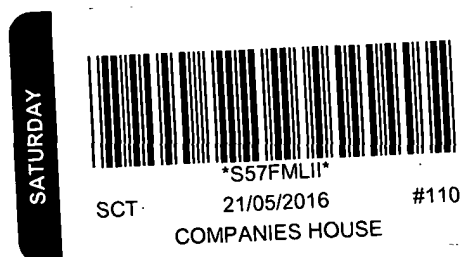
GARVALD HOME FARM LIMITED

A Company limited by guarantee
And not having a Share Capital

(Charity Registration No. SC 015243)

Company Registration No. SC 0108570

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**



Directors:	James Anderson Peter Darwell David Gilchrist (resigned 2 December 2015) Jane Jackson Rosemary Soutter Huw Sheppard (chair) Colin Third Charles Wannup (appointed 13 May 2015)
Secretary:	Jane Jackson
Treasurer:	James Anderson C.A.
Residential Manager:	Bridget Beagan
Bankers:	The Royal Bank of Scotland Plc 17 Comiston Road EDINBURGH EH10 6AA
Registered Auditors:	Alexander Sloan Chartered Accountants 1 Atholl Place EDINBURGH EH3 8HP
Registered Office:	Garvald Home Farm DOLPHINTON West Linton EH46 7HJ
Company Registration No:	SC 0108570
Charity Registration No:	SC 015243
Governing Document:	Memorandum and Articles of Association

**Report of the Directors
For the Year ended 31 August 2015****Reference and Administrative Details**

The information relating to Garvald Home Farm Limited is contained on page 1.

Structure Governance and Management*Governing Document*

Garvald Home Farm Limited is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 1 October 1987. The liability of each member is limited to £5. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR) and its residential service is registered and monitored by the Care Inspectorate.

Appointment of new Directors

Directors are appointed at the Company's Annual General meeting. Directors can be co-opted during the year and these new appointments stand for re-election at the following Annual General meeting.

Recruitment of new Directors

The Directors are recruited to maintain a balance of skills within the Board. Most appointments come from parties who already know the work of Garvald Home Farm and who have visited and attended events held at the Farm.

Induction and Training of Directors

New directors are briefed on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, and recent performance of the charity. Directors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role.

Structure

The Board of Directors appoint the residential manager and farm staff, carry out financial management and is available to assist the manager on more complex issues. The manager is responsible for placement of residents, the engagement and training of staff and the day to day management of the residential home and farm. The Directors meet on average four occasions a year to receive reports from the manager and to carry out management and financial reviews.

Risk Management

The Directors are satisfied that the major risks to which the charity is exposed have been reviewed and procedures have been established to manage these risks.

Report of the Directors (Continued)**Statement of Directors' Responsibilities**

The directors of Garvald Home Farm Limited 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 as amended. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Objectives and Activities

Garvald Home Farm offers long term homes and work in an agricultural setting for a small community of adults with special needs and co-workers. The whole enterprise is founded on the philosophy of Rudolf Steiner and the farm follows the bio-dynamic method of agriculture. The aim is to grant people with learning difficulties an independent life style at a level they can sustain and to allow them to experience at first hand basic farming activities. The farm also offers educational visits to school pupils to allow them to experience work with livestock and organic food production from farming activities. The social enterprise firewood unit commenced during the year and added to the activities for residents and provided training from an experienced forester on a part time basis.

Achievements and Performance

There was a very satisfactory increase in fee income due to resident placements being fully taken up. The renewable heat incentive income earned from running the new boiler and input from the efforts of the firewood section was a new source. The farm made a strong input to the community.

Again the year passed with no inflationary increases in fee rates paid by local authorities.

Report of the Directors (Continued)

Financial Review

The financial statements follow on pages 7 to 16. These statements are prepared in terms of the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities and the Companies Act 2006.

The principal funding sources are fees received from local authorities and central government state benefits from residents, together with the sale of farm produce and renewable heat incentive income. The expenditure made to support residential care and farming activities and firewood project is described in the statement of financial activities.

Reserves Policy

The directors policy is to maintain free reserves sufficient to fund the equivalent of three to six months expenditure. The directors acknowledge that they have not reached this target.

At 31 August 2015 free reserves amounted to £106,426 which is equivalent to 33% of annual expenditure or expenditure for 3.5 months.

Plans for Future Periods

The charity plans to work in a meaningful way with residents in order to secure a long term independent future for them. The charity also aims to improve the farm output of bio-dynamic products and plans and grow the social enterprise firewood production unit.

Directors

The directors who served during the year are shown on Page 1. James Anderson and Peter Darwell retire by rotation and being eligible offer themselves for re-election.

Directors did not receive any remuneration or refund of expenses.

Auditors

Messrs Alexander Sloan are willing to continue in office and resolutions will be proposed at the Annual General Meeting to re-appoint them and to authorise the council to fix their remuneration.

By Order of the Board

Jane Jackson
Secretary

11 May 2016

We have audited the financial statements of Garvald Home Farm Limited for the year ended 31 August 2015 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 charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the 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 Statement of Directors' Responsibilities (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.

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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
- certain disclosures of Directors' remuneration specified by law were not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Annual Report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



David Jeffcoat FCCA, (Senior Statutory Auditor)
for and on behalf of
Alexander Sloan
Chartered Accountants and
Statutory Auditor

1 Atholl Place
Edinburgh
EH3 8HP

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

11 May 2016

**Income and Expenditure Account
For the Year ended 31 August 2015**

	Notes	Unrestricted Fund £	Designated/ Restricted Funds £	Total 2015 £	Total 2014 £
Incoming Resources					
Voluntary income	2	200	-	200	3,323
Investment income	2	21	-	21	8
Incoming resources from Charitable activities	2	368,195	-	368,195	318,607
		<u>368,416</u>	<u>-</u>	<u>368,416</u>	<u>321,938</u>
Resources Expended					
Cost of activities					
Staff costs	16	157,062	-	157,062	146,756
Farm costs	17	36,906	-	36,906	28,209
Household	18	58,002	-	58,002	57,080
Residents	19	22,453	-	22,453	20,703
Other direct costs	20	25,195	-	25,195	27,099
Non recurring expenditure	21	16,623	-	16,623	13,794
Depreciation	22	-	46,672	46,672	44,170
		<u>316,241</u>	<u>46,672</u>	<u>362,913</u>	<u>337,811</u>
Governance costs	23	2,490	-	2,490	1,475
		<u>318,731</u>	<u>46,672</u>	<u>365,403</u>	<u>339,286</u>
Surplus/(Deficit) for the Year	5	<u>49,685</u>	<u>(46,672)</u>	<u>3,013</u>	<u>(17,348)</u>

The results set out in the income and expenditure account above derive wholly from the continuing operations of the company.

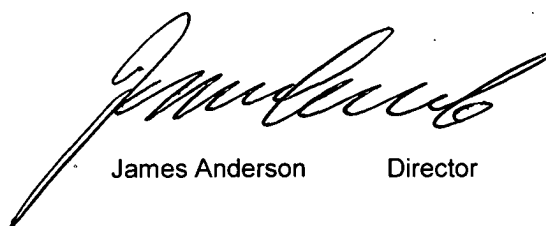
Statement of Financial Activities
For the Year ended 31 August 2015

	Notes	Unrestricted Funds General £	Funds Designated £	Total 2015 £	Total 2014 £
Incoming Resources					
Voluntary income	2	200	-	200	3,323
Investment income	2	21	-	21	8
Incoming resources from Charitable activities	2	368,195	-	368,195	318,607
		<u>368,416</u>	<u>-</u>	<u>368,416</u>	<u>321,938</u>
Resources Expended					
Cost of charitable activities	16-22	316,241	46,672	362,913	337,811
Governance costs	23	2,490	-	2,490	1,475
		<u>318,731</u>	<u>46,672</u>	<u>365,403</u>	<u>339,286</u>
Net Incoming (Outgoing) Resources					
		49,685	(46,672)	3,013	(17,348)
Fund transfers	14	<u>(5,219)</u>	<u>5,219</u>	<u>-</u>	<u>-</u>
Net movement in funds		44,466	(41,453)	3,013	(17,348)
Balance 31 August 2014		<u>61,960</u>	<u>479,565</u>	<u>541,525</u>	<u>558,873</u>
Balance 31 August 2015	14	<u>106,426</u>	<u>438,112</u>	<u>544,538</u>	<u>541,525</u>

Balance Sheet
As at 31 August 2015

	Notes	2015 £	2014 £
Fixed Assets			
Tangible assets	13	477,305	503,251
Current Assets			
Stocks	6	33,922	33,183
Debtors	7	69,299	31,816
Cash at bank & on hand		35,765	41,671
		138,986	106,670
Creditors			
Amounts falling due within one year	8	45,535	53,645
Net Current Assets		93,451	53,025
Total Assets less Current Liabilities		570,756	556,276
Creditors			
Amounts falling due outwith one year	9	26,218	14,751
		544,538	541,525
Funds			
Unrestricted funds	14	106,426	61,960
Designated funds	14	438,112	479,565
		544,538	541,525

The financial statements on pages 7 to 16 were approved, authorised for issue and signed on behalf of the board of directors on 11 May 2016.



James Anderson Director

**Notes to the Financial Statements
For the Year ended 31 August 2015**

1. Accounting Policies

a) 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 Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Depreciation

Depreciation is calculated to write off the cost of fixed assets over their expected useful economic lives. The annual rates used on fixed assets are as follows.

Expenditure on leased property	20 years straight line
Tractor & implements	25% reducing balance
Motor vehicles	25% reducing balance

c) Stock & Livestock

Livestock on hand at the close of the financial year is valued at market value less 25%. Feeding and other stock is valued at the lower of cost and market value.

d) Leasing and Hire Purchase Commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits as incurred.

e) Pension Costs

The company makes contributions to a money purchase group personal pension scheme, contributions are charged against profits on the amounts payable for the year.

f) Income

Fees and other income are stated at the amounts receivable for the year.

g) Expenditure

All expenditure is included on the accruals basis and has been directly attributed to one of the financial categories of resources expended in the Income & Expenditure Account and Statement of Financial Activities.

h) Taxation

No provision for corporation tax is necessary as the company has charitable status.

Notes to the Financial Statements (Continued)**2. Incoming Resources**

The company's turnover consists of residential fees issued to local authorities and individuals in respect of persons with special needs and of sales of farm produce and livestock. An analysis of income is as undernoted:

	2015 £	2014 £
Voluntary income		
Donations	200	3,323
	<hr/>	<hr/>
Investment income		
Bank interest	21	8
	<hr/>	<hr/>
Incoming resources from charitable activities		
Residential care fees	322,496	276,997
Farm income	35,116	41,520
Training grant	-	90
Renewable heat incentive & log sales	10,583	-
	<hr/>	<hr/>
	368,195	318,607
	<hr/>	<hr/>

3. Breakdown of costs of Charitable Activity

Activities undertaken directly		
Residential and day care	278,887	248,674
Farm	43,679	50,526
Firewood project	11,873	-
	<hr/>	<hr/>
	334,439	299,200
	<hr/>	<hr/>

The above costs refer to direct expenditure, no specific support costs have been incurred.

4. Employee Information

Average number of full time equivalent employees during the year was:

	8	7
	<hr/>	<hr/>
	£	£
Wages & salaries	138,382	129,238
Social security costs	9,691	10,017
Pension costs	3,042	3,042
	<hr/>	<hr/>
	151,115	142,297
	<hr/>	<hr/>

No staff member is remunerated at a level in excess of £60,000 per annum. Pension contributions are made in respect of two members of staff. No director received remuneration or travelling expenses.

Notes to the Financial Statements (Continued)

5. Surplus/(Deficit) for the Financial Year	2015	2014
Is stated after charging:	£	£
Depreciation		
charged to Designated Fund	46,672	44,170
Auditors remuneration	2,490	1,475
Hire purchase interest	1,805	1,135
	<u> </u>	<u> </u>
6. Stock		
Livestock	25,012	22,443
Crops & feeding	7,484	10,080
Logs	1,426	660
	<u> </u>	<u> </u>
	33,922	33,183
	<u> </u>	<u> </u>
7. Debtors		
Trade debtors	64,691	23,891
Other debtor	3,702	7,219
Prepayments	906	706
	<u> </u>	<u> </u>
	69,299	31,816
	<u> </u>	<u> </u>
8. Creditors		
Amounts falling due within one year		
Trade creditors	9,842	17,779
Accruals	6,119	10,322
Other taxation & social security	2,599	2,609
Other Creditors	14,000	14,000
Hire purchase	12,975	8,935
	<u> </u>	<u> </u>
	45,535	53,645
	<u> </u>	<u> </u>
9. Creditors		
Amounts falling due outwith one year		
Hire purchase	26,218	14,751
	<u> </u>	<u> </u>
10. Obligations Under Hire Purchase Contracts & Finance Leases		
Amounts payable		
Within one year	15,056	10,008
In the second to fifth year	31,024	16,872
	<u> </u>	<u> </u>
	46,080	26,880
Less: finance charges allocated to future accounting periods	6,887	3,194
	<u> </u>	<u> </u>
	39,193	23,686
	<u> </u>	<u> </u>

Notes to the Financial Statements (Continued)**11. Pension Scheme**

The company makes contributions to a money purchase group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,042 (2014 - £3,042).

12. Related Party Transaction

During the year the company paid £1,528 for payroll and VAT services of James Anderson & Co a firm whose senior partner James Anderson, is a director of Garvald Home Farm Limited. This payment covered the debt of £752 due to James Anderson & Co at 31 August 2014, leaving a debt due at 31 August 2015 of £806.

13. Tangible Fixed Assets

	Expenditure on Leased Property £	Tractors & Implements £	Motor Vehicles £	Total £
Cost				
31 August 2014	629,508	122,141	41,071	792,720
Additions	30,166	3,498	-	33,664
Disposal	(17,250)	-	-	(17,250)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2015	642,424	125,639	41,071	809,134
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
31 August 2014	179,607	90,860	19,002	289,469
Charge for year	33,796	8,040	4,836	46,672
Written back on disposal	(4,312)	-	-	(4,312)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2015	209,091	98,900	23,838	331,829
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value				
31 August 2015	433,333	26,739	17,233	477,305
31 August 2014	449,901	31,281	22,069	503,251
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of fixed assets includes an amount of £59,120 (2014 - £41,190) in respect of assets held under hire purchase agreements. The depreciation charge for the year on assets held under hire purchase was £12,236 (2014 - £6,549).

Notes to the Financial Statements (Continued)

14. Statement of Funds

	Balance 31 August 14 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance 31 August 15 £
Unrestricted Fund	61,960	368,416	318,731	(5,219)	106,426
- Fixed asset fund	479,565	-	46,672	5,219	438,112
Designated Funds	479,565	-	46,672	5,219	438,112
Total Funds	541,525	368,416	365,403	-	544,538

Allocation of Net Assets between Funds

	Tangible Fixed Assets £	Current Assets £	Liabilities £	Total £
Unrestricted fund	-	138,986	32,560	106,426
Designated fund				
- Fixed asset fund	477,305	-	39,193	438,112
Restricted funds	-	-	-	-
	477,305	138,986	71,753	544,538

The **UNRESTRICTED FUND** is free to use in accordance with the objectives of the charity.

DESIGNATED FUNDS - Fixed asset fund represents a fund set aside by the Directors to be equal to expenditure made less depreciation provided on fixed assets and less liabilities outstanding on their acquisition.

Notes to the Income & Expenditure Account
For the Year ended 31 August 2015

	2015 £	2014 £
16. Staff		
Salaries & national insurance	148,073	139,255
Pension scheme	3,042	3,042
Staff expenses	1,408	259
Staff training	1,438	695
Volunteers' expenses	2,138	2,541
Council tax	963	964
	<u>157,062</u>	<u>146,756</u>
17. Farm		
Livestock etc. on hand year commencement	32,523	28,940
Livestock purchased	3,195	1,006
Feeding	9,682	9,659
Seed	1,883	1,255
Upkeep property	540	1,065
Upkeep fences & shelter belts	824	2,522
Upkeep implements	7,677	6,235
Haulage & contracting	4,640	2,275
Vet & medicine	828	987
Tractor diesel	1,734	1,423
Contracting – butcher	4,189	3,868
Hire purchase interest	457	457
Levies & subscriptions	1,230	1,040
	<u>69,402</u>	<u>60,732</u>
Less: Livestock etc on hand period end	(32,496)	(32,523)
	<u>36,906</u>	<u>28,209</u>
18. Household		
Provisions	29,484	27,325
Heat & light	13,596	16,281
Upkeep fittings & equipment	5,208	4,902
Upkeep property	4,640	3,643
Medical	491	603
Cleaning materials	2,628	2,473
Registration fee	1,413	1,413
Drainage charges	542	440
	<u>58,002</u>	<u>57,080</u>

Notes to the Income & Expenditure Account (Continued)
For the Year ended 31 August 2015

	2015 £	2014 £
19. Residents		
Personal allowance	7,933	7,599
Day placement	12,344	11,473
Wages	795	780
Extras & holiday stays	1,381	851
	<u>22,453</u>	<u>20,703</u>
20. Other Direct Costs		
Rent	5,000	5,000
Insurance	7,746	7,986
Diesel & vehicle expenses	5,886	9,511
Printing stationery etc	530	381
Postage & telephone	2,083	1,915
Bank charges	563	463
Payroll processing	1,582	1,400
Hire purchase interest	1,805	443
	<u>25,195</u>	<u>27,099</u>
21. Non Recurring		
Property expenditure	1,450	10,594
RHI accreditation	2,350	-
Food safety review	597	-
Water supply grant unpaid	-	3,200
Loss on disposal of wood boiler	12,226	-
	<u>16,623</u>	<u>13,974</u>
Charged to restricted fund	-	1,828
22. Depreciation		
On tractor & implements	8,040	9,784
On motor vehicles	4,836	3,019
On expenditure on leased property	33,796	31,367
	<u>46,672</u>	<u>44,170</u>
Charged to designated fund	46,672	44,170
23. Governance Costs		
Audit fee	2,490	1,475