

**GARVALD HOME FARM LIMITED**

A Company limited by guarantee  
And not having a Share Capital

**(Charity Registration No. SC 015243)**

**Company Registration No. SC 108570**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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COMPANIES HOUSE

The directors serving during the year and since the year end were as follows:

<b>Directors:</b>	James Anderson Peter Darwell Jane Jackson Rosemary Soutter Huw Sheppard (chair) Colin Third Charles Wannap David Gilchrist (resigned 2 December 2015)
<b>Secretary:</b>	Jane Jackson
<b>Residential Manager:</b>	Bridget Beagan
<b>Bankers:</b>	The Royal Bank of Scotland Plc 17 Comiston Road EDINBURGH EH10 6AA
<b>Statutory Auditors:</b>	Alexander Sloan Chartered Accountants 50 Melville Street EDINBURGH EH3 7HF
<b>Registered Office:</b>	Garvald Home Farm DOLPHINTON West Linton EH46 7HJ
<b>Company Registration No:</b>	SC 108570
<b>Charity Registration No:</b>	SC 015243
<b>Governing Document:</b>	Memorandum and Articles of Association

**Report of the Directors  
For the Year ended 31 August 2016**

The trustees who are also the directors present their annual report and financial statements of the charity for the year to 31 August 2016.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). This Standard and Practice is referred to as FRSSSE SORP 2015 in the attached reports and notes.

**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 added to the activities for residents and provided training from an experienced forester on a part time basis.

**Achievements and Performance**

The full occupancy level provided a high level of financial stability. 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.

**Financial Review**

The financial statements follow on pages 7 to 16. These statements are prepared in terms of the FRSSSE SORP 2015 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 six months expenditure. The directors acknowledge that they have not reached this target but have budgeted to attain surpluses in future years to meet the objective.

At 31 August 2016 free reserves amounted to £86,790 which is equivalent to 25% of annual expenditure or expenditure for 3 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.

**Report of the Directors (Continued)****Reference and Administrative Details**

The information relating to Garvald Home Farm Limited is contained on page 1. The directors who served during the accounting year and to the date of this report are listed. Jane Jackson and Rosemary Soutter retire by rotation and being eligible offer themselves for re-election. Directors did not receive any remuneration or refund of expenses.

**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 managers 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 farmer and to carry out management and financial reviews.

*Key Management Remuneration Policy*

The key management of the charity during the year consisted of two residential managers and the farm manager. Their salaries are set each year with regard to equivalent positions in similar organisations.

*Risk Management*

The Board have identified and addressed the following main risk areas facing the charity as follows:

1. The requirement to comply with legislation, regulations, standards & guidance for residential and day care of adults with additional support needs: The residential home and farm are led by an experienced management team and trustees and is subject to external inspection by regulatory bodies including local authorities, care inspectorate and fire and rescue services.
2. Financial risks arising from lower than budgeted occupancy levels, inadequate financial controls and substantially increased staffing costs: The Board takes a strategic role for the financial planning of the charity and receives regular updates on the Community's financial position and is supported by professional advisers.

The directors regularly review all of the risks to which the charity is exposed and the procedures in place 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.

**Statement of Disclosure of Information to Auditors**

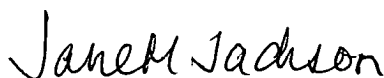
In the case of each of the persons who are directors at the time when the directors report is approved:

- so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**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.

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

**By Order of the Board**

**Jane Jackson**  
Secretary

**18 May 2017**

We have audited the financial statements of Garvald Home Farm Limited for the year ended 31 August 2016 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 January 2015) (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 2016 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

**50 Melville Street**  
**Edinburgh**  
**EH3 7HF**

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

**18 May 2017**

**Statement of Financial Activities**  
**(Incorporating Income & Expenditure Account)**  
**For the Year ended 31 August 2016**

	Notes	Unrestricted Funds			Total	Total
	£	General Fund	Designated Fund	Restricted Fund	2016	2015
		£	£	£	£	£
<b>Income from</b>						
Donations	2	977	-	-	977	200
Charitable activities	2	391,154	-	50,000	441,154	368,195
Investment income	2	46	-	-	46	21
<b>Total Income</b>		<u>392,177</u>	<u>-</u>	<u>50,000</u>	<u>442,177</u>	<u>368,416</u>
<b>Expenditure on</b>						
<b>Charitable activities</b>						
- Costs of direct activities	16-22	338,947	-	-	338,947	318,731
- Depreciation	23	-	45,182	-	45,182	46,672
<b>Total expenditure</b>		<u>338,947</u>	<u>45,182</u>	<u>-</u>	<u>384,129</u>	<u>365,403</u>
<b>Net income (expenditure)</b>		53,230	( 45,182)	50,000	58,048	3,013
Transfer between funds	15	<u>( 72,866)</u>	<u>72,866</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		19,636	27,684	50,000	58,048	3,013
<b>Reconciliation of funds</b>						
Balances 31 August 2015		<u>106,426</u>	<u>438,112</u>	<u>-</u>	<u>544,538</u>	<u>541,525</u>
<b>Balances 31 August 2016</b>	15	<u>86,790</u>	<u>465,796</u>	<u>50,000</u>	<u>602,586</u>	<u>544,538</u>

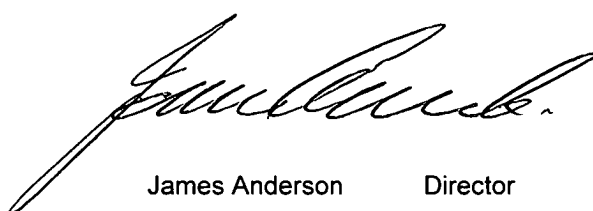
The results set out in the income and expenditure account above derive wholly from the continuing operations of the charitable company.



**Balance Sheet**  
**As at 31 August 2016**

	Notes	2016 £	2015 £
<b>Fixed Assets</b>			
Tangible assets	14	550,623	477,305
<b>Current Assets</b>			
Stocks	6	29,322	33,922
Debtors	7	48,300	69,299
Cash at bank & on hand		51,163	35,765
		128,785	138,986
<b>Creditors</b>			
Amounts falling due within one year	8	60,300	45,535
<b>Net Current Assets</b>		68,485	93,451
<b>Total Assets less Current Liabilities</b>		619,108	570,756
<b>Creditors</b>			
Amounts falling due outwith one year	9	16,522	26,218
		602,586	544,538
<b>Funds</b>			
Unrestricted funds	15	86,790	106,426
Designated funds	15	465,796	438,112
Restricted funds	15	50,000	-
		602,586	544,538

The financial statements on pages 7 to 16 have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and were approved, authorised for issue and signed on behalf of the board of directors on 18 May 2017.



James Anderson      Director

**Notes to the Financial Statements  
For the Year ended 31 August 2016**

**1. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of Accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRSSE SORP 2015 and the Companies Act 2006.

Garvald Home Farm Limited meets the definition of a public benefit entity under FRSSE 2015. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

**b) Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Residential fees and additional charges are issued four weekly to local authorities based on attendance record in respect of persons with special needs. Sale of farm produce and livestock are invoiced at the point of supply. Log sales and renewable heat incentive incomes are recognised at the point of receipt.

**c) Expenditure**

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**d) Fund accounting**

Unrestricted funds can be used on any activity within the charitable objectives of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to use for a specific purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is in note 18 to the financial statements.

**e) Tangible Fixed Assets and Depreciation**

Expenditure is capitalised as a fixed asset where it represents either a new asset or an enhancement to an existing asset. Depreciation is provided at the following annual rates and charged to the designated Capital Fund in order to write off each asset over its expected useful life less estimated residual value.

Expenditure on leased property	20 years straight line
Tractor and improvements	25% reducing balance
Motor vehicles	25% reducing balance

**f) 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.

**Notes to the Financial Statements (Continued)**  
**For the Year ended 31 August 2016**

**1. Accounting Policies Continued**

**g) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**h) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**i) Bank and cash**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**k) Pensions**

The company operates a defined contribution and an auto enrolment scheme. Contributions are charged to the Statement of Financial Activities in the year they arise.

**l) Taxation**

No provision for corporation tax is necessary as the company has charitable status and does not trade.

**m) Leasing**

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.

## 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:

Income	2016 £	2015 £
Donations	977	200
Investment income		
Bank interest	46	21
Charitable Activities		
Residential care fees	333,519	322,496
Farm income	42,074	35,116
Renewable heat incentive & log sales	15,561	10,583
	391,154	368,195
Restricted fund grant for farmhouse alterations	50,000	-

## 3. Breakdown of costs of Charitable Activity

Activities undertaken directly		
Residential and day care	285,628	278,887
Farm	52,309	43,679
Firewood project	17,718	11,873
	355,655	334,439

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:

	9	8
	£	£
Wages & salaries	145,401	138,382
Social security costs	10,383	9,691
Pension costs	2,757	3,042
	158,541	151,115

No staff member is remunerated at a level in excess of £60,000 per annum. Pension contributions are made in respect of six (2015: two) members of staff. No director received remuneration or travelling expenses.

## Notes to the Financial Statements (Continued)

	2016 £	2015 £
<b>5. Surplus for the Financial Year</b>		
Is stated after charging:		
Depreciation		
charged to Designated Fund	45,182	46,672
Auditors remuneration	2,090	2,490
Hire purchase interest	2,109	1,805
	<u>          </u>	<u>          </u>
<b>6. Stock</b>		
Livestock	24,163	25,012
Crops & feeding	4,359	7,484
Logs	800	1,426
	<u>          </u>	<u>          </u>
	29,322	33,922
	<u>          </u>	<u>          </u>
<b>7. Debtors</b>		
Trade debtors	29,545	64,691
Other debtor	17,876	3,702
Prepayments	879	906
	<u>          </u>	<u>          </u>
	48,300	69,299
	<u>          </u>	<u>          </u>
<b>8. Creditors</b>		
Amounts falling due within one year		
Trade creditors	24,646	9,842
Accruals	9,545	6,119
Other taxation & social security	2,449	2,599
Other Creditors	14,000	14,000
Hire purchase	9,660	12,975
	<u>          </u>	<u>          </u>
	60,300	45,535
	<u>          </u>	<u>          </u>
<b>9. Creditors</b>		
Amounts falling due outwith one year		
Hire purchase	16,522	26,218
	<u>          </u>	<u>          </u>
<b>10. Obligations Under Hire Purchase Contracts &amp; Finance Leases</b>		
Amounts payable		
Within one year	11,206	15,056
In the second to fifth year	19,796	31,024
	<u>          </u>	<u>          </u>
	31,002	46,080
Less: finance charges allocated to future accounting periods	4,820	6,887
	<u>          </u>	<u>          </u>
	26,182	39,193
	<u>          </u>	<u>          </u>

## Notes to the Financial Statements (Continued)

## 11. Other Financial Commitments

The charity has an annual non cancellable obligation to pay rent of the farm property as follows:

	2016 £	2015 £
Expiry date within one year	10,000	5,000

## 12. Pension Scheme

The company makes contributions to a money purchase group personal pension scheme and an auto enrolment fund administered by NEST. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £2,757 (2015 - £3,042).

## 13. Related Party Transaction

During the year the company paid £1,658 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 £806 due to James Anderson & Co at 31 August 2015, leaving a debt due at 31 August 2016 of £851.

## 14. Tangible Fixed Assets

	Expenditure on Leased Property £	Tractors & Implements £	Motor Vehicles £	Total £
<b>Cost</b>				
31 August 2015	642,424	125,639	41,071	809,134
Additions	110,958	2,167	5,375	118,500
Disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2016	753,382	127,806	46,446	927,634
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
31 August 2015	209,091	98,900	23,838	331,829
Charge for year	33,796	7,045	4,341	45,182
Written back on disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2016	242,887	105,945	28,179	377,011
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
31 August 2016	510,495	21,861	18,267	550,623
31 August 2015	433,333	26,739	17,233	477,605
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of fixed assets includes an amount of 37,921 (2015 - £59,120) in respect of assets held under hire purchase agreements. The depreciation charge for the year on assets held under hire purchase was £6,462 (2015 - £12,236).

## Notes to the Financial Statements (Continued)

## 15. Statement of Funds

	Balance 31 August 15 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance 31 August 16 £
<b>General fund</b>	106,426	392,177	338,947	( 72,866)	86,790
<b>Designated fund</b>					
- Fixed asset fund	438,112	-	45,182	72,866	465,796
<b>Total unrestricted funds</b>	544,538	392,177	384,129	-	552,586
<b>Restricted fund</b>					
- Farmhouse Improvement Fund	-	50,000	-	-	50,000
<b>Total funds</b>	544,538	442,177	384,129	-	602,586

## Allocation of Net Assets between Funds

	Tangible Fixed Assets £	Current Assets £	Liabilities £	Total £
<b>General fund</b>	-	128,785	41,995	86,790
<b>Designated fund</b>				
- Fixed asset fund	500,623	-	34,827	465,796
<b>Restricted funds</b>	50,000	-	-	50,000
	550,623	128,785	76,822	602,586

**GENERAL FUND UNRESTRICTED** 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.

**RESTRICTED FUNDS** This grant was made by the Garvald Trust to assist with the farmhouse alteration and improvement expenditure.

**Notes to the Income & Expenditure Account  
For the Year ended 31 August 2016**

	2016 £	2015 £
<b>16. Staff</b>		
Salaries & national insurance	155,784	148,073
Pension scheme	2,757	3,042
Staff expenses	505	1,408
Staff training	4,022	1,438
Volunteer expenses	1,909	2,138
Council tax	964	963
	<u>165,941</u>	<u>157,062</u>
<b>17. Farm</b>		
Livestock etc. on hand year commencement	32,496	32,523
Livestock purchased	2,086	3,195
Feeding etc	10,825	9,682
Seed & manures	1,244	1,883
Upkeep property	7,192	540
Upkeep fences & shelter belts	1,779	824
Upkeep implements	9,051	7,677
Haulage & contracting	6,820	4,640
Vet & medicine	574	826
Tractor diesel	1,618	1,734
Contracting – butcher	3,374	4,189
Hire purchase interest	325	457
Levies & subscriptions	553	1,230
	<u>77,937</u>	<u>69,402</u>
Less: Livestock etc on hand period end	( 28,522)	( 32,496)
	<u>49,415</u>	<u>36,906</u>
<b>18. Household</b>		
Provisions	26,151	29,484
Heat & light	13,252	13,596
Upkeep fittings & equipment	6,606	5,208
Upkeep property	3,698	4,640
Medical	408	491
Cleaning materials	2,780	2,628
Registration fee	2,098	1,413
Drainage charges	365	542
	<u>55,358</u>	<u>58,002</u>



**Notes to the Income & Expenditure Account (Continued)**  
**For the Year ended 31 August 2016**

	2016 £	2015 £
<b>19. Residents</b>		
Personal allowance	7,970	7,933
Day placement	11,338	12,344
Wages	780	795
Extras & holiday stays	3,149	1,381
	<u>23,237</u>	<u>22,453</u>
<b>20. Other Direct Costs</b>		
Rent	10,000	5,000
Insurance	8,454	7,746
Diesel & vehicle expenses	6,030	5,886
Printing stationery etc	451	530
Postage & telephone	3,192	2,083
Bank charges	580	563
Payroll processing	1,703	1,582
Hire purchase interest	1,784	1,805
	<u>32,194</u>	<u>25,195</u>
<b>21. Non Recurring</b>		
Upkeep property	1,752	1,450
Architect and planning fees	8,960	-
RHI Accreditation	-	2,350
Food safety review	-	597
Loss on disposal of wood boiler	-	12,226
	<u>10,712</u>	<u>16,623</u>
<b>22. Governance Costs</b>		
Audit fee	2,090	2,490
<b>23. Depreciation</b>		
On tractor & implements	7,045	8,040
On motor vehicles	4,341	4,836
On property improvements	33,796	33,796
	<u>45,182</u>	<u>46,672</u>

**Transition to FRSSE SORP 2015**

Due to the application of the Financial Reporting Standard for Smaller Entities 2015 and the related Statement of Recommended Practice: Accounting and Reporting by Charities, the prior year figures have been restated to reflect the required reporting categories. This has resulted in Governance Costs being reclassified within the costs of Charitable Activities. There has been no change to the previously reported surplus or closing reserves.