

108570

GARVALD HOME FARM LIMITED
A Company limited by guarantee
And not having a Share Capital

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1999

DOLPHINTON, WEST LINTON, PEEBLESSHIRE EH46 7HJ



Directors:	James Anderson John Brett Shelagh Brett Shelagh Bryden Nan Burnett Robert Crichton Peter Darwell Jane Jackson Diana O'Neil (resigned 11 May 1999) Rosemary Soutter David Suckling Huw Sheppard
Secretary:	Jane Jackson
Treasurer:	James Anderson C.A.
Solicitors:	Lindsays W.S.
Bankers:	The Royal Bank of Scotland Plc
Auditors:	D M Vaughan & Co Ltd
Registered Office:	Garvald Home Farm, West Linton
Company Registration No:	108570 (Scotland)
Charity Registration No:	SCO 20909
Governing Document:	Memorandum and Articles of Association

**Report of the Directors
For the Year ended 31 August 1999**

The directors present their report and audited financial statements for the year ended 31 August 1999.

Principal Activity

Garvald Home Farm continues to offer 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.

Review of Activities

Although there was a reduction in the average resident number to eight the rise in fee level which was obtained in the year enabled a small surplus to ensue, following additional upgrade expenditure mainly in the area of residential accommodation and household furniture.

During the year the company completed the refurbishment of a farm building into a community hall. The funding of the project is assisted by the National Lottery Charities Board, Garvald Trust and fund raising.

Future Prospects

The directors are satisfied that the company can operate profitably in the future.

Legal and Administrative Details

The information relating to Garvald Home Farm Limited is contained on page 1. In addition, it is advised that directors are appointed at the Company's Annual General Meeting.

Report of the Directors (Continued)

Directors

The directors who served during the year are shown on Page 1.

John Brett, Shelagh Brett, Shelagh Brydon and Nan Burnett retire by rotation and being eligible offer themselves for re-election.

No director is remunerated for his/her services as a director.

Share Capital

The company is limited by guarantee and has no share capital.

Auditors

Messrs D M Vaughan & Co Ltd are willing to continue in office and resolutions will be proposed at the Annual General Meeting to re-appoint and to authorise the council to fix their remuneration.

By Order of the Board



Jane Jackson
Secretary

3 May 2000

Statement of Directors Responsibilities

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 company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



Jane Jackson
Secretary

3 May 2000

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1999 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**D M Vaughan & Co Ltd
10 Gloucester Place
EDINBURGH
EH3 6EF**

DM Vaughan & Co Ltd

Registered Auditors

3 May 2000

**Income and Expenditure Account
For the Year ended 31 August 1999**

	Notes	1999 £	1998 £
Income	3	151,650	149,696
Expenses			
Staff costs	5	58,181	67,732
Farm		27,966	29,366
Household		30,084	26,783
General overheads		20,329	19,577
Administration		4,633	4,556
Non recurring expenditure		4,171	706
Depreciation		8,639	4,920
Transfer from capital funds to meet depreciation on funded assets		(4,514)	(1,678)
		149,489	151,962
Surplus/(Deficit) for the Financial Year		2,161	(2,266)

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

The company has no recognised gains or losses other than those included in the income and expenditure account above.

**Statement of Financial Activities
For the Year ended 31 August 1999**

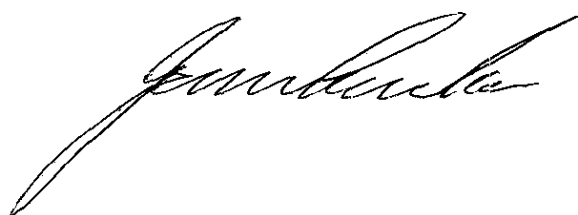
	Unrestricted Fund Income & Expenditure Account £	Restricted Capital Funds Motor Vehicle Fund £	Hall Fund £	Total £	1998 £
Income per Income & Expenditure Account page 6	151,650	-	-	151,650	149,696
Grant – National Lottery Charities Board	-	-	12,494	12,494	28,698
Fund raising	-	-	1,040	1,040	6,000
Grant – Garvald Trust	-	-	-	-	14,967
	<u>151,650</u>	<u>-</u>	<u>13,534</u>	<u>165,184</u>	<u>199,361</u>
Expenditure per Income & Expenditure Account Page 6	145,364	-	-	145,364	148,720
Depreciation	4,125	1,259	3,255	8,639	4,920
	<u>149,489</u>	<u>1,259</u>	<u>3,255</u>	<u>154,003</u>	<u>153,640</u>
Surplus/(Deficit) for the Financial Year	2,161	(1,259)	10,279	11,181	45,721
Balance 31 August 1998	<u>23,728</u>	<u>3,585</u>	<u>49,665</u>	<u>76,978</u>	<u>31,257</u>
Balance 31 August 1999	<u>25,889</u>	<u>2,326</u>	<u>59,944</u>	<u>88,159</u>	<u>76,978</u>

Notes: The motor vehicle fund relates to the purchase of a minibus. The hall fund relates to the refurbishment of a farm building into a community hall.

Balance Sheet
As at 31 August 1999

	Notes	1999 £	1998 £
Fixed Assets			
Tangible assets	12	78,019	65,919
Current Assets			
Stocks	7	15,734	17,616
Debtors	8	29,046	9,276
Cash at bank & on hand		14,615	22,864
		59,395	49,756
Creditors			
Amounts falling due within one year	9	47,375	38,280
Net Current Assets		12,020	11,476
Total Assets less Current Liabilities		90,039	77,395
Creditors			
Amounts falling due outwith one year	10	1,880	417
		88,159	76,978
Funds			
Unrestricted funds		25,889	23,728
Restricted funds		62,270	53,250
		88,159	76,978

The financial statements on pages 6 to 12 were approved and signed on behalf of the board of directors on 3 May 2000



James Anderson

Director

**Notes to the Financial Statements
For the Year ended 31 August 1999****1. General**

The company does not seek to make a profit, nor can its achievements be measured by normal commercial criteria. In order that a true and fair view of its activities should be given in these accounts, the directors have set out on page 6 an Income and Expenditure Account which shows the results for the year but in a format other than as prescribed in the Companies Act 1985. In the opinion of the directors this provides greater clarity on the nature of the company's activities and discloses in sufficient detail information relating thereto, as required by the Companies Act 1985.

2. Accounting Policies**a) Basis of Accounting**

The company prepares its accounts on the historical cost basis.

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.

Tenants improvements	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%.

d) Leasing and Hire Purchase Commitments

Assets obtained under finance lease and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

e) Pension Costs

The company makes contributions to personal pension schemes, 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) Taxation

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

Notes to the Financial Statements (Continued)

3. Income

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:

	1999 £	1998 £
Residents fees	136,757	131,772
Farm income	13,857	16,854
Donations	1,036	1,070
	<hr/>	<hr/>
	151,650	149,696
	<hr/>	<hr/>

4. Directors' Emoluments

Emoluments during the period comprise:

Salaries	15,160	14,000
Pension costs	3,000	3,000
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	18,160	17,000
	<hr/>	<hr/>

No part of the emoluments paid to directors is for service as a director.

5. Employee Information

Average number of persons (including directors)
employed during the period was:

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	£	£
Wages & salaries	47,344	54,219
Social security costs	2,742	2,957
Pension costs	3,000	3,000
	<hr/>	<hr/>
	53,086	60,176
	<hr/>	<hr/>

Notes to the Financial Statements (Continued)

6. Surplus/(Deficit) for the Financial Year	1999 £	1998 £
Is stated after charging:		
Depreciation	8,639	4,920
Auditors remuneration	900	800
Hire purchase interest	448	230
	<hr/>	<hr/>
7. Stock		
Livestock	11,824	15,745
Crops & feeding	3,910	1,871
	<hr/>	<hr/>
	15,734	17,616
	<hr/>	<hr/>
8. Debtors		
Trade debtors	13,592	7,881
Other debtors	15,454	1,395
	<hr/>	<hr/>
	29,046	9,276
	<hr/>	<hr/>
9. Creditors		
Amounts falling due within one year		
Trade creditors	7,264	5,906
Accruals	7,139	9,763
Other Creditors	27,724	17,782
Taxation & social security	-	628
Hire purchase	2,297	1,250
Loan	2,951	2,951
	<hr/>	<hr/>
	47,375	38,280
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The loan is made by Garvald West Linton Limited. It is unsecured, interest free and has no schedule of repayment.

Notes to the Financial Statements (Continued)

10. Creditors	1999 £	1998 £
Amounts falling due within two to five years		
Hire purchase	1,880	417

11. Pension Scheme

The company makes contributions to personal pension schemes. 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 fund and amounted to £3,000 (1998 - £3,000).

12. Tangible Fixed Assets

	Tenants Improvements £	Tractor & Implements £	Motor Vehicles £	Total £
Cost				
31 August 1998	50,069	19,115	14,550	83,734
Additions	15,039	5,700	-	20,739
Disposals	-	-	-	-
31 August 1999	65,108	24,815	14,550	104,473
Depreciation				
31 August 1998	-	9,939	7,876	17,815
Charge for year	3,255	3,716	1,668	8,639
Written back on disposals	-	-	-	-
31 August 1999	3,255	13,655	9,544	26,454
Net Book Value				
31 August 1999	61,853	11,160	5,006	78,019
31 August 1998	50,069	9,176	6,674	65,919

The net book value of fixed assets includes an amount of £7,088 (1998 - £3,750) in respect of assets held under hire purchase. The depreciation charge for the year on assets held under hire purchase was £2,362 (1998 - £1,250).

GARVALD HOME FARM LIMITED**Income and Expenditure Account
For the Year ended 31 August 1999**

	1999 £	1998 £
1. Income		
Residents fees	136,757	131,772
Farm income	13,857	16,854
Donations	1,036	1,070
	<u>151,650</u>	<u>149,696</u>
2. Staff		
Salaries & national insurance	52,086	57,176
Pension scheme	3,000	3,000
Staff expenses	222	335
Training	242	899
Care workers	2,631	6,322
	<u>58,181</u>	<u>67,732</u>
3. Farm		
Valuation – year commencement	17,616	25,115
Livestock purchased	1,000	1,060
Seeds, manures & feeding	7,885	5,211
Upkeep property	565	2,436
Upkeep fences etc.	1,051	1,108
Upkeep implements	7,393	3,827
Contracting & hire	4,808	4,472
Vet & medicine	293	960
Electricity	985	970
Tractor diesel	397	475
Contracting – butcher	1,707	781
Meat for resale	-	567
	<u>43,700</u>	<u>46,982</u>
Less: valuation – year end	<u>15,734</u>	<u>17,616</u>
	<u>27,966</u>	<u>29,366</u>

This page does not form part of the audited statutory financial statements.

GARVALD HOME FARM LIMITED**Expenditure Analysis (Continued)**

	1999 £	1998 £
4. Household		
Provisions	11,340	8,922
Heat & light	5,190	5,022
Upkeep property	1,074	424
Upkeep fittings & equipment	2,885	2,588
Cleaning materials	1,192	944
Medical	248	587
Residents allowances etc.	8,155	8,296
	<u>30,084</u>	<u>26,783</u>
5. General Overheads		
Rent	10,000	10,000
Insurance	2,605	3,520
Petrol, diesel & vehicle expenses	7,724	6,057
	<u>20,329</u>	<u>19,577</u>
6. Administration		
Printing & stationery	273	335
Postages & telephone	1,574	1,270
Audit fee	900	800
Audit fee overprovision	-	(145)
Registration fees	360	360
Bank charges	259	764
Subscriptions & fees	819	942
Hire purchase charges	448	230
	<u>4,633</u>	<u>4,556</u>
7. Non Recurring		
Property alterations etc.	4,171	706
8. Depreciation		
On tractor & implements	3,716	2,696
On motor vehicles	1,668	2,224
On tenants improvements	3,255	-
	<u>8,639</u>	<u>4,920</u>

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