

SC108570

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 2000

DOLPHINTON, WEST LINTON, PEEBLESSHIRE EH46 7HJ



Directors:	James Anderson John Brett Shelagh Brett Shelagh Bryden Nan Burnett Robert Crichton (resigned 9 May 2000) Peter Darwell Elizabeth Dow (appointed 29 August 2000) Jane Jackson 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 2000**

The directors present their report and audited financial statements for the year ended 31 August 2000.

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

The average resident number remained constant at eight throughout the year and produced a steady core of fee income. In addition the farm produced a good crop of hay and silage which resulted in lower farm expenditure. Expenditure was held within reasonable levels although the company also continued its policy of upgrading residential accommodation. All these factors led to an increased financial surplus for the year which will prove a benefit in granting the company a stronger financial base.

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.

Peter Darwell, Jane Jackson and Rosemary Soutter retire by rotation and being eligible offer themselves for re-election.

Elizabeth Dow was co-opted a director during the year and retires at the Annual General Meeting. She also offers herself for 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 2001

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 2001

We have audited the financial statements on pages 6 to 13 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 2000 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 2001

Income and Expenditure Account
For the Year ended 31 August 2000

	Notes	2000 £	1999 £
Income	3	161,969	151,650
		<u> </u>	<u> </u>
Expenses			
Staff costs	5	58,331	58,181
Farm		18,005	27,966
Household		29,808	30,084
General overheads		24,796	20,329
Administration		5,837	4,633
Non recurring expenditure		10,937	4,171
Depreciation	6	3,173	4,125
		<u> </u>	<u> </u>
		150,887	149,489
		<u> </u>	<u> </u>
Operating surplus		11,082	2,161
Interest receivable		19	-
		<u> </u>	<u> </u>
Surplus for the Financial Year	6	11,101	2,161
		<u> </u>	<u> </u>

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

The company has further recognised gains and losses which are disclosed in the Statement of Financial Activities shown on page 7.

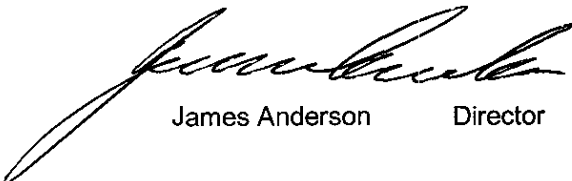
**Statement of Financial Activities
For the Year ended 31 August 2000**

		Unrestricted Funds	Restricted Capital		
		General	Designated	Funds	
		£	£	£	
Notes				Total	1999
				£	£
Incoming resources	3	161,969	-	8,033	170,002
Interest receivable	3	19	-	-	19
		<u>161,988</u>	<u>-</u>	<u>8,033</u>	<u>170,021</u>
Resources Expended					
Per Income & Expenditure Account (page 6)		147,714	-	-	147,714
Depreciation	6	-	3,173	4,199	7,372
		<u>147,714</u>	<u>3,173</u>	<u>4,199</u>	<u>155,086</u>
Net Incoming (Outgoing) Resources		14,274	(3,173)	3,834	14,935
Transfers in respect of fixed asset disposals		228	(228)	-	-
Net movement in funds		14,502	(3,401)	3,834	14,935
Balance 31 August 1999		<u>10,140</u>	<u>15,749</u>	<u>62,270</u>	<u>88,159</u>
Balance 31 August 2000		<u>24,642</u>	<u>12,348</u>	<u>66,104</u>	<u>103,094</u>
Represented by:					
Tangible fixed assets		-	14,228	58,071	72,299
Hire purchase creditor		-	(1,880)	-	(1,880)
Net current assets		<u>24,642</u>	<u>-</u>	<u>8,033</u>	<u>32,675</u>
		<u>24,642</u>	<u>12,348</u>	<u>66,104</u>	<u>103,094</u>

Balance Sheet
As at 31 August 2000

	Notes	2000 £	1999 £
Fixed Assets			
Tangible assets	12	72,299	78,019
Current Assets			
Stocks	7	20,866	15,734
Debtors	8	9,551	29,046
Cash at bank & on hand		40,711	14,615
		71,128	59,395
Creditors			
Amounts falling due within one year	9	40,333	47,375
Net Current Assets		30,795	12,020
Total Assets less Current Liabilities		103,094	90,039
Creditors			
Amounts falling due outwith one year	10	-	1,880
		103,094	88,159
Funds			
Unrestricted funds		36,990	25,889
Restricted funds		66,104	62,270
		103,094	88,159

The financial statements on pages 6 to 13 were approved and signed on behalf of the board of directors on 3 May 2001.


 James Anderson Director

**Notes to the Financial Statements
For the Year ended 31 August 2000****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:

	2000 £	1999 £
Residents fees	147,556	136,757
Farm income	14,190	13,857
Donations	223	1,036
	161,969	151,650
Bank interest receivable	19	-
Recognised in Income & Expenditure Account	161,988	151,650
The undernoted donations and grants have been received to assist with capital expenditure		
Capital donation	3,000	-
Capital Grant - National Lotteries Charities Board	-	12,494
Capital fund raising	-	1,040
Capital grant - Garvald Trust	5,033	-
	8,033	13,534
Recognised in Statement of Financial Activities	8,033	13,534

4. Directors' Emoluments

Emoluments during the period comprise:

Salaries	15,930	15,160
Pension costs	-	3,000
	15,930	18,160

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

Notes to the Financial Statements (Continued)

5. Employee Information	2000	1999
Average number of persons (including directors) employed during the period was:	7	6
	£	£
Wages & salaries	53,157	49,344
Social security costs	2,945	2,742
Pension costs	-	3,000
	<u>56,102</u>	<u>55,086</u>
6. Surplus for the Financial Year		
<i>Is stated after charging:</i>		
Depreciation		
charged to Income & Expenditure Account	3,173	4,125
charged to Restricted Capital Funds	4,199	4,514
	<u>7,372</u>	<u>8,639</u>
Auditors remuneration	800	900
Hire purchase interest	345	448
	<u></u>	<u></u>
7. Stock		
Livestock	14,861	11,824
Crops & feeding	6,005	3,910
	<u>20,866</u>	<u>15,734</u>
8. Debtors		
Trade debtors	7,207	13,592
Other debtors	2,344	15,454
	<u>9,551</u>	<u>29,046</u>

Notes to the Financial Statements (Continued)

9. Creditors	2000 £	1999 £
Amounts falling due within one year		
Trade creditors	15,653	7,264
Accruals	8,800	7,139
Other Creditors	14,000	27,724
Taxation & social security	-	-
Hire purchase	1,880	2,297
Loan	-	2,951
	40,333	47,375

The loan is made by Garvald West Linton Limited. It is unsecured, interest free and has no schedule of repayment.

10. Creditors

Amounts falling due within two to five years

Hire purchase	-	1,880

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 £ - (1999 - £3,000).

Notes to the Financial Statements (Continued)

12. Tangible Fixed Assets

	Tenants Improvements £	Tractor & Implements £	Motor Vehicles £	Total £
Cost				
31 August 1999	65,108	24,815	14,550	104,473
Additions	-	-	1,900	1,900
Disposals	-	(360)	(3,100)	(3,460)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2000	65,108	24,455	13,350	102,913
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
31 August 1999	3,255	13,655	9,544	26,454
Charge for year	3,255	2,694	1,423	7,372
Written back on disposals	-	(112)	(3,100)	(3,212)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2000	6,510	16,237	7,867	30,614
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value				
31 August 2000	58,598	8,218	5,483	72,299
31 August 1999	61,853	11,160	5,006	78,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of fixed assets includes an amount of £ 3,206 (1999 - £7,088) in respect of assets held under hire purchase. The depreciation charge for the year on assets held under hire purchase was £ 1,069 (1999 - £2,362).

GARVALD HOME FARM LIMITED

**Income and Expenditure Account
For the Year ended 31 August 2000**

	2000 £	1999 £
1. Income		
Residents fees	147,556	136,757
Farm income	14,190	13,857
Donations	<u>223</u>	<u>1,036</u>
	<u>161,969</u>	<u>151,650</u>
2. Staff		
Salaries & national insurance	56,102	52,086
Pension scheme	-	3,000
Staff expenses & training	383	464
Care workers	<u>1,846</u>	<u>2,631</u>
	<u>58,331</u>	<u>58,181</u>
3. Farm		
Valuation – year commencement	15,734	17,616
Livestock purchased	1,198	1,000
Seeds, manures & feeding	4,098	7,885
Upkeep property	1,109	565
Upkeep fences etc.	908	1,051
Upkeep implements	7,698	7,393
Contracting & hire	3,299	4,808
Vet & medicine	940	293
Electricity	990	985
Tractor diesel	721	397
Contracting – butcher	2,095	1,707
Cow horn purchases	<u>81</u>	<u>-</u>
	<u>38,871</u>	<u>43,700</u>
Less: valuation – year end	<u>20,866</u>	<u>15,734</u>
	<u>18,005</u>	<u>27,966</u>

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

GARVALD HOME FARM LIMITED

Expenditure Analysis (Continued)	2000 £	1999 £
4. Household		
Provisions	11,666	11,340
Heat & light	6,661	5,190
Upkeep property	5	1,074
Upkeep fittings & equipment	2,678	2,885
Cleaning materials	963	1,192
Medical	306	248
Residents allowances etc.	<u>7,529</u>	<u>8,155</u>
	29,808	30,084
5. General Overheads		
Rent	12,000	10,000
Insurance	2,952	2,605
Petrol, diesel & vehicle expenses	<u>9,844</u>	<u>7,724</u>
	24,796	20,329
6. Administration		
Admin assistance	153	-
Printing & stationery	890	273
Postages & telephone	2,259	1,574
Audit fee	800	900
Registration fees	360	360
Bank charges	400	259
Subscriptions & fees	630	819
Hire purchase charges	<u>345</u>	<u>448</u>
	5,837	4,633
7. Non Recurring		
Property alterations etc.	9,937	4,171
Legal fees	<u>1,000</u>	-
	10,937	4,171
8. Depreciation		
On tractor & implements	2,694	3,716
On motor vehicles	1,423	1,668
On tenants improvements	<u>3,255</u>	<u>3,255</u>
	7,372	8,639

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