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GARVALD WEST LINTON LIMITED
A Company limited by guarantee
and not having a Share Capital

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR TO 31 AUGUST 1994

4.



COUNCIL OF MANAGEMENT:

William BC Walker (Chairman)
Renate Amann
Willi Amann
James Anderson
John Brett
Christopher Butler-Cole
Anne Byrne
Robert Crichton
Martin Dawson
Arthur Horsburgh
Sally Schad (Resigned 3 May 1994)
Phillipa Timewell

SECRETARY:

Mrs Gerda Crichton

TREASURER:

James Anderson C.A.

SOLICITORS:

Lindsays W.S.

BANKERS:

The Royal Bank of Scotland PLC

AUDITORS:

D M Vaughan & Co

REGISTERED OFFICE:

Garvald School, West Linton

The Council of Management is pleased to present its report for the year ended 31 August 1994.

RESULTS FOR THE YEAR

The surplus for the year was £1,237 (1993 £22,645).

REVIEW OF ACTIVITIES

The Company continues to be engaged in providing care, education and training for young adults in need of special care.

The average number of trainees during the year was thirty-two. The small surplus is welcomed and is similar to the budgeted figure.

It is anticipated that the level of activity in the year ahead will be similar and that the level of fee rate in 1994/95 will produce a small surplus.

COUNCIL OF MANAGEMENT

The Members of Council are shown on page 1.

Mrs R Amann, Mr J Brett, Mr W Walker and Mr C Butler-Cole retire by rotation and being eligible offer themselves for re-election.

No Council Members are remunerated for their services as Council Members. The Company enters into contracts for the provision of professional services from certain Council Members.

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.

SHARE CAPITAL

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

CHANGE OF NAME

On 18 November 1993, the Company changed its name to Garvald West Linton Limited.

AUDITORS

Messrs D M Vaughan & Co 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

1 February 1995

Mrs Gerda Crichton
Secretary

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2, 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 1994 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DM Vaughan & Co

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

1 February 1995

Registered Auditors

GARVALD WEST LINTON LIMITED

5.

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 1994

	Notes	<u>1994</u> £	<u>1993</u> £
FEES	5	517,614	512,234
		<hr/>	<hr/>
EXPENSES			
Staff Costs	6	247,014	246,402
Establishment		112,390	92,920
Administration		27,343	24,727
Household		76,231	65,506
Activities		35,004	20,973
Depreciation		5,793	4,743
Non Recurring Expenditure		<u>23,178</u>	<u>44,919</u>
		526,953	500,190
		<hr/>	<hr/>
		(9,339)	12,044
Other Operating Income	7	<u>10,525</u>	<u>10,518</u>
Operating Surplus		1,186	22,562
Interest Receivable	8	<u>51</u>	<u>83</u>
RETAINED SURPLUS FOR THE YEAR	9 & 13	<u>1,237</u>	<u>22,645</u>

The Notes on pages 7 to 11 form part of these accounts.

BALANCE SHEET
AS AT 31 AUGUST 1994

	Notes	<u>1994</u> £	<u>1993</u> £
FIXED ASSETS			
Tangible Assets	16	8,345	9,488
CURRENT ASSETS			
Debtors	10	41,243	70,116
Bank & Cash		<u>31,449</u>	<u>9,785</u>
		72,692	79,901
CREDITORS			
Amounts falling due within one year	11	37,233	44,293
NET CURRENT ASSETS		<u>35,459</u>	<u>35,608</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		43,804	45,096
CREDITORS			
Amounts falling due outwith one year	12	<u>3,795</u>	<u>6,324</u>
		<u>40,009</u>	<u>38,772</u>
CAPITAL AND RESERVES			
Accumulated Reserves	13	<u>40,009</u>	<u>38,772</u>

The Financial Statements were approved and signed on behalf of the Board of Directors on *1 February 1995*

William Mc Walker.

Council Member

James Curran.

Council Member

The Notes on pages 7 to 11 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 31 AUGUST 1994

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 Council of Management have set out on page 5 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 Council of Management 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 costs basis.

b) FIXED ASSETS

Fixed Assets are stated at the values taken over from the Garvald Trustees at January 1977 plus, in the case of motor vehicles, subsequent additions at cost. It is the Company's policy to charge expenditure on property additions and improvements, and on furniture, equipment and fittings against revenue in the year in which it is incurred.

(c) DEPRECIATION

Depreciation is charged at annual rates on a straight line basis.
Vehicles 33,1/3%

(d) LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under hire purchase commitments are capitalised in the Balance Sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

(e) PENSION COSTS

The Company operates a defined contribution scheme, contributions are charged against profits on the amounts payable for the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Continued./

(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.

3. CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current and previous years.

4. TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the surplus for the current and the previous year.

5. FEES

The Company's turnover consists of fees issued to local authorities and individuals in respect of trainees. The provision of care education and training is an exempt supply for VAT purposes.

6. STAFF COSTS	<u>1994</u> £	<u>1993</u> £
Wages and Salaries	209,763	208,869
Social Security Costs	12,148	13,656
Pension Costs	<u>14,712</u>	<u>15,570</u>
	<u>236,623</u>	<u>238,095</u>

The average weekly number of employees during the year was made up as follows:

	<u>1994</u> No	<u>1993</u> No
Teachers and Houseparents	27	28
Clerical and Administration	2	2
Garden, Estate and Others	<u>7</u>	<u>8</u>
	<u>36</u>	<u>38</u>

NOTES TO THE FINANCIAL STATEMENTS

	<u>1994</u> £	<u>1993</u> £
7. OTHER OPERATING INCOME		
Donations	8,920	8,492
Sales	1,605	1,426
Rent - Rural School	-	600
	<u>10,525</u>	<u>10,518</u>
8. INTEREST RECEIVABLE		
Bank Deposit Account	51	834
	<u>51</u>	<u>834</u>
9. RESULTS FOR THE FINANCIAL YEAR		
After Charging:		
Remuneration of Council Members	21,548	22,902
Pension Contributions of Council Members	3,650	3,450
Auditors Remuneration	2,203	2,215
Depreciation	5,793	4,743
Hire Purchase Interest	587	247
	<u>33,781</u>	<u>33,557</u>
No part of the remuneration paid to Council Members is for services as a Council Member.		
10. DEBTORS		
Fee Debtors	35,946	60,541
Other Debtors	399	660
Accrued Income	43	60
Loan	<u>4,855</u>	<u>8,855</u>
	<u>41,243</u>	<u>70,116</u>

The Loan is made to Garvald Home Farm Limited. It is unsecured and interest free, with no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. CREDITORS	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Amounts falling due within one year		
Trade Creditors	9,073	8,455
Accruals	9,394	15,376
Fees received in Advance	16,237	15,099
Taxation and Social Security	-	2,834
Hire Purchase	<u>2,529</u>	<u>2,529</u>
	<u>37,233</u>	<u>44,293</u>
12. CREDITORS		
Amounts falling due within two to five years		
Hire Purchase	<u>3,795</u>	<u>6,324</u>
13. ACCUMULATED RESERVES		
Balance 31 August 1993	38,772	16,127
Retained Surplus for the Year	<u>1,237</u>	<u>22,645</u>
Balance 31 August 1994	<u>40,009</u>	<u>38,772</u>
14. CAPITAL COMMITMENTS		
There were no capital commitments as at 31 August 1994.		
15. PENSION SCHEME		
The Company operates a defined contribution pension scheme. 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 £14,712 (1993 £15,570).		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. TANGIBLE FIXED ASSETS

	Property Improvements £	Furniture & Fittings £	Motor Vehicles £	Total £
COST & VALUATION				
31 August 1993	7,017	4,214	20,531	31,762
Purchased	-	-	5,400	5,400
Sold	-	-	(6,300)	(6,300)
31 August 1994	7,017	4,214	19,631	30,862
DEPRECIATION				
31 August 1993	7,017	4,214	11,043	22,274
Charge for Year	-	-	5,793	5,793
Written Back on Disposals	-	-	(5,550)	(5,550)
31 August 1994	7,017	4,214	11,286	22,517
NET BOOK VALUE				
31 August 1994	-	-	8,345	8,345
31 August 1993	-	-	9,488	9,488

The net book value of Motor Vehicles includes an amount of £4,018 (1993 £8,034 in respect of assets held under hire purchase.

GARVALD WEST LINTON LIMITED

EXPENDITURE ANALYSIS
FOR THE YEAR TO 31 AUGUST 1994

	<u>1994</u> £	<u>1993</u> £
1. STAFF COSTS		
Salaries & Employers National Insurance	221,911	222,525
Pensions & Life Assurance Scheme	14,712	15,570
Expenses	3,966	2,333
Staff Training	1,468	1,928
Community & Council Tax	<u>4,957</u>	<u>4,046</u>
	247,014	246,402
	<hr/>	<hr/>
2. ESTABLISHMENT		
Water Rates	2,541	1,916
Heat & Light	30,340	23,363
Cleaning	6,064	2,966
Insurance	8,153	6,925
Rent	47,181	47,181
Property Repairs & Upkeep	<u>18,111</u>	<u>10,569</u>
	112,390	92,920
	<hr/>	<hr/>
3. ADMINISTRATION		
Printing & Stationery	753	2,107
Postage & Telephone	11,434	9,152
Accounting Fees	9,700	9,400
Audit Fee	2,203	2,215
Professional & Registration Fees	1,264	892
Bank Charges	912	590
Advertising	490	124
Hire Purchase Charges	<u>587</u>	<u>247</u>
	27,343	24,727
	<hr/>	<hr/>

The above Statement does not form part of the Audited Statutory Financial Statements.

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
4. HOUSEHOLD		
Provisions	49,920	46,491
Repairs & Renewals of Equipment and Furniture	16,110	11,032
Laundry & Mending	3,201	3,019
Garden & Estate	3,392	1,658
Medical Expenses & Toiletries	<u>3,608</u>	<u>3,306</u>
	<u>76,231</u>	<u>65,506</u>
5. ACTIVITIES		
Literature & Materials	4,559	2,156
Trainees Extras	19,944	12,754
Vehicle Expenses	6,768	5,619
Subscriptions & Gratuities	686	444
Jubilee Expenses	<u>3,047</u>	<u>-</u>
	<u>35,004</u>	<u>20,973</u>
6. DEPRECIATION		
Vehicles	<u>5,793</u>	<u>4,743</u>
7. NON RECURRING EXPENDITURE		
Improvements	17,274	27,968
Sycamore House	<u>5,904</u>	<u>16,951</u>
	<u>23,178</u>	<u>44,919</u>
8. OTHER OPERATING INCOME		
Donations	8,920	8,492
Sales	1,605	1,426
Rent - Rural School	<u>-</u>	<u>600</u>
	<u>10,525</u>	<u>10,518</u>

The above Statement does not form part of the Audited Statutory Financial Statements.