



**Alexander Sloan**  
Accountants and Business Advisers

Company Registration No. SC060926 (Scotland)  
(a company limited by guarantee)

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**GARVALD EDINBURGH**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

Charity Registration No. SC014228 (Scotland)



COMPANIES HOUSE

**14 DEC 2021**

EDINBURGH MAILBOX

# **GARVALD EDINBURGH**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Directors</b>	Nicola Bennett Lesley Clemenson Alastair Hackland Graham MacIachlan Laurie Naumann Bob Stewart Alan Swift Robert Walley Tiffany Ritchie (Appointed 19 August 2021)
<b>Secretary</b>	Serena Lindsay
<b>Senior management</b>	Mike Casey - Chief Executive
<b>Charity number (Scotland)</b>	SC014228
<b>Company number</b>	SC060926
<b>Registered office</b>	454/1 Gorgie Road Edinburgh EH11 2NR
<b>Auditor</b>	Alexander Sloan Accountants and Business Advisers 50 Melville Street Edinburgh EH3 7HF
<b>Bankers</b>	Royal Bank of Scotland Plc 206 Bruntsfield Place Edinburgh EH10 4DF
<b>Solicitors</b>	Lindsays WS Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE

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# **GARVALD EDINBURGH**

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# **GARVALD EDINBURGH**

## **Directors' Annual Report**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The Directors present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

The charity's object is to provide services for people with learning disabilities. This work is inspired by the ideas of Rudolf Steiner, an Austrian philosopher, to recognise and value the uniqueness of each person and seeks to create a quality of environment, activities and social relationships enabling people to realise their potential.

The charity meets its objectives by providing day services to people with a learning disability.

#### **ACHIEVEMENTS AND PERFORMANCE**

Like many other organisations COVID19 has had a significant impact on how we have operated but we are pleased that we have achieved a lot over the last year despite this challenge.

##### **Our members, families and parents**

Many of our members haven't been able to come to our buildings and access day services over the last year. We have had some challenges in getting clear guidance about whether we could provide our services in our buildings and we appreciate that this has been very difficult for families and carers who have been forced to find alternative solutions.

We initially provided critical care initially at two sites to a small number of individuals who would be at risk, or whose family would have significant challenges, without some day service being available in the initial stages.

Fortunately, with much persistence we managed to get more clarity and started to provide services at all sites. Clearly these were quite different to what we would normally provide as numbers were restricted meaning most people attending were doing so part time. We have slowly been resurrecting our workshops and building up the time people have been attending. This has also helped us restart some sales raising much needed income.

During the period when services were suspended staff maintained regular welfare contact with members as well as offering walks from home for some who need this. A diverse range of creative kits were created and delivered to member's homes to keep them engaged and connected to the work. Regular online contact and a range of creative sessions were developed and delivered online through zoom helping members stay in touch and to offer a structure and routine.

We have been very fortunate to secure a number of grants to help us fund new requirements over the last year – for example we got money to provide IPADs to 15 of our members.

- We launched Garvald Radio in April 2020
- We developed and launched our Online shop "Garvald makers"

Our website provides links to all that we have been able to offer including help and advice.

# **GARVALD EDINBURGH**

## **Directors' Annual Report**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Our staff**

Over this year we have continued to employ the majority of people that worked for us as COVID 19 broke out in March 2020. Our staff received the additional £500 paid by Scottish Government for people in our sector and in addition we offered relief workers a payment since they had worked for us over the previous six months, and we wanted to recognise that their income would have stopped.

Each member of staff has helped us meet the challenges over the last year. We have been keen to make sure that their own safety has not been put at risk and have made sure that this has been taken into account where we provided Community Care Hubs in the early months of the pandemic.

Creating craft home kits, developing materials to be available online and writing and sending out newsletters requires considerable effort and staff have been hugely creative and dedicated to keeping adapted activity and in building activity going for members, and keeping everyone connected over the last year.

A comprehensive staff training programme developed prior to the pandemic has continued for staff using zoom for delivery, supplemented by online e learning modules to ensure staff stay up to date and that staff development has continued.

### **Our buildings**

*Gorgie Workshop Redevelopment* - We managed to finish this redevelopment in the midst of COVID19 as well as changing contractor through the project. Because we couldn't return members to the buildings it did give us the opportunity to finish this delayed project and we could do some additional work. We secured additional grants to supplement what we had fundraised for which allowed us to fund this.

Unfortunately, we had to deal with the impact of our changing climate and some experienced flooding but thankfully these issues were addressed, and we are working to find a longer-term solution. Our media group, supported by those members who attend the group, produced a film to celebrate the completion of this project in November 2020.

*Head Office, 600 Gorgie Road* – It was decided to give notice to leave our office accommodation. This was unfortunate but we could not afford to continue with this in the financial climate and due to the landlord proposing an increase in rent. We left this at end August 2021. Meantime staff are either working from home or working from existing buildings.

### **Our Board**

The Board has continued to meet regularly on a virtual basis to conduct its business which included reviewing financial performance, how the organisation was managing with the impact of COVID19 and the associated risks and uncertainties and assisting with resolution of these issues.

We held our AGM through zoom and made a recording so that people could catch up if they couldn't dial in at that time.

### **Duty of Candour reporting**

Garvald has produced a report on duty of Candour which is available on our website. No incidents are recorded in this period since its introduction.

### **FINANCIAL REVIEW**

Fortunately, the funding that we receive from local authorities was largely maintained during the year since we were forced to reduce our service offering. We continued to benefit from additional funding through Garvald Trust and other fundraising which meant that we made a surplus of £67,320 this year (compared to £309,172 last year which included fundraising income for the Gorgie Workshop redevelopment) and our accumulated funds increased to £3,223,699 (from £3,156,379 last year). £200,317 was transferred from our general unrestricted fund to cover the balance of the Gorgie workshop redevelopment which was not covered by fundraising.

# **GARVALD EDINBURGH**

## **Directors' Annual Report**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Reserves Policy**

It is our policy to maintain our free reserves (unrestricted undesignated funds) so that they can cover between three and six month's expenditure. We have increased this over the year. We consider that this level will ensure that, in the event of a significant drop in funding, we will be able to continue our current activities while consideration is given to ways in which additional funds may be raised.

### **Risk Management**

We have reviewed the organisation's risks over the year – though these have been largely COVID19 related as this has impacted significantly. It had obvious impacts on the financial risks that we have recognised for some time where our funding from local authorities would benefit from renegotiation. Significant work went into ensuring that buildings were risk assessed to allow members to return to buildings-based services and all relevant process and procedures were updated in line with Government guidance.

Regular maintenance contract remain in place for equipment and 6 monthly fire assessment is conducted at all buildings by an external auditor.

### **Key Risks and Uncertainties**

The main risks affecting Garvald Edinburgh at this time relate to uncertainty of long-term support from local authorities, challenges to transport provision and cuts in funding for service users. This has, of course, been exacerbated by the COVID pandemic. The Corporate Risk Register is reviewed regularly by the Finance Sub-Committee and the Board.

The focus of 2021 has necessarily been on stability and ensuring safe provision for service users and staff. The refurbishment of the Gorgie Workshops will see the conclusion of a significant investment in our ability to provide high level care and opportunity across our sites to service users with mobility issues. During 21/22 it is likely that our focus will continue to be on getting provision back to pre-pandemic levels. The Board will review its 5-year plan early in 2022 to consider what form further organisational development will take.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The Directors who served during the year and up to the date of signature of the financial statements were:

Nicola Bennett

Lesley Clemenson

Alastair Hackland

Graham Maclachlan

Sandra McDonald

(Resigned 22 October 2020)

Laurie Naumann

Tony O'Sullivan

(Resigned 1 July 2021)

Marion Smith

(Resigned 26 November 2020)

Bob Stewart

Alan Swift

Robert Walley

Tiffany Ritchie

(Appointed 19 August 2021)

Directors are appointed in accordance with the Articles of Association.

# **GARVALD EDINBURGH**

## **Directors' Annual Report**

**FOR THE YEAR ENDED 31 MARCH 2021**

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A board of no fewer than six and no more than twelve directors, who meet as they see fit, administer the charity. Responsibility for the management of day to day operations is delegated to a chief executive.

Garvald Edinburgh has a fairly flat management structure reflecting the need to keep administrative costs to a minimum. The chief executive is supported by a senior manager from each of the 4 main sites. This together with the Company Secretary constitutes the senior management team. This group meets regularly and ensures consistency of practice and policy implementation across the organisation.

Appropriate induction is given to directors on appointment. Training and/or development in relevant areas is offered to directors as the need or opportunity arises.

### **Key Management Remuneration Policy**

The Board reviews remuneration levels on an annual basis taking into account levels of inflation, market rates and affordability.

### **Statement of Directors' responsibilities**

The Directors, who are also the Trustees for the purpose of charity law, 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 FRS102;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Disclosure of information to auditor**

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

# **GARVALD EDINBURGH**

## **Directors' Annual Report**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The Directors' report was approved by the Board of Directors.

**Alan Swift**

**Alan Swift**

Director

Dated: 25 November 2021



# **GARVALD EDINBURGH**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS AND TRUSTEES OF GARVALD EDINBURGH**

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#### **Opinion**

We have audited the financial statements of Garvald Edinburgh (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **GARVALD EDINBURGH**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS AND TRUSTEES OF GARVALD EDINBURGH**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are 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' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# **GARVALD EDINBURGH**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS AND TRUSTEES OF GARVALD EDINBURGH**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Directors and other management, and from our wider knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

#### **Audit response to risks identified**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- requesting correspondence with HMRC, OSCR and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **GARVALD EDINBURGH**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS AND TRUSTEES OF GARVALD EDINBURGH**

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#### **Use of our report**

This report is made solely 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 regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*David Jeffcoat*

**David Jeffcoat (Senior Statutory Auditor)  
for and on behalf of Alexander Sloan**

2/12/2021  
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**Accountants and Business Advisers  
Statutory Auditor**

**Accountants and Business Advisers  
50 Melville Street  
Edinburgh  
EH3 7HF**

# GARVALD EDINBURGH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

### Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations	3	16,099	-	-	16,099	26,150
Income from charitable activities	5	2,829,972	-	67,898	2,897,870	3,418,796
Other trading activities	4	6,768	-	-	6,768	9,637
Investments	6	333	-	-	333	2,755
Other income	7	-	-	-	-	3,438
<b>Total income</b>		<b>2,853,172</b>	<b>-</b>	<b>67,898</b>	<b>2,921,070</b>	<b>3,460,776</b>
<b><u>Expenditure on:</u></b>						
Raising funds	8	13,866	-	-	13,866	14,885
Expenditure on charitable activities	9	2,662,610	140,734	36,540	2,839,884	3,136,719
<b>Total expenditure</b>		<b>2,676,476</b>	<b>140,734</b>	<b>36,540</b>	<b>2,853,750</b>	<b>3,151,604</b>
<b>Net income before transfers</b>		<b>176,696</b>	<b>(140,734)</b>	<b>31,358</b>	<b>67,320</b>	<b>309,172</b>
Gross transfers between funds		(200,317)	200,317	-	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(23,621)</b>	<b>59,583</b>	<b>31,358</b>	<b>67,320</b>	<b>309,172</b>
Fund balances at 1 April 2020		891,495	2,262,536	2,348	3,156,379	2,847,207
<b>Fund balances at 31 March 2021</b>		<b>867,874</b>	<b>2,322,119</b>	<b>33,706</b>	<b>3,223,699</b>	<b>3,156,379</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 14 to 30 form an integral part of these financial statements.

# GARVALD EDINBURGH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

### Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<b><u>Income and endowments from:</u></b>					
Donations	3	26,150	-	-	26,150
Income from charitable activities	5	2,947,144	-	471,652	3,418,796
Other trading activities	4	4,655	4,982	-	9,637
Investments	6	2,755	-	-	2,755
Other income	7	3,438	-	-	3,438
<b>Total income</b>		<b>2,984,142</b>	<b>4,982</b>	<b>471,652</b>	<b>3,460,776</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	14,885	-	-	14,885
Expenditure on charitable activities	9	2,937,836	112,741	86,142	3,136,719
<b>Total expenditure</b>		<b>2,952,721</b>	<b>112,741</b>	<b>86,142</b>	<b>3,151,604</b>
<b>Net income before transfers</b>		<b>31,421</b>	<b>(107,759)</b>	<b>385,510</b>	<b>309,172</b>
Gross transfers between funds		(126,039)	580,675	(454,636)	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(94,618)</b>	<b>472,916</b>	<b>(69,126)</b>	<b>309,172</b>
Fund balances at 1 April 2019		986,113	1,789,620	71,474	2,847,207
<b>Fund balances at 31 March 2020</b>		<b>891,495</b>	<b>2,262,536</b>	<b>2,348</b>	<b>3,156,379</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# GARVALD EDINBURGH

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	15		2,322,119		2,262,536
<b>Current assets</b>					
Stocks	16	23,792		28,431	
Debtors	17	361,752		561,704	
Cash at bank and in hand		869,438		738,159	
		1,254,982		1,328,294	
<b>Creditors: amounts falling due within one year</b>	18	(166,202)		(268,851)	
Net current assets			1,088,780		1,059,443
<b>Total assets less current liabilities</b>			3,410,899		3,321,979
<b>Provisions for liabilities</b>	19		(187,200)		(165,600)
<b>Net assets</b>			3,223,699		3,156,379
<b>Income funds</b>					
Restricted funds	22		33,706		2,348
<u>Unrestricted funds</u>					
Designated funds	21	2,322,119		2,262,536	
General unrestricted funds		867,874		891,495	
			3,189,993		3,154,031
			3,223,699		3,156,379

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 25 November 2021

**Alan Swift**

**Alan Swift**

Director

Company Registration No. SC060926 (Scotland)

The notes on pages 14 to 30 form an integral part of these financial statements.

# GARVALD EDINBURGH

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		331,262		509,635
<b>Investing activities</b>					
Purchase of tangible fixed assets		(200,316)		(596,789)	
Loss on disposal of tangible fixed assets		-		3,438	
Interest received		333		2,755	
<b>Net cash used in investing activities</b>			(199,983)		(590,596)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			131,279		(80,961)
Cash and cash equivalents at beginning of year			738,159		819,120
<b>Cash and cash equivalents at end of year</b>			<u>869,438</u>		<u>738,159</u>

The notes on pages 14 to 30 form an integral part of these financial statements.



# **GARVALD EDINBURGH**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **1 Accounting policies**

##### **Charity information**

Garvald Edinburgh is a private company limited by guarantee incorporated in Scotland. The registered office and principal place of business is 454/1 Gorgie Road, Edinburgh, EH11 2NR.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Whilst the Covid-19 pandemic has created a degree of uncertainty, the Directors consider there are no material uncertainties that affect the charity's ability to continue as a going concern. Consequently, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### **1.4 Income**

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised when the charity has evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Entitlement usually arises immediately upon receipt, however, in the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

# **GARVALD EDINBURGH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

---

#### **1 Accounting policies**

**(Continued)**

Income from government and other grants, whether 'capital' or 'revenue' in nature, are recognised when the charity has unconditional entitlement to the funds, it is probable that the income will be received, the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity.

Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Income from other trading activities includes income earned from both trading activities to raise funds for the charity and income from fundraising events and is recognised when the charity has entitlement to the funds, it is probable that these will be received and the amounts can be measured reliably.

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### **1.5 Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It includes the costs of all fundraising activities and events together with those costs incurred in seeking donations, grants and legacies and investment management costs.

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

Support costs are incurred supporting the charity's activities and include expenditure associated with administrative and finance functions, business support, HR, IT and governance. These support functions are shared across the charity's activities and are apportioned across those activities in order to arrive at the full cost for each reported activity. The method of apportionment adopted by the charity are outlined in the notes to the financial statements.

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

The charity is registered for VAT and is partially exempt. Any irrecoverable VAT on incurred costs is included in expenditure.

#### 1.6 Tangible fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Social Investment	Not depreciated
Tenants improvements	Straight line over the life of the lease
Workshop equipment	5 year straight line
Fixtures, fittings and equipment	5 year straight line
Motor vehicles	3 year straight line
Office equipment	5 year straight line

Property held as social investments are not depreciated as the directors deem the depreciable cost to be immaterial.

The directors estimate that the residual value of the property is not materially lower than its carrying value in the balance sheet as the charity has a policy of regular maintenance and repair which ensures the building is kept in good condition.

The residual value is estimated by considering similar properties of an age and state of repair equivalent to that anticipated at the end of the property's deemed expected useful life of not more than twenty years.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stock is included at the lower of cost or net realisable value after due regard for obsolete or slow moving stock.

Donated goods for resale are recognised at fair value on initial recognition, being the expected proceeds from sale less the expected costs of sale. Where it is impractical to estimate the fair value, the value to the charity of the donated goods sold is recognised as income when sold.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 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 the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

##### *Basic financial assets*

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

##### *Basic financial liabilities*

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.

Grant income is deferred where the grant is subject to performance-related conditions and is received in advance of delivering services required. Where grant income is deferred it is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance related conditions that limit recognition are met. See also Note 18.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Provisions

Provisions are recognised when the Charity has a legal or constructive present obligation as a result of a past event, it is probable that the Charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

#### 1.12 Retirement benefits

The charity operates two defined contribution pension schemes. The assets of the pension schemes are held separately from those of the charity in an independently administered fund. The pension costs charged in the financial statements represent the contribution payable to the pension schemes by the charity during the year.

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Critical accounting estimates and judgements

In preparing the financial statements, the Trustees are required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

#### Critical judgements

##### Dilapidation provision

Dilapidations are provided for on leased property where there is a clause in the lease to return the property to its original state on expiry of the lease. The provision is based on an assessment from a surveyor on the estimated costs of ongoing wear and tear by the end of the lease.

### 3 Donations

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Donations and gifts	16,099	5,744
Garvald Trust grants	-	20,406
	<u>16,099</u>	<u>26,150</u>

### 4 Other trading activities

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
Fundraising income	<u>6,768</u>	<u>4,655</u>	<u>4,982</u>	<u>9,637</u>

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 5 Income from charitable activities

	2021 £	2020 £
Service fees	2,749,001	2,731,867
Grants	87,898	471,652
Canteen, lunches and shop sales	32,307	127,862
Other sales and rental income	28,664	87,415
	<u>2,897,870</u>	<u>3,418,796</u>
Analysis by fund		
Unrestricted funds - general	2,829,972	2,947,144
Restricted funds	67,898	471,652
	<u>2,897,870</u>	<u>3,418,796</u>
<b>Grants</b>		
Garvald Trust	-	153,950
The Robertson Trust	-	100,000
Edward Gosling Charitable Trust	-	50,000
The Wolfson Foundation	-	46,000
RS Macdonald Charitable Trust	-	35,000
Garfield Weston Foundation	-	25,000
The Clothworkers Foundation	-	25,000
Other grants (under £25,000)	87,898	36,702
	<u>87,898</u>	<u>471,652</u>

### 6 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	333	2,755
	<u>333</u>	<u>2,755</u>

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 7 Other income

	<b>Total</b>	<b>Unrestricted funds general</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net gain on disposal of tangible fixed assets	-	3,438

### 8 Raising funds

	<b>Unrestricted funds general</b>	<b>Unrestricted funds general</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other fundraising costs	780	917
Staff costs	13,086	13,968
	<b>13,866</b>	<b>14,885</b>

### 9 Expenditure on charitable activities

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs	2,041,421	2,115,479
Depreciation	140,734	112,741
Premises costs	493,364	554,856
Running costs	139,254	301,522
Travel and training costs	12,344	38,128
Interest and finance charges	3,857	6,115
Governance costs	8,910	7,878
	<b>2,839,884</b>	<b>3,136,719</b>
<b>Analysis by fund</b>		
Unrestricted funds - general	2,662,610	2,937,836
Unrestricted funds - designated	140,734	112,741
Restricted funds	36,540	86,142
	<b>2,839,884</b>	<b>3,136,719</b>

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 10 Reporting by Activity

	Direct 2021 £	Support 2021 £	Total 2021 £
Staff Costs	1,929,483	111,938	2,041,421
Depreciation	140,734	-	140,734
Premises costs	387,831	105,533	493,364
Running costs	91,205	48,049	139,254
Travel and training costs	555	11,789	12,344
Interest and finance charges	823	3,034	3,857
Governance costs	-	8,910	8,910
	<u>2,550,631</u>	<u>289,253</u>	<u>2,839,884</u>

	Direct 2020 £	Support 2020 £	Total 2020 £
Staff Costs	1,998,774	116,705	2,115,479
Depreciation	112,741	-	112,741
Premises costs	400,893	153,963	554,856
Running costs	187,810	113,712	301,522
Travel and training costs	12,421	25,707	38,128
Interest and finance charges	1,724	4,391	6,115
Governance costs	-	7,878	7,878
	<u>2,714,363</u>	<u>422,356</u>	<u>3,136,719</u>

Costs of Charitable Activities are analysed based on whether they are considered to be a direct cost or a support costs. Support costs involved head office, administrative and governance costs.

#### 11 Net income/(expenditure)

	2021 £	2020 £
Net income/(expenditure) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	8,910	7,878
Depreciation of owned tangible fixed assets	140,734	112,741



# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

### 12 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

<b>Fees payable to the Charity's auditor and associates:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit of the Charity's annual accounts	8,910	7,878

### 13 Directors

None of the Directors (or any persons connected with them) received any remuneration or benefits from the Charity during the year in their capacity as a Director. See also the Note on Related Party Transactions.

### 14 Employees

The average monthly number of employees during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Management & Administration	8	7
Day Staff	108	131
Total	116	138

<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,827,555	1,906,968
Social security costs	113,953	110,283
Other pension costs	112,999	112,196
	2,054,507	2,129,447

There were no employees whose annual remuneration was £60,000 or more.

## GARVALD EDINBURGH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 15 Tangible fixed assets

	Social Investment	Tenants improvements	Workshop equipment	Fixtures, fittings and equipment	Motor vehicles	Office equipment	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2020	135,000	2,931,258	76,902	18,818	103,006	65,559	3,330,543
Additions	-	200,316	-	-	-	-	200,316
At 31 March 2021	135,000	3,131,574	76,902	18,818	103,006	65,559	3,530,859
<b>Depreciation and impairment</b>							
At 1 April 2020	-	829,247	74,409	14,875	84,015	65,460	1,068,006
Depreciation charged in the year	-	123,760	1,018	1,758	14,099	99	140,734
At 31 March 2021	-	953,007	75,427	16,633	98,114	65,559	1,208,740
<b>Carrying amount</b>							
At 31 March 2021	135,000	2,178,567	1,475	2,185	4,892	-	2,322,119
At 31 March 2020	135,000	2,102,011	2,493	3,943	18,990	99	2,262,536

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 16 Stocks

	2021 £	2020 £
Finished goods and goods for resale	23,792	28,431

### 17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	199,202	389,932
Other debtors	118,195	109,422
Prepayments and accrued income	44,355	62,350
	361,752	561,704

### 18 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	25,613	38,682
Trade creditors	15,718	17,582
Other creditors	21,802	19,488
Accruals and deferred income	103,069	193,099
	166,202	268,851

### 19 Provisions for liabilities

	2021 £	2020 £
Dilapidations provision	187,200	165,600

#### Movements on provisions:

	Dilapidations provision £
At 1 April 2020	165,600
Additional provisions in the year	21,600
At 31 March 2021	187,200

## GARVALD EDINBURGH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:								
Tangible assets	-	2,322,119	-	2,322,119	-	2,262,536	-	2,262,536
Current assets/(liabilities)	1,055,074	-	33,706	1,088,780	1,057,095	-	2,348	1,059,443
Provisions	(187,200)	-	-	(187,200)	(165,600)	-	-	(165,600)
	<u>867,874</u>	<u>2,322,119</u>	<u>33,706</u>	<u>3,223,699</u>	<u>891,495</u>	<u>2,262,536</u>	<u>2,348</u>	<u>3,156,379</u>

## GARVALD EDINBURGH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds							
	Balance at 1 April 2019	Income	Expenditure	Transfers	Balance at 1 April 2020	Expenditure	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£	£	£
Other fixed assets	181,314	-	(20,790)	-	160,524	(16,974)	-	143,550
Tenants improvements	1,597,173	-	(87,483)	-	1,509,690	(123,760)	792,639	2,178,569
Gorgie Workshop Refurbishment	11,133	4,982	(4,468)	580,675	592,322	-	(592,322)	-
	<u>1,789,620</u>	<u>4,982</u>	<u>(112,741)</u>	<u>580,675</u>	<u>2,262,536</u>	<u>(140,734)</u>	<u>200,317</u>	<u>2,322,119</u>

#### Purposes of Designated Funds

##### Other fixed assets

This fund has been set up to carry the value of the freehold property and all fixed assets with the exception of tenants improvements.

##### Tenant's improvements

The purpose of this fund is to carry the value of the improvements made to the properties leased by the charity.

##### Gorgie Workshop Refurbishment

The purpose of this fund is to designate funds for the refurbishment of the Gorgie Workshop. A transfer of £200,316 from General Funds represents the capital additions of the refurbishment in the current year.

## GARVALD EDINBURGH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 April 2019	Income	Expenditure	Transfers	Balance at 1 April 2020	Income	Expenditure	Balance at 31 March 2021
	£	£	£	£	£	£	£	£
Staff training	740	-	-	-	740	-	-	740
Waterside cooling fans	1,608	-	-	-	1,608	-	-	1,608
Gorgie workshop refurbishment	69,126	400,002	(14,492)	(454,636)	-	-	-	-
Day services	-	53,950	(53,950)	-	-	-	-	-
Media Group	-	7,700	(7,700)	-	-	-	-	-
50th Anniversary party	-	10,000	(10,000)	-	-	-	-	-
Covid Support Funds	-	-	-	-	-	35,828	(30,678)	5,150
Bakery and Workshop goods	-	-	-	-	-	17,805	(5,862)	11,943
Greener Urban Environment	-	-	-	-	-	7,500	-	7,500
Artists Professional development	-	-	-	-	-	6,765	-	6,765
	<u>71,474</u>	<u>471,652</u>	<u>(86,142)</u>	<u>(454,636)</u>	<u>2,348</u>	<u>67,898</u>	<u>(36,540)</u>	<u>33,706</u>

## **GARVALD EDINBURGH**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **22 Restricted funds**

**(Continued)**

##### **Purposes of Restricted Funds**

###### **Waterside cooling Fans**

Funding was received from The Beatrice Laing Trust to purchase cooling fans at Waterside.

###### **Staff training**

A government grant was received to assist Garvald Edinburgh with meeting the qualification criteria set by the Scottish Social Services Council for registration.

###### **Gorgie Workshop Refurbishment**

Funds were received for the planned refurbishment of the Gorgie Road Workshops. The transfer of £454,636 in 2019/20 represents the restricted funds used for the refurbishment work which has been capitalised and held in Designated Reserves.

###### **Day Services**

Funds were received from Garvald Trust to fund the employment of two Day Service Managers.

###### **Media Group**

Funds were received to assist with the purchase of equipment for the Media Group.

###### **50th Anniversary Party**

Funds were received for the celebration of the 50th Anniversary of Garvald Edinburgh.

###### **Covid Support Funds**

Funds were received towards support for additional costs incurred during the pandemic, such as purchasing ipads, phones, PPE and travel costs.

###### **Bakery and Workshop goods**

Funds were received towards costs of baking and materials for the Gorgie Workshop.

###### **Greener Urban Environment**

Funds were received towards working towards a greener urban environment for the land group.

###### **Artists professional development**

Funding from Creative Scotland to support the professional development of three talented learning disabled artists.

# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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<b>23 Capital commitments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>

At 31 March 2021 the Charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	-	188,356
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### 24 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	207,163	224,707
Between two and five years	515,561	592,065
In over five years	672,250	766,000
	<u>1,394,974</u>	<u>1,582,772</u>

£202,439 (2020: £244,071) of lease payments were recognised as an expense during the year.

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, including employer's contributions to national insurance and pensions is as follows.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	<u>313,516</u>	<u>270,196</u>



# GARVALD EDINBURGH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 25 Related party transactions

(Continued)

##### Transactions with related parties

No Directors received reimbursement of expenses during the period (2020: £nil).

Five close relatives of four Directors and key management personnel received remuneration in the period as employees, all of whom were employed under normal terms and conditions. Total salary paid was £69,713 (2020: six relatives of five Directors and key management personnel were paid £71,390).

One of the Directors provided fundraising services to Garvald Edinburgh and was paid £13,086 (2020: £13,218) for these services during her period as a Director.

The Son in Law of one of the Directors received £3,600 (2020: £1,920) for rebranding work for the charity.

26 Cash generated from operations	2021 £	2020 £
Surplus for the year	67,320	309,172
Adjustments for:		
Investment income recognised in statement of financial activities	(333)	(2,755)
Gain on disposal of tangible fixed assets	-	(3,438)
Depreciation and impairment of tangible fixed assets	140,734	112,741
Movements in working capital:		
Decrease/(increase) in stocks	4,639	(2,123)
Decrease/(increase) in debtors	199,952	(66,470)
(Decrease)/increase in creditors	(102,649)	140,908
(Decrease) in provisions	21,600	21,600
<b>Cash generated from operations</b>	<b>331,263</b>	<b>509,635</b>

#### 27 Analysis of changes in net funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	738,159	131,279	869,438
	<u>738,159</u>	<u>131,279</u>	<u>869,438</u>