

Company registration number SC108570 (Scotland)

Charity registration number SC015243 (Scotland)

GARVALD HOME FARM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

GARVALD HOME FARM LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Huw Sheppard - Chairman	
	Alastair Pate - Treasurer	
	D Callan	
	J Cochrane	
	P Darwell	
	C Wannap	
	S Harrison	(Appointed 10 December 2025)
Secretary	M Brett	
Charity number (Scotland)	SC015243	
Company number	SC108570	
Registered office	Dolphinton West Linton EH46 7HJ	
Auditor	Thomson Cooper 22 Stafford Street Edinburgh EH3 7BD	

GARVALD HOME FARM LIMITED

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GARVALD HOME FARM LIMITED

DIRECTORS' REPORT (INCLUDING TRUSTEES REPORT) FOR THE YEAR ENDED 31 AUGUST 2025

The directors present their annual report and financial statements for the year ended 31 August 2025.

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) (effective 1 January 2019).

Objectives and activities

Garvald Home Farm offers long-term homes and work in an agricultural setting for a small community of adults with special needs and co-workers. The whole enterprise is founded on the philosophy of Rudolf Steiner and the farm follows the bio- dynamic method of agriculture. The aim is to grant people with learning disabilities an independent lifestyle at a level they can sustain and to allow them to experience at first hand basic farming activities, wood processing skills and organic food production. The farm also offers educational visits to school pupils to allow them to experience work with livestock and organic food production from farming activities.

The work of the farm and the beef and dairy enterprise has continued.

Work on adopting the supported living model of care progressed throughout the year. In addition work to complete the alterations required to complete the independent living areas have now been finished. The first cabin has been completed with final building warrant approval and completion certificates received. All were completed after the year end culminating in the change in registration to supported living with effect from 1 May 2026. It is expected that the second cabin will be constructed later in the year.

Achievements and performance

Two residents left during the year and, with the anticipated change in registration status to a supported living model, these places could not be immediately filled. At the time of writing a number of suitable replacements have been identified and the process to fill both these spaces are at an advanced stage. The new cabin is occupied with effect from 1 May 2026.

Meat and dairy production and sales are building slowly and firewood production continues.

It is pleasing to report that the cultural and social aspects of life at the farm continue.

The directors acknowledge and appreciate the work of staff to continue the high quality service provided by Garvald Farm. This has been a particularly challenging period with all the work and changes to practices required to meet the changed model none of which could have been accomplished without the management, direct input and support of all the staff who have been instrumental in both driving and making the necessary changes. Hopefully the next year will be a more settling one!

Financial review

The charity had total income for the year of £545,193 (2024: £578,890) and total expenditure of £607,924 (2024: £597,134), resulting in a deficit for the year of £62,731 (2024: £18,244).

GARVALD HOME FARM LIMITED

DIRECTORS' REPORT (INCLUDING TRUSTEES REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2025**

Reserves Policy

The Company seeks to maintain free cash reserves equivalent to at least 3 months of overheads excluding any charges relating to the depreciation or amortisation of Fixed Assets. Free cash reserves exclude cash received and earmarked for specific projects.

The designated funds total £698,198 (2024: £731,533) represent expenditure made on fixed assets less depreciation and finance on the assets. Restricted funds of £45,094 (2024: £39,420) are held to invest in the cabin development.

At 31 August 2025 free reserves amounted to £118,752 (2024: £153,822) which is equivalent to 22% of annual expenditure or expenditure for just under 3 months.

Risk Management

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

1. The requirement to comply with legislation, regulations, standards & guidance for residential and day care of adults with additional support needs: The residential home and farm are led by an experienced management team and trustees and is subject to external inspection by regulatory bodies including local authorities, Care Inspectorate and fire and rescue services.
2. Financial risks arise from lower than budgeted occupancy levels, inadequate financial controls and substantially increased staffing costs: The Board takes a strategic role for the financial planning of the charity and receives regular updates on the Community's financial position and is supported by professional advisers.
3. The Covid19 pandemic was a major risk to the health and welfare of residents and staff. Scottish Government and Public Health guidelines continue to be followed as required with staff and residents regularly monitored for signs of Covid19 infection.

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

Plans for future periods

The charity will continue to work in a meaningful way with residents to secure a long- term independent future for them. The adoption of the supported living model is now in place and this should provide the possibility for new and interesting ways to develop life at the farm. Plans for the development of the second self-contained cabin accommodation continues and completion of that is expected in later in the current year.

The charity aims to continue to improve the farm output of bio-dynamic products as well as firewood.

Structure, governance and management

Governing Document

Garvald Home Farm Limited is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 1 October 1987. The liability of each member is limited to £5. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR) and its residential service is registered and monitored by the Care Inspectorate.

GARVALD HOME FARM LIMITED

DIRECTORS' REPORT (INCLUDING TRUSTEES REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2025**

The directors who served during the year and up to the date of signature of the financial statements are listed below.

Huw Sheppard - Chairman

Alastair Pate - Treasurer

D Callan

J Cochrane

P Darwell

J Jackson

(Resigned 30 September 2025)

C Wannap

S Harrison

(Appointed 10 December 2025)

Steve Harrison who was co-opted to the Board in December 2025 offers himself for election. Peter Darwell retires by rotation and being eligible offers himself for re-election. The Directors did not receive any remuneration or refund of expenses.

Appointment of new Directors

Directors are appointed at the Company's Annual General meeting. Directors can be co-opted during the year and these new appointments stand for election at the following Annual General meeting.

Recruitment of new Directors

The Directors are recruited to maintain a balance of skills within the Board. Most appointments come from parties who already know the work of Garvald Home Farm and who have visited and attended events held at the Farm.

Structure

The Directors appoint the residential manager, the farm manager and the meat and dairy enterprise manager, carry out financial management and are available to assist the managers on more complex issues. The residential manager is responsible for placement of residents, the engagement and training of staff and the day to day management of the residential home. The farm and enterprise managers are each responsible for their respective enterprises. The Directors meet on average four times a year to receive reports from the manager and farmer and to carry out management and financial reviews.

Induction and Training of Directors

New directors are briefed on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, and recent performance of the charity. Directors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role.

Key Management Remuneration Policy

The key management of the charity during the year consisted of two residential management staff and the farm manager.

GARVALD HOME FARM LIMITED

DIRECTORS' REPORT (INCLUDING TRUSTEES' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2025**

Statement of directors' responsibilities

The directors, who also act as trustees for the charitable activities of Garvald Home Farm Limited are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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;
- make judgements and estimates that are reasonable and prudent; 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.

Auditor

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the company will be put at a General Meeting.

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.

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

Huw Sheppard

Huw Sheppard - Chairman
Chair

29 May 2026

GARVALD HOME FARM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF GARVALD HOME FARM LIMITED

Opinion

We have audited the financial statements of Garvald Home Farm Limited (the 'charity') for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 August 2025 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.

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 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 HOME FARM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF GARVALD HOME FARM LIMITED

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the directors' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of grant income and the posting of transactions to the correct funds. We discussed these risks with management, designed audit procedures to test the timing and existence of donations and grant income, including reviewing of grant paperwork and terms and conditions, reviewing the allocation of costs against the correct funding and reviewed areas of judgement for indicators of management bias.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards). We focused on specific laws and regulations which may have a direct material effect on the financial statements or operation of the charity, including the Charities and Trustees Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended),

We assessed the extent of compliance of the laws and regulations identified above by inspecting any legal correspondence, the Care Inspectorate report and making enquiries of management.

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

GARVALD HOME FARM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF GARVALD HOME FARM LIMITED

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the company.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. However, the primary responsibility for the prevention and detection of fraud rests with the trustees. To address the risk of fraud we identified internal controls established to identify risk, performed analytical procedures to identify unusual movements, assessed any judgements and assumptions made in determining accounting estimates, reviewed journal entries for unusual transactions and identified related parties.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Use of our report

This report is made solely 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Senior statutory auditor exemption

Thomson Cooper is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



Fiona Haro (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditors
Edinburgh

29-05-26

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GARVALD HOME FARM LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

Current financial year

		Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
	Notes					
Income from:						
Donations and legacies	2	979	-	30,000	30,979	43,213
Charitable activities	3	504,249	-	8,581	512,830	533,889
Investments	4	1,384	-	-	1,384	1,788
Total income		506,612	-	38,581	545,193	578,890
Expenditure on:						
Charitable activities	5	531,639	71,105	5,180	607,924	597,134
Net (outgoing)/incoming resources before transfers		(25,027)	(71,105)	33,401	(62,731)	(18,244)
Gross transfers between funds		(10,043)	37,770	(27,727)	-	-
Net (expenditure)/income for the year/ Net movement in funds		(35,070)	(33,335)	5,674	(62,731)	(18,244)
Fund balances at 1 September 2024		153,822	731,533	39,420	924,775	943,019
Fund balances at 31 August 2025		118,752	698,198	45,094	862,044	924,775

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 HOME FARM LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

Prior financial year

		Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes				
Income from:					
Donations and legacies	2	2,346	-	40,867	43,213
Charitable activities	3	531,353	-	2,536	533,889
Investments	4	1,788	-	-	1,788
Total income		535,487	-	43,403	578,890
Expenditure on:					
Charitable activities	5	520,055	74,543	2,536	597,134
Total expenditure		520,055	74,543	2,536	597,134
Net (outgoing)/incoming resources before transfers		15,432	(74,543)	40,867	(18,244)
Gross transfers between funds		(125,352)	200,933	(75,581)	-
Net (expenditure)/income for the year/ Net movement in funds		(109,920)	126,390	(34,714)	(18,244)
Fund balances at 1 September 2023		263,742	605,143	74,134	943,019
Fund balances at 31 August 2024		153,822	731,533	39,420	924,775

GARVALD HOME FARM LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	10		700,494		745,963
Current assets					
Stocks	11	65,782		72,052	
Debtors	12	45,452		41,088	
Cash at bank and in hand		158,270		183,178	
		<u>269,504</u>		<u>296,318</u>	
Creditors: amounts falling due within one year	15	<u>(107,954)</u>		<u>(115,212)</u>	
Net current assets			161,550		181,106
Total assets less current liabilities			862,044		927,069
Creditors: amounts falling due after more than one year	16		-		(2,294)
Net assets			<u>862,044</u>		<u>924,775</u>
Income funds					
Restricted funds	18		45,094		39,420
<u>Unrestricted funds - general</u>					
Designated funds	19	698,198		731,533	
General unrestricted funds		<u>118,752</u>		<u>153,822</u>	
			816,950		885,355
			<u>862,044</u>		<u>924,775</u>

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 29 May 2026

Huw Sheppard

Huw Sheppard - Chairman
Trustee

Alastair Pate

Alastair Pate - Treasurer
Trustee

Company registration number SC108570

GARVALD HOME FARM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	24		11,481		115,063
Investing activities					
Purchase of tangible fixed assets		(25,636)		(97,835)	
Investment income received		1,384		1,788	
Net cash used in investing activities			(24,252)		(96,047)
Financing activities					
Payment of obligations under finance leases		(12,137)		(30,880)	
Net cash used in financing activities			(12,137)		(30,880)
Net decrease in cash and cash equivalents			(24,908)		(11,864)
Cash and cash equivalents at beginning of year			183,178		195,042
Cash and cash equivalents at end of year			158,270		183,178

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

Charity information

Garvald Home Farm Limited is a private company limited by guarantee incorporated in Scotland. The registered office is Dolphinton, West Linton, EH46 7HJ.

1.1 Basis of preparation

The financial statements have been prepared in accordance 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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. 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 at least 12 months. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. The aim of each designated fund is set out in the notes to the financial statements. The Trustees have the discretion to undesignate these funds at any time, returning them to general reserves

Restricted funds are subject to specific conditions by donors or grantors 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Expenditure is capitalised as a fixed asset where it represents either a new asset or an enhancement to an existing asset. Depreciation is provided at the following annual rates and charged to the designated Capital Fund in order to write off each asset over its expected useful life less estimated residual value. No depreciation is provided on building expenditure which is partly completed.

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:

Leasehold land and buildings	10 and 20 years straight line
Tractors and implements	25% reducing balance
Motor vehicles	20% reducing balance

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 the statement of financial activities.

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

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

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

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.

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

2 Donations and legacies

	Unrestricted funds general 2025 £	Restricted funds 2025 £	Total 2025 £
Donations and gifts	979	30,000	30,979
	<u>979</u>	<u>30,000</u>	<u>30,979</u>
	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £
For the year ended 31 August 2024			
Donations and gifts	2,346	867	3,213
Grants	-	40,000	40,000
	<u>2,346</u>	<u>40,867</u>	<u>43,213</u>

3 Charitable activities

	Residential & Day Care 2025 £	Farm 2025 £	Wood Processing 2025 £	Total 2025 £
Farm and wood sales	-	71,226	20,888	92,114
Care fees	412,031	-	-	412,031
Other income	8,685	-	-	8,685
	<u>420,716</u>	<u>71,226</u>	<u>20,888</u>	<u>512,830</u>
	Residential & Day Care 2024 £	Farm 2024 £	Wood Processing 2024 £	Total 2024 £
For the year ended 31 August 2024				
Farm and wood sales	-	62,925	20,766	83,691
Care fees	447,537	-	-	447,537
Other income	2,661	-	-	2,661
	<u>450,198</u>	<u>62,925</u>	<u>20,766</u>	<u>533,889</u>

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	1,384	1,788

5 Charitable activities

	Residential Day Care 2025 £	Farm 2025 £	Wood Processing 2025 £	Total 2025 £
Staff costs	250,553	32,375	8,094	291,022
Depreciation and impairment	44,319	24,372	2,414	71,105
Farm costs	35,370	32,491	-	67,861
Household costs	81,550	-	-	81,550
Resident costs	4,427	-	-	4,427
Wood processing costs	-	-	2,921	2,921
Rent	15,390	7,900	-	23,290
Insurance	18,771	2,086	-	20,857
Motor expenses	9,346	1,038	-	10,384
Telephone	1,292	258	-	1,550
Subscriptions	4,028	448	-	4,476
	465,046	100,968	13,429	579,443
Share of support costs (see note 6)	19,871	-	-	19,871
Share of governance costs (see note 6)	8,610	-	-	8,610
	493,527	100,968	13,429	607,924
Analysis by fund				
Unrestricted funds - general	444,028	76,596	11,015	531,639
Unrestricted funds - designated	44,319	24,372	2,414	71,105
Restricted funds	5,180	-	-	5,180
	493,527	100,968	13,429	607,924

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

5 Charitable activities

(Continued)

For the year ended 31 August 2024	Residential Day Care	Farm	Wood Processing	Total
	2024	2024	2024	2024
	£	£	£	£
Staff costs	241,420	30,328	7,582	279,330
Depreciation and (gain)/loss on disposal	42,391	27,115	5,037	74,543
Farm costs	25,146	25,146	-	50,292
Household costs	97,852	-	-	97,852
Resident costs	11,789	-	-	11,789
Wood processing costs	-	-	1,394	1,394
Rent	15,390	7,610	-	23,000
Insurance	17,391	1,932	-	19,323
Motor expenses	8,901	989	-	9,890
Telephone	1,244	124	-	1,368
Subscriptions	2,200	245	-	2,445
	<u>463,724</u>	<u>93,489</u>	<u>14,013</u>	<u>571,226</u>
Share of support costs (see note 6)	20,133	-	-	20,133
Share of governance costs (see note 6)	5,775	-	-	5,775
	<u>489,632</u>	<u>93,489</u>	<u>14,013</u>	<u>597,134</u>
Analysis by fund				
Unrestricted funds - general	444,705	66,374	8,976	520,055
Unrestricted funds - designated	42,391	27,115	5,037	74,543
Restricted funds	2,536	-	-	2,536
	<u>489,632</u>	<u>93,489</u>	<u>14,013</u>	<u>597,134</u>

6 Support costs allocated to activities

		2025 £	2024 £
	Basis of allocation		
Staff costs	<i>Time spent</i>	7,775	7,251
Rent	<i>Direct</i>	1,710	1,710
Printing and stationery	<i>Direct</i>	783	812
Telephone	<i>Direct</i>	1,034	1,121
Bank charges	<i>Direct</i>	623	612
Accounting and payroll	<i>Direct</i>	1,269	1,270
Professional fees	<i>Direct</i>	4,381	5,632
Website costs	<i>Direct</i>	73	53
Interest payable	<i>Direct</i>	607	607
Sundry expenses	<i>Direct</i>	1,616	1,065
Governance costs	<i>Direct</i>	8,610	5,775
		<u>28,481</u>	<u>25,908</u>
Analysed between:			
Residential Day Care		<u>28,481</u>	<u>25,908</u>

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

6 Support costs allocated to activities (Continued)

	2025 £	2024 £
Governance costs comprise:		
Audit fees	4,950	4,690
Accountancy	3,660	1,085
	<u>8,610</u>	<u>5,775</u>

7 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	<u>18</u>	<u>16</u>

Employment costs	2025 £	2024 £
Wages and salaries	271,060	259,306
Social security costs	14,722	15,059
Other pension costs	8,314	7,740
Other staff costs	4,701	4,476
	<u>298,797</u>	<u>286,581</u>

The directors consider the residential and farm managers as the key management personnel. The total remuneration and employee benefits of the key management personnel of the charity during the year was £116,852 (2024 : £109,062).

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

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

10 Tangible fixed assets

	Leasehold land and buildings £	Tractors and implements £	Motor vehicles £	Total £
Cost				
At 1 September 2024	1,324,698	169,351	36,291	1,530,340
Additions	24,326	1,309	-	25,635
At 31 August 2025	1,349,024	170,660	36,291	1,555,975
Depreciation and impairment				
At 1 September 2024	634,368	133,867	16,140	784,375
Depreciation charged in the year	57,877	9,199	4,030	71,106
At 31 August 2025	692,245	143,066	20,170	855,481
Carrying amount				
At 31 August 2025	656,779	27,594	16,121	700,494
At 31 August 2024	690,330	35,483	20,150	745,963

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £6,628 (2024 - £8,696) for the year.

	2025 £	2024 £
Tractors and implements	14,766	19,688
Motor vehicles	6,824	8,531
	21,590	28,219

11 Stocks

	2025 £	2024 £
Finished goods and goods for resale	65,782	72,052

12 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	7,040	15,370
Other debtors	6,213	10,877
Prepayments and accrued income	32,199	14,841
	45,452	41,088

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

13 Designated Bank Accounts

The charity operates designated bank accounts on behalf of the residents. At 31 August 2025 the bank balance includes £33,870 (2024 - £60,013) which is also included in the other creditors figure.

14 Finance lease obligations

Future minimum lease payments due under finance leases:

	2025 £	2024 £
Within one year	2,294	12,137
Within two and five years	-	2,294
	<u>2,294</u>	<u>14,431</u>

Finance lease payments represent rentals payable by the company for certain items of tractors and motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Obligations under finance leases	14	2,294	12,137
Other taxation and social security		10,335	5,000
Trade creditors		29,951	19,043
Other creditors		35,409	61,414
Accruals and deferred income		29,965	17,618
		<u>107,954</u>	<u>115,212</u>

16 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Obligations under finance leases	14	-	2,294
		<u>-</u>	<u>2,294</u>

17 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>8,314</u>	<u>7,740</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				
	Balance at 1 September 2024	Incoming resources	Resources expended	Transfers	Balance at 31 August 2025
	£	£	£	£	£
Log Cabin development	39,320	30,000	-	(24,326)	44,994
Staff Wellbeing fund	100	-	-	-	100
Garvald Trust Seminar	-	8,581	(5,180)	(3,401)	-
	<u>39,420</u>	<u>38,581</u>	<u>(5,180)</u>	<u>(27,727)</u>	<u>45,094</u>

	Movement in funds				
	Balance at 1 September 2023	Incoming resources	Resources expended	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Log Cabin development	74,034	40,867	-	(75,581)	39,320
Staff Wellbeing fund	100	-	-	-	100
Garvald Trust Seminar	-	2,536	(2,536)	-	-
	<u>74,134</u>	<u>43,403</u>	<u>(2,536)</u>	<u>(75,581)</u>	<u>39,420</u>

Cabin Development

Funding has been received to contribute towards the build of two cabins to provide supported living accommodation. Funding in the year of £25,000 and £5,000 was received from the Nancy Massey Charitable Trust and Foundation Scotland respectively. Cabin 2 will be completed in the 2026 year.

Staff Wellbeing Fund

Small fund for the purpose of staff's wellbeing.

Garvald Trust Seminar

Funding received to cover expenses for this event.

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

19 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 September 2024	Resources expended	Transfers	Balance at 31 August 2025
	£	£	£	£
Fixed Asset Fund	731,533	(71,105)	37,770	698,198

	Balance at 1 September 2023	Resources expended	Transfers	Balance at 31 August 2024
	£	£	£	£
Fixed Asset Fund	605,143	(74,543)	200,933	731,533

20 Analysis of net assets between funds

	Unrestricted funds 2025	Designated funds 2025	Restricted funds 2025	Total 2025
	£	£	£	£
Fund balances at 31 August 2025 are represented by:				
Tangible assets	-	700,494	-	700,494
Current assets/(liabilities)	143,752	(2,296)	20,094	161,550
	143,752	698,198	20,094	862,044

	Unrestricted funds 2024	Designated funds 2024	Restricted funds 2024	Total 2024
	£	£	£	£
Tangible assets	-	745,963	-	745,963
Current assets/(liabilities)	153,822	(12,136)	39,420	181,106
Long term liabilities	-	(2,294)	-	(2,294)
	153,822	731,533	39,420	924,775

GARVALD HOME FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

21 Operating lease commitments

Lessee

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:

	2025 £	2024 £
Within one year	19,000	19,000
In over five years	24,390	29,810
	<u>43,390</u>	<u>48,810</u>

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025 £	2024 £
Acquisition of property, plant and equipment	<u>21,958</u>	<u>24,325</u>

23 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

24 Cash generated from operations

	2025 £	2024 £
Deficit for the year	(62,731)	(18,244)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,384)	(1,788)
Depreciation and impairment of tangible fixed assets	71,105	74,544
Movements in working capital:		
Decrease in stocks	6,270	6,730
(Increase) in debtors	(4,364)	(4,919)
Increase in creditors	2,585	58,741
Cash generated from operations	<u>11,481</u>	<u>115,064</u>