

Company Number: 35672

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)

Directors' Report and Financial Statements
for the year ended 31 December 2017

BCK Audit Accounting & Tax Limited
Certified Public Accountants and Statutory Audit Firm
Suite 4 & 5
Bridgewater Business Centre
Conyngham Road
Islandbridge
Dublin 8

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
CONTENTS

	Page
Directors and Other Information	3
Directors' Report	4 - 10
Directors' Responsibilities Statement	11
Independent Auditor's Report	12 - 14
Statement of Financial Activities	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 33
Supplementary Information	35- 61

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)

DIRECTORS AND OTHER INFORMATION

Directors

Leo Veling
Patrick J Lydon (Resigned 15 March 2018)
Michael Hilary (Resigned 25 September 2017)
Heather Lynch (Resigned 11 April 2017)
Mischa Fekete (Resigned 15 March 2018)
Jose van der Donk (Resigned 22 December 2017)
John O'Connor (Resigned 25 September 2017)
Miriam Moffitt
Thomas Collins
Vincent Comerford (Resigned 25 September 2017)
Marie Keane (Chair)
Bernard Haslam (Appointed 25 September 2017)
Noel Mulvihill (Appointed 22 December 2017)
Niall Byrne (Appointed 25 September 2017)
Thomas Horan (Appointed 22 December 2017)
(Resigned 15 March 2018)

Company Secretary

Miriam Moffitt

Company Number

35672

Charity Tax Number

CHY 5861

CRA Number

20009489

Registered Office and Business Address

National Governance Office
Dunshane Community
Brannockstown
Naas
Co. Kildare
Ireland

Auditors

BCK Audit Accounting & Tax Limited
Certified Public Accountants and Statutory Audit Firm
Suite 4 & 5
Bridgewater Business Centre
Conyngham Road
Islandbridge
Dublin 8

Bankers

Bank of Ireland Group

Ulster Bank Limited

Triodos Bank

AIB Bank

Solicitors

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)

DIRECTORS' REPORT

for the year ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Principal Activity and review of the business

The provision of communities, homes, farms, workshops and accommodation, in accordance with the principles of the late Dr. Rudolph Steiner as carried out by the Camphill Movement under the direction of the late Dr. Karl König for persons (including children, young persons and adults) who, through their disability, social infirmity or otherwise, require social care.

Results

In 2017, Camphill Communities of Ireland had an income of €21,243,908 and expended €21,091,492 on services for its members and supporting their needs. Of the total raised, €18,083,601 was from statutory sources, €447,447 from donations and gifts, €2,712,844 from income generated through participant contributions (a levy on residents) and other income sources generated within the communities and €16 from investment income. Statutory support from the core funding schemes from the Department of Environment, Community and Local Government increased by 22% in 2017. Non statutory income decreased by 1% in 2017.

Staff and agency costs have increased during the year due to the reduction in the numbers of long term volunteers and this remains the core cost relating to the provision of social care. In support of the core services ancillary occupational workshops such as farming, weaving, candle making, etc., continue to be utilised to deliver day services and occupational rehabilitative therapy. Communities are under increasing pressure to deliver on upgrades necessitated through many years of underspending on repairs and maintenance. HIQA required fire upgrades are almost complete with a number of notable exceptions.

The full results for the year are set out on page 16.

Directors and Secretary

The directors who served throughout the year, except as noted, were as follows:

Leo Velling
Patrick J Lydon (Resigned 15 March 2018)
Michael Hilary (Resigned 25 September 2017)
Heather Lynch (Resigned 11 April 2017)
Mischa Fekete (Resigned 15 March 2018)
Jose van der Donk (Resigned 22 December 2017)
John O'Connor (Resigned 25 September 2017)
Miriam Moffitt
Thomas Collins
Vincent Comerford (Resigned 25 September 2017)
Marie Keane (Chair)
Bernard Haslam (Appointed 25 September 2017)
Noel Mulvihill (Appointed 22 December 2017)
Niall Byrne (Appointed 25 September 2017)
Thomas Horan (Appointed 22 December 2017) (Resigned 15 March 2018)

The secretary who served throughout the year was Miriam Moffitt.

Their record of attendance at Council meetings is found in the Supplementary Information on page 36.

Events after the period end

In September 2018 one of our residential communities, Ballytobin, Co. Kilkenny was transferred to the Brothers of Charity Services due to the loss of registration with HIQA, the Health Information & Quality Authority, in May 2017. The services in Ballytobin have been run by the H.S.E. since 6th of June 2017 and this arrangement will cease on the 3rd September 2018. One residential house will continue to be run by the H.S.E. until an alternative arrangement can be reached for the residents located there. An independent review of safeguarding has been completed in relation to all available documentation from Ballytobin for internal use.

In 2018 all remaining Communities within CCoI have achieved registration with HIQA.

CCoI plan to wind up its subsidiary operation in 2018 availing of voluntary removal from the register as prescribed under Companies Act Legislation.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

DIRECTORS' REPORT

for the year ended 31 December 2017

Auditors

Byrne Curtin Kelly resigned as auditors on 1 April 2018 and on that date BCK Audit Accounting & Tax Limited (Certified Public Accountants) were appointed.

The auditors, BCK Audit Accounting & Tax Limited, (Certified Public Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

Payment of Creditors

The directors acknowledge their responsibility for ensuring compliance with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations 2012. It is the company's policy to agree payment terms with all suppliers and to adhere to those payment terms.

Structure, Governance and Management of Camphill Communities of Ireland

Camphill Communities of Ireland is constituted as a company limited by guarantee without a share capital. Its purpose and objects are set out in its Memorandum of Association and how it conducts its business is set out in its Articles of Association. Both of these documents are posted on Camphill Communities of Ireland's website and are publicly available from the Companies Registration Office website www.cro.ie and also the Charities Regulatory Authority website (www.charitiesregulatoryauthority.ie).

Camphill Communities of Ireland is governed by a Council of directors with a maximum number of 12 people. Every Council member's term of office is three years. Following consultations with the Charities Regulator during the first quarter of 2018 the Council will, in future, have no Co-worker (Vocational Volunteer) Directors. Three connected persons (family members) and six external individuals will be the maximum number of Directors for the time being.

Every year at the AGM (September 2018) approximately one third of the Council members rotate off and are replaced by new Directors, who are nominated and elected from the organisation's membership, or may be re-elected. Directors may put themselves forward for nomination and election after their term of office is up.

Housing Association Compliance

The organisation is a registered Approved Housing Body (AHB) and is deemed to be a Tier 2 organisation. The organisation currently has 210 residential units and is striving to comply with all the principles and requirements of the Voluntary Regulation Code [VRC]. The organisation attended an engagement meeting with the Housing Regulator to discuss its ongoing endeavours regarding compliance with the VRC. The organisation has also continued submitting the required quarterly Housing Association Performance Management [HAPM] returns, to assist monitoring compliance with the VRC.

CAS Housing projects continue to progress, however the severe financial restrictions have impacted directly on the capacity of the AHB to deliver units at a reasonable pace. During 2017 the organisation commissioned a Stock Condition Survey from an external qualified body. The purpose of the survey is to ascertain the current and near-term future repair, renewal and refurbishment needs of the organisation.

There is an extremely strong case for immediate additional funding to be ring fenced through a 'sinking fund' to ensure the organisation is in a position to act immediately should a major housing repair event take place. There is a small amount of funding accruing to the sinking fund, however it is acknowledged that the current level of funding is woefully insufficient. There is also an undoubted need to ensure that the housing stock is maintained at a reasonable level in relation to decoration and repairs.

The Housing Officer for Camphill continues to oversee a programme of extension of tenancies to people within Camphill. All such tenancies are registered with the Residential Tenancies Board (RTB).

Council subgroups

During 2017 the number of sub-committees of the Council was reduced to three:

- Finance and Audit
- Quality & Safety
- Stakeholders

All other work is being completed through working groups headed by the executive team members.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

DIRECTORS' REPORT

for the year ended 31 December 2017

Policies and procedures for the induction and training of Council members

All new Council members receive a 'Council Induction Folder' when they become a Council member. This contains all the information and documentation that a Council member requires including:

- Memorandum and Articles of Association CCol (Adopted)
- CCol Council Member - Role Description
- CCol Code of Conduct for Co-workers, Volunteers and Employees
- List of Directors
- Strategic plan 2017-2020
- Council Minutes
- Governance Code
- Guide to the Governance Code
- A Strategic Outlook on challenges facing Camphill as a result of Social Policy
- Camphill Press Statement Dáil Presentation 2015
- Dáil Presentation Feb 2015
- The Roots of Camphill - Trustees Induction 10 June 2008
- Life In Camphill in Ireland - Section 1
- Living-with-intention
- Michaelmas Gathering 2014 Report
- Changes in Social Policy and its effects on Camphill in Ireland – recommendations
- Community development and identity - Andrew Plant
- The Challenges Facing Camphill - Andrew Plant Dec 09
- The individual and the... what - A Discussion Document in Relation to Changes at Oaklands Camphill Community in the UK
- Discussion regarding the understanding of vocational volunteer co-workers and their relationship to CCol
- Statement of Purpose - Sample - The Bridge Community
- Trends and Concerns in Human resources in CCol Jan 2015 vers3
- Council Members Declaration of Interests
- Arthur Cox Guide to Board Membership

The Council schedules a 2-hour Induction Meeting with each new Council member in the first month to six weeks prior to attending a Council meeting, at which a sub-set of information customised for each new member is reviewed – all of which is included in the Induction Folder which they will be expected to have read in advance.

Organisational structure and how decisions are made:

Camphill Communities of Ireland has a small team based in the registered office in Kildare, and this is headed by the Chief Operations Officer who reports directly to the Council through the Chairperson.

As per the 'schedule of matters reserved for the Council', decisions reserved for the Council include:

- The Organisation's strategic plans and annual operating budgets;
- Projects outside the scope of the strategic plan;
- Business acquisitions and disposals;
- Litigation;
- Appointment/Removal of Subgroup Members;
- Appointment/Removal of Coordinating Officers;
- Appointment/ Removal of Auditors;
- Approval of Borrowing/Finance Facilities/Credit Card users;
- Approval of Contracts with terms exceeding one year or financial liability on Camphill Communities of Ireland exceeding €25k on a pro rata basis;
- Annual Review of Risk and Internal Control; and
- Approval of new staff positions (ceded to the Chief Operations Officer).

Although the Council is ultimately responsible for Camphill Communities of Ireland and for the above list, certain duties and responsibilities are delegated from the Council to the Chief Operations Officer and other Working Groups of Council from time-to-time. The Organisation's Company Secretary, in conjunction with the Chairperson and National Coordinators, are also responsible for preparing materials for Council consideration and for preparing materials for any future strategic planning process.

A 'Conflict of Interest' policy is in place and observed by the Council and is used at every Council meeting and subgroup meeting as a matter of course.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

DIRECTORS' REPORT

for the year ended 31 December 2017

The organisation has four subsidiaries.

They provide the following services to the organisation:

1. Provision of biogas to run heating systems in a number of communities
2. Provision of energy to a number of communities in the Ballytobin Area
3. Provision of energy to a number of communities in the Callan Area
4. Provision of construction services to the communities

They are under the control of the CCol.

H.S.E. Review

Since February of 2017, the Company has been directly engaged, through the Council, with the most senior disability representatives within the H.S.E. to review the funding and governance of Camphill. Between February and May 2017, the H.S.E.'s Service Improvement Team (SIT) met with all of the Person's in Charge (PiCs) in the Communities to evaluate the needs of residents and day attendees for their National Disability Assessment Tool (NDAT). There have been more than 6 meetings at a National level through 2017 and early 2018. As part of the process, the H.S.E. have agreed to fund 4 posts at a national level (CEO, HR, Quality & Safety and CFO). The posts are to be filled in 2018.

Governance Code for Community, Voluntary and Charitable Organisations

Camphill Communities of Ireland is working towards fulfilment of the recommended guideline actions for compliance for a Type C organisation as defined by the Governance Code for Community, Voluntary and Charitable Organisations (www.governancecode.ie).

Internal Controls:

Camphill Communities of Ireland operates a Corporate Risk Register. This involves identification of the major risks that Camphill Communities of Ireland is exposed to, be they financial, human resource, care and welfare, infrastructural or public relations and an assessment of their impact and likelihood of happening and risk mitigation action(s), are established for each. The Council reviews the risk register at each Council meeting and monitors the ongoing impacts. In addition, each Community is obliged to operate a risk register, which may feed into the National Risk Register should this be required.

As part of the National Standards that are in place for Disability Services that are monitored by the Health Information & Quality Authority (HIQA), the charity is obliged to have a registered provider. This person is currently Joe Lynch, Chief Operations Officer. The Provider Representative is responsible for all social care aspects under the current regulations on behalf of the charity. As part of the internal controls of the charity and as part of the HIQA regulations, the provider representative is obliged to carry out Provider Led Inspections. During 2017 two new appointments were made at Regional Manager level and the two Regional Managers carry out the provider led inspections.

Financial oversight has been improved through the implementation of Accounts IQ (AIQ). The National Financial Controller reports regularly to the Council on these matters.

Objectives and Activities

Camphill Communities of Ireland's governing documents state that its overall aim is to support and care for the needs of people with disabilities and the work that may need to be carried out in fulfilment of these objects.

We do this through:

- Provision of residential social care in 14 residential communities.
- Day services are provided in all of our 17 communities.
- Provision of independent living opportunity in 5 of our communities.
- Opportunities to avail of art therapy and social inclusion, through our KCAT community.
- Social farming projects in 13 communities.
- Rehabilitative therapy programmes in two communities.

Camphill Communities of Ireland has adopted a three year Strategic Plan 2017 – 2020 and an annual plan for 2018.

Transparency and public accountability

The Council believes that Camphill Communities of Ireland, and all charities should be fully accountable to the general public, providing detailed information on where its funds come from and what they are spent on. We have provided substantial information in the Directors' report in accordance with SORP, the international Statement of Recommended Practice for charities. We also publish our accounts on our website: www.camphill.ie - <http://www.camphill.ie/Annual-Audits>.

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
DIRECTORS' REPORT
for the year ended 31 December 2017

Achievements and Performance in 2017:

The core income from all sources into Camphill Communities of Ireland's Statement of Financial Activities account over 2017 was €21,243,908 (2016: €18,142,540) against expenditure of €21,091,492 (2016: €17,974,578) over the same period, thus leading to an operational surplus of €152,416 (2016: €167,962) after investment income received of €16 (2016: €143) and released provision of €1,049,348 (provision in 2016: €1,049,348).

Income Streams

In 2017 CCol income from the H.S.E. was our primary source of income as well as contributions from participants – our residents.

Principal Funding Sources:

In 2017, the principal funding sources for Camphill Communities of Ireland's core operations are described in the details below. Note that a detailed breakdown of major funding lines is provided in the note 5 broken down as per SORP headlines.

Statutory Income:

Source	Amount	Remarks
Income from charitable activities		
H.S.E. Income	€17,803,473	This is a service arrangement that Camphill Communities of Ireland have with the H.S.E. under section 39 Health Act 2004.
Other State Grants	€280,128	Includes revenue grants from Department of Social Protection and Department of Agriculture.

Non Statutory Income:

Income from charitable activities	€371,456	Other income from a range of charitable activities
	€253,930	Own produce consumed
	€73,214	KCAT
	€446,286	Restaurant income
	€968,827	Participant contributions & disability allowance
Other Income	€599,131	Amortisation of capital grants
Donations	€447,447	Includes various donations / sponsorships for programmes and events.

Reserves Policy and Level:

The Council of Camphill Communities of Ireland has no set reserves policy at this point. However it is generally accepted that organisations, such as Camphill, should have between three and six months operational reserves in place. Therefore:

- Reserves should be maintained at a level which ensures that Camphill Communities of Ireland's organisation's core activities could continue during a period of unforeseen difficulty.
- A proportion of reserves must be maintained in a readily realisable form.

This takes into account:

- Risks associated with income and expenditure being different from that budgeted.
- Planned activity level and potential opportunities.
- The organisation's contractual commitments.
- The cost associated with potentially having to make staff redundant in an emergency situation.

The calculation of the required level of reserves will be an integral part of the organisation's annual planning, budget and forecast cycle in the forthcoming year. The level of reserves will be kept under constant review through ongoing financial reporting and production of annual audited accounts.

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
DIRECTORS' REPORT
for the year ended 31 December 2017

Pension:

The Organisation has no fixed contributory pension scheme, although there are a small number of such pensions operational in the organisation, which are of an historic nature. The organisation does offer all new employees a PRSA deduction facility as a statutory obligation. Retention of appropriate staff is becoming an issue for the charity and the non-implementation of a recognised staff pension scheme is a factor in staff recruitment and retention.

Plans for Future Periods:

The Strategic Plan will shape the plans and direction for Camphill Communities of Ireland until 2020 against the strategic objectives identified through consultation and review by the Council. All members of staff will have goals which are aligned with these top level goals for the organisation.

Principal Risks and Uncertainties:

The Board faces many risks through the activities of the organisation. As the organisation moves from a volunteer led model to a full employment model this places significant financial risk on the organisation. The board are in direct dialogue with its main funder with regard to ensuring the organisation has a more sustainable funding model and the board are confident of successfully resolving same.

The risk of ensuring compliance with all legislation is utmost in the thoughts of the directors ensuring that the organisation achieves and maintains compliance with external bodies such as HIQA and the AHB as well as continuing to foster a strong relationship with its funders.

Competition for staff in this sector is challenging. Policies around appropriate wage levels, pensions, insurance, etc. will be a major factor in retention and recruitment into the future. The organisation continues to review educational and professional development as part of its overall strategy on human resources.

Health and Safety

The directors are satisfied that the Health and Safety statement is to be reviewed again during 2018 and that all staff members are aware and understand it and are provided with appropriate training.

Remuneration

Staff costs are inclusive of Basic pay, Employers PRSI and Pension contributions.

2 staff salaries fall between €60,001 and €80,000

Key staff remuneration is set by a subcommittee of the board of directors – Remuneration committee. This committee meets annually.

Volunteers

Vocational volunteers work across all areas of Camphill's operations, from Person in Charge level through to house coordination and social care roles. Many are also involved in social farming, administration duties and various other workshops.

GDPR

Camphill has implemented changes in relation to Personal Data Protection in line with GDPR. New email systems have been implemented and a manual of compliance is in force. We are committed to the principles inherent in the GDPR and particularly to the concepts of privacy by design, the right to be forgotten, consent and a risk-based approach. In addition, we aim to ensure:

- transparency with regard to the use of data
- that any processing is lawful, fair, transparent and necessary for a specific purpose
- that data is accurate, kept up to date and removed when no longer necessary
- that data is kept safely and securely.

The Council is satisfied that work towards compliance will be completed for the GDPR deadline in May 2018.

Going Concern

The board are of the opinion that there is a strong working relationship with its funders and on that basis are of the opinion that the organisation can continue to operate on a going concern basis.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

DIRECTORS' REPORT

for the year ended 31 December 2017

Statement on Relevant Audit Information

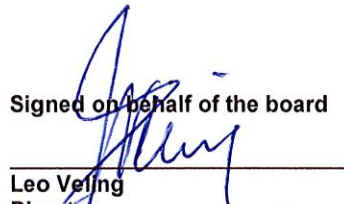
So far as the directors are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Accounting Records

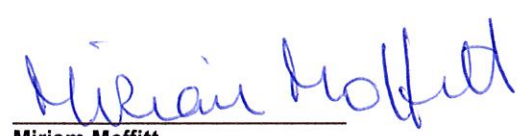
The directors acknowledge their responsibilities under Section 281 to Section 285 of the Companies Act 2014 to keep adequate accounting records for the company.

In order to secure compliance with the requirements of the act, a full time management accountant is employed. The accounting records of the company are kept at the registered office and principal places of business.

Signed on behalf of the board


Leo Veing
Director

Date: 28.09.18


Miriam Moffitt
Director

Date: 27/09/18

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2017

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

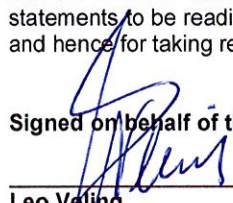
Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

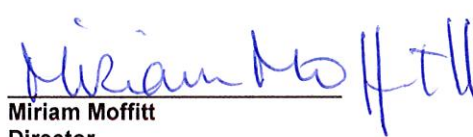
- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board


Leo Velling
Director

Date: 27.09.18


Miriam Moffitt
Director

Date: 27/09/2018

INDEPENDENT AUDITOR'S REPORT

to the Members of Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Camphill Communities of Ireland ('the company') for the year ended 31 December 2017 which comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of its deficit for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Emphasis of Matter

In forming our opinion, we have considered the adequacy of the disclosures in Note 3 to the Financial Statements. The organisation is heavily reliant on continued support from the H.S.E., any change in such relationship might increase any uncertainty. The Financial Statements have been prepared on a going concern basis, the validity of which depends on the extent of the matters noted above. Our Opinion is not qualified in this respect.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Members of Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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 they 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT
to the Members of Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darren Connolly
for and on behalf of
BCK AUDIT ACCOUNTING & TAX LIMITED
Certified Public Accountants and Statutory Audit Firm
Suite 4 & 5
Bridgewater Business Centre
Conyngham Road
Islandbridge
Dublin 8

Date: 27.09.2018

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2017

	Notes	Restricted Funds 2017 €	Unrestricted Funds 2017 €	Total 2017 €	Total 2016 €
Income and Endowments from					
Charitable Activities	5	19,052,428	700,216	19,752,644	16,606,436
Donations and legacies	5	-	447,447	447,447	541,871
Other Activities	5	599,131	444,670	1,043,801	994,090
Investment Income	8	-	16	16	143
Total Income		19,651,559	1,592,349	21,243,908	18,142,540
Expenditure On					
Raising Funds		-	-	-	-
Charitable Activities	5.1	19,654,835	1,436,657	21,091,492	17,974,578
Total		19,654,835	1,436,657	21,091,492	17,974,578
Net operating (loss)/surplus		(3,276)	155,692	152,416	167,962
Transfers between funds					
		3,276	(3,276)	-	-
Other gains and losses	7	-	-	-	6,069,602
Net movement in funds		-	152,416	152,416	6,237,564
Reconciliation of funds		-	-	-	-
Total funds brought forward		6,165,105	4,891,897	11,057,002	4,819,438
Total funds carried forward		6,165,105	5,044,313	11,209,418	11,057,002

The statement of financial activities has been prepared on the basis that all operations are continuing operations.

There are no recognised surpluses and deficits other than those passing through the statement of financial activities.

A detailed breakdown of the above items is included in the notes to the financial statements.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	2017 €	2016 €
Non-Current Assets			
Property, plant and equipment	12	30,858,519	30,126,722
Investments	13	9	9
		<u>30,858,528</u>	<u>30,126,731</u>
Current Assets			
Inventories	14	283,550	295,763
Receivables	15	1,756,400	526,179
Cash and cash equivalents		2,369,287	3,590,223
		<u>4,409,237</u>	<u>4,412,165</u>
Payables: Amounts falling due within one year	16	<u>(2,776,436)</u>	<u>(1,678,851)</u>
Net Current Assets		<u>1,632,801</u>	<u>2,733,314</u>
Total Assets less Current Liabilities		<u>32,491,329</u>	<u>32,860,045</u>
Payables			
Amounts falling due after more than one year	17	(1,205,576)	(1,290,414)
Provisions for liabilities	19	-	(1,049,348)
Government grants	20	(20,076,335)	(19,463,281)
Net Assets		<u>11,209,418</u>	<u>11,057,002</u>
Reserves			
Restricted funds		95,503	95,503
Revaluation reserves		6,069,602	6,069,602
Unrestricted funds		5,044,313	4,891,897
Equity attributable to owners of the company		<u>11,209,418</u>	<u>11,057,002</u>

Approved by the board on

27.09.2018

and signed on its behalf by:

Leo Velling
Director

Miriam Moffitt
Director

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
STATEMENT OF CASH FLOWS
for the year ended 31 December 2017

	Notes	2017 €	2016 €
Cash flows from operating activities			
(Deficit)/surplus for the year		152,416	6,237,564
Adjustments for:			
Fair value gains and losses		-	(6,069,602)
Finance income		(16)	(143)
Depreciation		769,763	1,094,123
Surplus/deficit on disposal of property, plant and equipment		1,145	(17,766)
Amortisation of government grants		(599,131)	(576,489)
		<u>324,177</u>	<u>667,687</u>
Movements in working capital:			
Movement in provisions		(1,049,348)	1,049,348
Movement in inventories		12,213	36,835
Movement in receivables		(1,230,221)	69,134
Movement in payables		1,237,581	108,134
		<u>(705,598)</u>	<u>1,931,138</u>
Cash generated from operations		<u>(705,598)</u>	<u>1,931,138</u>
Net cash generated from operating activities		<u>(705,598)</u>	<u>1,931,138</u>
Cash flows from investing activities			
Interest received		16	143
Payments to acquire property, plant and equipment		(1,516,561)	(1,755,868)
Receipts from sales of property, plant and equipment		13,855	24,933
		<u>(1,502,690)</u>	<u>(1,730,792)</u>
Net cash used in investment activities		<u>(1,502,690)</u>	<u>(1,730,792)</u>
Cash flows from financing activities			
Movement in long term loan		(84,838)	27,825
Movement in short term loan		(4,581)	(6,289)
Movement in funding from subsidiaries/group companies		(7,866)	-
Advances from related parties		(23,027)	-
Capital grants received		1,212,185	759,089
		<u>1,091,873</u>	<u>780,625</u>
Net cash generated from financing activities		<u>1,091,873</u>	<u>780,625</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,116,415)</u>	<u>980,971</u>
Cash and cash equivalents at beginning of financial year		<u>3,435,229</u>	<u>2,454,258</u>
Cash and cash equivalents at end of financial year	26	<u><u>2,318,814</u></u>	<u><u>3,435,229</u></u>

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

1. GENERAL INFORMATION

Camphill Communities of Ireland is a company limited by guarantee incorporated in the Republic of Ireland. National Governance Office, Dunshane Community, Brannockstown, Naas, Co. Kildare, Ireland is the registered office. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 December 2017 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

Consolidated accounts

The company is entitled to the exemption in accordance with section 297 of the Companies Act 2014 from the obligation to prepare group accounts.

Income

Income from donations, gifts and legacies is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. This includes donations, gifts, bequests, income from donation of assets and membership income.

Income from Charitable Activities includes any grant income received to carry on the charitable purpose of the organisation. This income may be classed as restricted or unrestricted dependant on the conditions included in each agreement.

Income from other activities is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. This includes amortisation of capital grants, Income earned for provision of arts courses, rental income of a number of CCOL properties and fundraising performed throughout the year.

Own Produce Consumed is foodstuff grown or raised within the communities that contribute to the upkeep and provision of subsistence to each community.

Capital grants received and receivable are treated as deferred income and amortised to the income and expenditure account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the income and expenditure account when received.

Revenue grants are credited to the income and expenditure account when received. In the event of the grant being for a period outside that of the audited financial statements, the grant income is deferred to ensure the income is recognised in the same period of the related expenditure.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

Resources Expended

Expenditure is recognised when a liability is incurred. Funding provided through contractual agreements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being an unavoidable commitment.

Expenditure of Raising Funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Support costs include those incurred in the governance by the trustees of the charity's assets and are primarily associated with constitutional and statutory requirements of operating the organisation.

Fund Accounting

Unrestricted funds are general funds that are available for use at the board's discretion in furtherance of any of the objectives of the charity.

Restricted funds are those received for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the funds can only be used for specific projects or activities.

Property, plant and equipment and depreciation

Cost

Property, plant and equipment are recorded at historical cost or deemed cost, less accumulated depreciation and impairment losses. Cost includes prime cost, overheads and interest incurred in financing the construction of tangible fixed assets. Capitalisation of interest ceases when the asset is brought into use.

Equipment and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation

Depreciation is provided on property, plant and equipment, on a straight-line basis, so as to write off their cost less residual amounts over their estimated economic lives.

The estimated economic lives assigned to property, plant and equipment are as follows:

Land and buildings freehold	-	Straight line over 50 years
Plant and machinery	-	33% Straight line
Fixtures, fittings and equipment	-	20% Straight line
Motor vehicles	-	Straight line over 3 years

The company's policy is to review the remaining economic lives and residual values of property, plant and equipment on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated life and residual value.

Fully depreciated property, plant & equipment are retained in the cost of property, plant & equipment and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the income statement.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other investments together with any related withholding tax is recognised in the income and expenditure account in the year in which it is receivable.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing inventory to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

Trade and other receivables

Receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of Financial Position bank overdrafts are shown within Payables.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade and other payables

Payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The Organisation has no fixed contributory pension scheme, although there are a small number of such pensions operational in the organisation, which are of an historic nature. The organisation does offer all new employees a PRSA deduction facility as a statutory obligation. Retention of appropriate staff is becoming an issue for the charity and the non-implementation of a recognised staff pension scheme is a factor in staff recruitment and retention.

Taxation

As a result of the company's charitable status, no charge to corporation tax arises under the provisions of Section 207 of the Taxes Consolidation Act, 1997.

Government grants

Capital grants received and receivable are treated as deferred income and amortised to the Income and Expenditure Account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Income and Expenditure Account when received.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income and Expenditure Account.

Co- workers

Co- workers are defined as either Long term or Short term as follows:

- Short term Individuals who reside in the communities for a period less than 2 years and assist in the provision of service and partake in the activities of the communities.

Long term Individuals who reside in the communities for a period greater than two years and assist in the provision of service and partake in the activities of the communities.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

Own Produce Consumed

Own Produce Consumed is foodstuff grown or raised within the communities that contribute to the upkeep and provision of subsistence to each community.

The contribution is recognised both as an income and expenditure in the Statement of Financial Activities.

Departure From Companies Act 2014 Presentation

The directors have elected to present a Statement of Financial Activities instead of a Profit and Loss Account in these financial statements as this company is a not-for-profit entity.

Reserves Policy and Level

The Council of Camphill Communities of Ireland has no set reserves policy at this point. However, it is generally accepted that organisations, such as Camphill, should have between three and six months operational reserves in place. Therefore:

- Reserves should be maintained at a level which ensures that Camphill Communities of Ireland's organisation's core activities could continue during a period of unforeseen difficulty.
- A proportion of reserves must be maintained in a readily realisable form.

This takes into account:

- Risks associated with income and expenditure being different from that budgeted.
- Planned activity level and potential opportunities.
- The organisation's contractual commitments.
- The cost associated with potentially having to make staff redundant in an emergency situation.

The calculation of the required level of reserves will be an integral part of the organisation's annual planning, budget and forecast cycle in the forthcoming years. The level of reserves will be kept under constant review through ongoing financial reporting and production of annual audited accounts.

3. GOING CONCERN

The organisation has made surpluses in recent years. However due to the increasing costs involved in moving the organisation from a model reliant on volunteers to a full employment model, costs have increased significantly. The organisation is in dialogue with the H.S.E over its funding requirements and uncertainty remains as to whether the organisation can continue to operate at existing funding levels. The organisation is also aware of potential contingencies as further disclosed in the financial statements.

These all contribute to uncertainty as to the ability of the organisation to continue to operate. The board are of the opinion that the organisation remains viable but continues to rely significantly on the continued support of its main funder the H.S.E. and any change in this relationship would have severe implications for the organisation.

The board are of the opinion that there is a strong working relationship with its funders and on that basis are of the opinion that the organisation can continue to operate as a going concern.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions identified that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Establishing lives for depreciation purposes of property, plant and equipment

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

Providing for doubtful debts

The organisation makes an estimate of the recoverable value of trade and other receivables. The organisation uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on-going basis.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

5. INCOME FROM CHARITABLE ACTIVITIES/ DONATIONS/ OTHER ACTIVITIES

The income for the year has been derived from:-

	Restricted €	Unrestricted €	2017 €	2016 €
H.S.E. Income	17,803,473	-	17,803,473	14,652,530
Own Produce Consumed	-	253,930	253,930	283,299
Shop Income	-	446,286	446,286	476,072
KCAT Income	-	73,214	73,214	66,644
Participant Contributions & Disability Allowance	968,827	-	968,827	948,854
Other State Grants	280,128	-	280,128	206,458
Donations and Fundraising	-	447,447	447,447	541,871
Other Income	-	371,456	371,456	390,180
Amortisation of Capital Grants	599,131	-	599,131	576,489
	<u>19,651,559</u>	<u>1,592,333</u>	<u>21,243,892</u>	<u>18,142,397</u>

Other state grants include income from the Department of Agriculture, Department of Social Protection and SEAI

Included in other income are the following income streams:

- Rental Income from a number of communities
- Income from training courses ran in communities
- Other small various amounts across all communities

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

5.1 EXPENDITURE ON CHARITABLE ACTIVITIES AND RAISING FUNDS

	Restricted €	Unrestricted €	2017 €	2016 €
Wages and salaries	9,654,659	-	9,654,659	7,004,738
Social welfare costs	1,000,797	-	1,000,797	707,168
Agency staff	2,425,977	-	2,425,977	133,187
Staff training	175,997	-	175,997	-
Rates	128,738	-	128,738	183,739
Insurance	428,076	-	428,076	454,316
Light and heat	679,997	-	679,997	652,161
Cleaning	95,387	-	95,387	125,882
Furniture Crockery Hardware	260,369	-	260,369	249,569
Bedding & Clothing	26,655	-	26,655	31,190
Medical Expenses	149,598	-	149,598	174,822
Repairs and maintenance	646,715	96,635	743,350	809,639
Office Expenses	370,962	55,431	426,393	401,848
Advertising and fundraising costs	129,098	19,290	148,388	-
Motor expenses	593,451	88,677	682,128	636,803
Legal and professional	322,299	48,160	370,459	83,440
Recruitment Costs	70,959	10,603	81,562	-
Audit	31,087	4,645	35,732	35,731
Auditor's remuneration - other non-audit services	50,138	7,492	57,630	21,582
Bank charges	49,547	7,403	56,950	58,427
Food	747,394	111,680	859,074	973,134
Community expenses	670,465	670,465	1,340,930	1,414,735
Health & Safety	291,783	-	291,783	176,151
Land, Farm & Garden	99,702	149,552	249,254	229,107
Culture & Education	169,931	-	169,931	316,002
Workshops	-	62,044	62,044	54,785
Own produce consumed	-	253,930	253,930	283,299
Trust contribution	-	-	-	248,751
Leaving Support	50,000	50,000	100,000	72,000
Other expenses	69,045	69,044	138,089	103,818
Subscriptions	19,775	2,955	22,730	-
Depreciation of property, plant and equipment	769,763	-	769,763	1,094,123
Profits/losses on disposal of tangibles	1,145	-	1,145	(17,766)
	<u>20,179,509</u>	<u>1,708,006</u>	<u>21,887,515</u>	<u>16,712,381</u>
Restaurant Purchases	-	253,325	253,325	212,849
Exceptional provision	(524,674)	(524,674)	(1,049,348)	1,049,348
	<u>19,654,835</u>	<u>1,436,657</u>	<u>21,091,492</u>	<u>17,974,578</u>

6. OPERATING (DEFICIT)/SURPLUS

	2017 €	2016 €
Operating (deficit)/surplus is stated after charging/(crediting):		
Depreciation of property, plant and equipment	769,763	1,094,123
(Deficit)/surplus on disposal of property, plant and equipment	1,145	(17,766)
Amortisation of Government grants	(599,131)	(576,489)

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

7. OTHER GAINS AND LOSSES	2017	2016
	€	€

Fair value gains and losses are as follows:

Property, plant and equipment

-	6,069,602
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8. INVESTMENT INCOME	2017	2016
	€	€

Bank interest

16	143
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9. EMPLOYEES AND REMUNERATION

Number of employees

The Full-time equivalent(FTE) of persons employed(including executive directors) during the year was as follows:

	2017	2016
	Number	Number
Management	42	38
Operations/ Administration	201	157
	243	195

The staff costs comprise:

	2017	2016
	€	€
Wages and salaries(incl. Agency Staff)	12,080,636	7,137,925
Social welfare costs	1,000,797	707,168
	13,081,433	7,845,093

Staff costs are inclusive of Basic pay, Employers PRSI and Pension contributions.

	2017	2016
staff salaries fall between €50,001 and €60,000	-	-
staff salaries fall between €60,001 and €70,000	1	2
staff salaries fall between €70,001 and €80,000	1	-
staff salaries fall between €80,001 and €90,000	-	-
staff salaries fall between €90,001 and €100,000	-	-
	2	2

9.1 Key Management Compensation

Key management includes the council, various subgroups members, the Company Management and Company Secretary. The compensation paid or payable to key management for employee services is shown below:

The staff costs comprise:

	2017	2016
	€	€
Salaries and other short- term employee benefits	208,933	126,000

The Council members are not remunerated for their service as Council members.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

10. CAMPHILL LEAVING SUPPORT FUND	2017	2016
	€	€
Opening provision	52,883	82,838
Annual Contribution Provision	100,000	72,000
Paid during the year	(2,000)	(101,955)
Closing provision	<u>150,883</u>	<u>52,883</u>

In addition to the contribution to Camphill Community Trust, it was decided that each community would make contribution to a Leaving support fund to support long serving co-workers who leave the community. In 2017, €100,000 (2016: €72,000) was contributed to this fund.

11. CAMPHILL COMMUNITY TRUST	2017	2016
	€	€
Opening provision	265,213	303,963
Annual Contribution Provision	-	400,000
Paid during the year	(200,000)	(438,750)
Closing provision	<u>65,213</u>	<u>265,213</u>

A separate trust entitled Camphill Community Trust has been set up and separate Trustees appointed. Camphill Communities of Ireland has no entitlement to the funds of Camphill Community Trust. The Revenue Commissioners have granted Charitable Status to the Trust.

The directors have decided that there will be no provision for 2017(2016: €400,000).

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

continued

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings freehold €	Plant and machinery €	Fixtures, fittings and equipment €	Motor vehicles €	Total €
Cost					
At 1 January 2017	46,236,823	-	-	427,924	46,664,747
Additions	1,384,832	12,353	11,755	107,620	1,516,560
Disposals	-	-	-	(28,000)	(28,000)
At 31 December 2017	47,621,655	12,353	11,755	507,544	48,153,307
Depreciation					
At 1 January 2017	16,298,824	-	-	239,201	16,538,025
Charge for the year	656,457	4,118	2,351	136,837	769,763
On disposals	-	-	-	(13,000)	(13,000)
At 31 December 2017	16,925,281	4,118	2,351	363,038	17,294,788
Carrying amount					
At 31 December 2017	30,696,374	8,235	9,404	144,506	30,858,519
At 31 December 2016	29,937,999	-	-	188,723	30,126,722

The Board sought valuations of all land and buildings in 2016. In compliance with Section 17.2 of FRS102. The board have decided to revalue the properties bases on these qualified expert valuations. This resulted in an increase in value of €6,069,602, which has been recognised in the Statement of Financial Activities.

Included in Land and Buildings are the following asset types:

- Land
- Residential properties
- Community properties

Some of the properties are described as Community units. They comprise of a mixture of office space, hall space and function space. Typically they are used for community use, however from time to time they can be used for external events and functions.

13. INVESTMENTS

	Subsidiary undertakings shares	Total
Investments	€	€
Cost		
At 31 December 2017	9	9
Carrying amount		
At 31 December 2017	9	9
At 31 December 2016	9	9

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

13.1. Holdings in related undertakings

The company holds 20% or more of the share capital of the following companies:

Subsidiary undertaking	Registered office / Principal place of business	Nature of business	Details of investment	Proportion held by company
BEOFS Limited	Republic of Ireland	Bio energy and organic fertiliser services	Ordinary	100%
Callan Renewable Energy Supply Company Limited	Republic of Ireland	Renewable energy supplier	Ordinary	100%
Spectrum Heat Limited	Republic of Ireland	Energy supplier	Ordinary	100%
Three Pellars Construction Company Limited	Republic of Ireland	General construction services	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Year ended	Capital and reserves €	Profit for the year €
BEOFS Limited	31 December 2017	285,272	31,390
Callan Renewable Energy Supply Company Limited	31 December 2017	37,448	17,787
Three Pellars Construction Company Limited	28 February 2018	3,298	10,538
Spectrum Heat Limited	31 January 2018	-	-

In the opinion of the directors, the shares of the company's unlisted investments are worth at least the amount at which they are stated in the Statement of Financial Position.

14. INVENTORIES

	2017 €	2016 €
Farm Livestock	231,077	228,995
Inventories for re-sale	52,473	66,768
	<u>283,550</u>	<u>295,763</u>

The replacement cost of inventory did not differ significantly from the figures shown. Farm Livestock consists of Livestock acquired from outside the communities & livestock bred within the communities. Livestock which has been bred within the communities reflects a value of 60% of the market value for cattle & 75% of market value for Pigs & Sheep as per revenue guidelines and all other livestock is valued at cost

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

15. RECEIVABLES	2017	2016
	€	€
Amounts owed by group companies (Note 24)	100,000	110,000
Other receivables	6,035	3,939
Prepayments and advances	1,011,180	24,155
Income due from funders(net of provision)	639,185	388,085
	<u>1,756,400</u>	<u>526,179</u>

The Board consider that amounts owed by group companies are collectable. Income due from funders of €639,185 (2016 €388,085) is deemed due at the year end. The amounts were due from H.S.E. who provide funding to the organisation.

16. PAYABLES	2017	2016
Amounts falling due within one year	€	€
Amounts owed to credit institutions	280,092	418,194
Trade payables	1,220,411	327,996
Taxation (Note 18)	468,640	349,795
Other payables	150,097	397,679
Accruals	500,259	50,775
Deferred Income	156,937	134,412
	<u>2,776,436</u>	<u>1,678,851</u>

17. PAYABLES	2017	2016
Amounts falling due after more than one year	€	€
Bank loans	585,264	660,603
Other long term loans	500,000	500,000
Amounts owed to Camphill Foundation UK	120,312	129,811
	<u>1,205,576</u>	<u>1,290,414</u>
Loans		
Repayable in one year or less, or on demand (Note 16)	280,092	418,194
Repayable between one and two years	621,814	621,814
Repayable between two and five years	455,579	455,579
Repayable in five years or more	128,183	213,021
	<u>1,485,668</u>	<u>1,708,608</u>

Other loans are loans from private supporters of the organisation. These funds are due for repayment in 2019. The organisation does not incur interest on same and also has the option to renew for a further period.

Bank loans and Camphill Foundation loans are in term and will expire as detailed above.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

continued

SECURITIES AND CHARGES

The following institutions have mortgages or charges in place over assets regarding funding that was provided to Camphill Communities of Ireland:

- Ulster Bank Ireland Limited
- Ulster Bank Limited
- Bank of Ireland
- Kildare County Council
- Tipperary County Council
- Kilkenny County Council
- South Eastern Health Board
- Wexford County Council
- Monaghan County Council
- North Eastern Health Board
- South Western Health Board
- Triodos Bank N.V
- Dun Laoghaire – Rathdown County Council
- Allied Irish Bank PLC
- South Tipperary County Council
- Health Service Executive

A full list of the charges held over the assets of Camphill Communities of Ireland can be found in the supplementary information attached to these financial statements, and on the public record with CRO.

Whilst some of the above mortgages and debt has been extinguished, the organisation is currently in the process of removing the respective charges from the organisation.

18.	TAXATION	2017	2016
		€	€
	Payables:		
	PAYE/ PRSI/ USC	468,640	349,795

As a result of the company's charitable status, no charge to corporation tax arises under the provisions of Section 207 of the Taxes Consolidation ACT, 1997

The company held a valid tax clearance certificate for the financial period.

19. PROVISIONS FOR LIABILITIES

		Total	Total
		2017	2016
	€	€	€
At year start	1,049,348	1,049,348	-
Charged to income and expenditure	-	-	1,049,348
Released during the year	(1,049,348)	(1,049,348)	-
At year end	-	-	1,049,348

As part of its corporate governance review the organisation has examined its position with regards to the taxation treatment of payments to co-workers. The Board on the basis of current advice released the provision due to the uncertainty regarding same. Further information is provided in note 22.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

20. GOVERNMENT GRANTS DEFERRED	2017	2016
	€	€
Capital grants received and receivable		
At 1 January 2017	26,535,241	25,776,152
Increase in year	1,212,185	759,089
	27,747,426	26,535,241
Amortisation		
At 1 January 2017	(7,071,960)	(6,495,471)
Amortised in year	(599,131)	(576,489)
	(7,671,091)	(7,071,960)
Carrying amount		
At 31 December 2017	20,076,335	19,463,281
At 1 January 2017	19,463,281	19,280,680

Fixed asset grants may become repayable if certain conditions outlined in the relevant agreements occur.

21. STATUS

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required, not exceeding € 2.

22. CONTINGENT LIABILITIES

The organisation is in a consultative process with the Revenue Commissioners with regard to the tax treatment of co-workers (voluntary) in CCOI. In 2016 the board had decided to provide for an amount of €1,049,348 based on advice available at the time and precedent in similar jurisdictions. Due to the fundamental uncertainty as to the outcome of this process, the board have decided to reverse this provision due to this level of uncertainty and disclose the event as a contingent liability should a future liability arise.

The board may in the event of non-compliance with certain grant arrangements are obliged to return certain funds. The board as at 31 December 2017 are not aware of any situation that would require disclosure

23. CAPITAL COMMITMENTS

The organisation is constantly investing in its capital assets to ensure that the optimum infrastructure is made available to its clients, employees and stakeholders. The board are in discussion with regard to several renovation projects within the communities. CAS funding amounting to €7.5m has been approved however the board have not yet committed to the commencement of such projects until other funding matters have been resolved.

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

continued

24. RELATED PARTY TRANSACTIONS

During the year under review, Brahim Largate acted as Company Secretary to the following subsidiaries of CCOI.

BEOFS Limited
Three Pellars Construction Company Limited
Callan Renewable Energy Supply Company Limited
Spectrum Heat Limited

In relation to bookkeeping services rendered to Three Pellars Construction Company Limited Brahim Largate received a total of €3,000 during the period under review.

During the year under review, BEOFS Limited, a wholly owned subsidiary of Camphill Communities of Ireland, provided heating services to Camphill Communities of Ireland in the amount of €88,580. At the year end, the amount payable to BEOFS Limited in relation to these transactions was €Nil (2016: €Nil). These amounts payable are included within the trade payables balance.

During the year under review, Three Pellars Construction Company Limited, a wholly owned subsidiary of Camphill Communities of Ireland, provided construction services to Camphill Communities of Ireland in the amount of €192,192. At the year end, the amount payable to Three Pellars Construction Company Limited in relation to these transactions was €5,625, (2016: €15,000). These amounts payable are included within the trade payables balance

During the year under review, Callan Renewable Energy Supply Company Limited, a wholly owned subsidiary of Camphill Communities of Ireland, provided construction services to Camphill Communities of Ireland in the amount of €46,993. At the year end, the amount payable to Callan Renewable Energy Supply Company Limited in relation to these transactions was €34,052 (2016: €8,543). These amounts payable are included within the trade payables balance. In prior years, Camphill Communities of Ireland provided a working capital loan to Callan Renewable Energy Supply Company Limited. At the year end the balance receivable to the organisation was €100,000 (2016: €110,000).

In the period under review, it was decided that Spectrum Heat Limited, a wholly owned subsidiary of Camphill Communities of Ireland would cease to trade, as a result of this decision, there was no trading between these two companies during the period under review. All amounts payable to Spectrum Heat limited were fully paid in the previous year.

Miriam Moffit, who is a director and the secretary of Camphill Communities of Ireland, provides services such as medical audits to Camphill Communities of Ireland. This is done on a voluntary basis and she receives no remuneration in respect of these services.

Five of the directors live and work within the Community. They are not paid a salary but their living costs are met by the Community in which they live. The directors are as follows:

Mischa Fekete (Resigned 15 March 2018)
Jose van der Donk (Resigned 22 December 2017)
John O'Connor (Resigned 25 September 2017)
Patrick Lydon (Resigned 15 March 2018)
Heather Lynch (Resigned 11 April 2017)

Transactions and balances with group companies:

	2017 €	2016 €
Group Company Receivables		
Callan Renewable Energy Supply Company Limited	<u>100,000</u>	<u>110,000</u>

Camphill Communities of Ireland

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2017

25. Events after the period end

In September 2018 one of our residential communities, Ballytobin, Co. Kilkenny was transferred to the Brothers of Charity Services the loss of registration with HIQA, the Health Information & Quality Authority, in May 2017. The services in Ballytobin have been run by the H.S.E. since 6th of June 2017 and this arrangement will cease on the 3rd September 2018. One residential house will continue to be run by the H.S.E. until an alternative arrangement can be reached for the residents located there. An independent review of safeguarding has been completed in relation to all available documentation from Ballytobin for internal use.

In 2018 all remaining Communities within CCol have achieved registration with HIQA.

CCol plan to wind up its subsidiary operation in 2018 availing of voluntary removal from the register as prescribed under Companies Act Legislation.

26. CASH AND CASH EQUIVALENTS

	2017 €	2016 €
Cash and bank balances	2,364,673	3,585,609
Bank overdrafts	(50,473)	(154,994)
Cash equivalents	4,614	4,614
	<u>2,318,814</u>	<u>3,435,229</u>

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27.09.2018.