

Charity Registration No. 20009489

Company Registration No. 35672

CAMPHILL COMMUNITIES OF IRELAND

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CAMPHILL COMMUNITIES OF IRELAND

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Ambrose Kealy Maeve Liffey Bernard Haslam Marie Keane (Chair) Ian Kerr Tony Bridgeman	(Appointed 10 February 2021) (Appointed 27 November 2021)
Secretary	Ambrose Kealy	
CRA Number	20009489	
CHY Number	CHY 5861	
Company number	35672	
Principal address	Dunshane House Dunshane Brannockstown Co Kildare	
Auditor	UHY Farrelly Dawe White Limited Unit 4A Fingal Bay Business Park Balbriggan Co. Dublin	
Bankers	Triodos Bank N.V. Bank of Ireland Group plc Ulster Bank Limited Allied Irish Banks plc	
Solicitors	Arthur Cox 10 Earlsfort Terrace Dublin 2 Fieldfisher Ireland The Capel Building Mary's Abbey Dublin 7	Beale & Co. 1st Floor 7 Grand Canal Street Lower Dublin 2 Coughlan Kelly Solicitors Trinity Chambers South Street New Ross Co. Wexford

CAMPHILL COMMUNITIES OF IRELAND

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CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally accepted Accounting Practice in Ireland) issued by the Financial Reporting Council.

1. Objectives and Activities

Our Mission

Camphill creates mutually supportive environments that support people to live the life they wish and fulfil their potential by nurturing community social bonds, providing safe places to live and opportunities for people to find meaning and belonging.

Our Vision

Camphill residents and day attendees are enabled to fulfil their potential and to lead meaningful lives where they feel valued and respected. Camphill endeavours to ensure full inclusion and self-determination for people with disabilities.

Principal Activity

Camphill Communities of Ireland is a long standing not-for-profit provider of HSE contracted residential, day, and supported independent living care services to people with an intellectual disability in more than fifty homes across twelve locations in Ireland.

For the year ending 31 December 2021, CCoI delivered:

Community Name	No of Residential Houses	Residents & Supported Living	Day Services Attendees & RT Programme
Ballybay	5	17	0
Ballymoney	2	6	5
Carrick	7	15	10
Callan	5	13	5
Dingle	2	8	5
Duffcarrig *	-	-	8
Dunshane	6	18	8
Grangemockler	4	18	3
Greenacres	3	7	13
Grangebeg	2	9	8
Jerpoint	3	9	7
K-CAT	1	0	41 - Varies per semester
Kyle	6	16	0
The Bridge	5	15	10
The Journeyman	Day services only	0	36
Thomastown & the Watergarden	7	9	18
Total	58	160	177 **

* Duffcarrig residential services ended on 31.8.2021

** Includes Duffcarrig

CAMPBILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Results and review of activities

In 2021, total income amounted to €28,377,063 with €28,450,930 expended on services and other supports for residents and day services attendees. CCOI incurred an operating deficit before gains on sales on investments and unrealised gains on the fair value of investment properties of €73,867.

Of total income, €26,152,559 (92%) was from exchequer sources, €159,676 from donations and gifts, €778,017 was from charges to community members, €630,618 was from income sources generated within the communities, €40,000 from investment income and €596,193 from the amortisation of capital grants. Non statutory income decreased by 18% in 2021. The combined amount expended on staff payroll, training and agency costs increased by €2,769,587 (15%) to €21,205,284 and non-payroll related expenditure increased by € 963,547 to €7,245,646.

2. Achievement and Performance

Key activities in 2021

- Managing the impact of the COVID-19 pandemic which posed a potential serious risk in all our communities. This was achieved by implementing the HSE guidelines, regular auditing, and the vigilance of staff, CCOI were successful in maintaining a safe environment across all communities.
- An evaluation and development of the short-term volunteer role was completed.
- Five sub-committees of the board operated comprising of non-executive directors and executive members operating on behalf of, and reporting directly to, the board.
- A working group with representation of all stakeholders was established to define the values of CCOI and their living expression.
- A provider assurance response was developed to address the challenging HIQA inspections across the organisation.
- The centralisation of HR and payroll functions was strengthened by the introduction of a time management system with full integration of rostering to be completed in Q4 2022.
- Following COVID-19, the volunteer led Fundraising Committee are working to diversify fundraising streams of the organisation.

3. Structure, Governance and Management

Structure and Governance

Camphill Communities of Ireland is a company limited by guarantee without a share capital. Its purpose, objects, and how it conducts its business is set out in its constitution. The constitution sets out the directors roles and responsibilities.

This document is posted on Camphill Communities of Ireland's website and is publicly available from the Companies Registration Office website (www.cro.ie) and the Charities Regulatory Authority website (www.charitiesregulatoryauthority.ie).

The board is responsible for providing leadership, setting strategy, and ensuring the ethos of Camphill Communities of Ireland is continued. The board of directors comprises a maximum number of 9 people.

The director's term of office is three years. Membership of the board consists of connected persons and external individuals. Every year at the AGM one third of the board members must resign by rotation. Directors may put themselves forward for re-election after their term of office is up providing, they have not served more than two terms.

The board views the financial governance of Camphill as one of its central functions and has a strict code of practice in relation to all fundraising activities and all income and expenditure.

Camphill publishes its accounts on an annual basis and makes annual returns to the Company Registration Office (CRO). Camphill is also subject to external financial monitoring by State funders, HSE and Department of Environment, Climate and Communications. Camphill is an Approved Housing Body registered with the Approved Housing Bodies Regulatory Authority, is licensed with HIQA and is registered as a Charity with the Charities Regulatory Authority.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Directors and Secretary

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

Ambrose Kealy

Maeve Liffey

Tracy O'Brien

(Resigned 30 July 2021)

Brendan Johnston

(Resigned 21 July 2021)

Bernard Haslam

Marie Keane (Chair)

Patrick Ring

(Resigned 22 April 2021)

Ian Kerr

(Appointed 10 February 2021)

Kate Joyce

(Appointed 1 February 2022 and resigned 1 September 2022)

Tony Bridgeman

(Appointed 27 November 2021)

The secretary who served throughout the year was Ambrose Kealy.

The board of CCol meets a minimum of every six weeks (10 meetings). Their record of attendance at board meetings is found in the supplementary information pages to these financial statements.

Board Committees of CCol

The committees of the board meet at least four times per annum.

During 2021, the following committees of the board were in place:

- Audit and Finance.
- Environmental, Sustainability and Asset Management.
- Risk and Compliance.
- Remuneration, Nominations and Governance.
- Quality and Safety.

Name of Director	Committees of the Board				
	Audit & Finance	Environmental, Sustainability and Asset Management	Risk & Compliance	Quality & Safety	Remuneration, Nominations & Governance
Tony Bridgeman					Chair
Bernard Haslam	Chair	√			
Kate Joyce *		√			
Ian Kerr				Chair	
Ambrose Kealy	√		Chair		
Marie Keane (Chair)					√
Maeve Liffey		Chair		√	

* resigned 1 September 2022.

In addition, a Fundraising Committee and a Family Advisory Group serves to support the board.

Management

Organisational structure and how decisions are made:

The board have delegated operational responsibility to the CEO. The CEO reports to the board through the chair and updates the board at each board meeting.

This organisation has an executive senior management team led by the CEO and comprises HR manager, chief financial officer and head of services.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

As per the 'Decisions reserved for the Board', decisions reserved for the board include the following non-exhaustive list:

- Corporate strategy, risk management strategy, service plans and annual budget.
- Approval of the annual compliance statement.
- Policies and procedures – the board adopts the organisation structures, processes, and procedures to facilitate the discharge of CCol's business.
- Projects outside the scope of the strategic plan.
- Business acquisitions and disposals.
- Litigation.
- Appointment/removal of committee members.
- Appointment/removal of CEO.
- Appointment/removal of auditors and other advisors.
- 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.
- Agreement of corporate risk register.
- Appointment/removal of internal auditor.

Induction and training of new board members

On appointment, a new director receives a 'CCOI Board of Directors Induction Folder' which includes a copy of the constitution of the organisation the most recent financial statements, the charity's strategic plan, governance policies and procedures and access to the previous year's board meeting papers and minutes.

A formal induction is delivered to new directors by the senior management team providing an overview of the organisation across all operational functions. Children First, Safeguarding for Vulnerable Adults, Garda Vetting and other mandatory training is included as part of the onboarding process.

CCol property & housing function

AHBRA

The organisation is a registered Approved Housing Body (AHB) and is regulated by AHBRA. The organisation remains in an engagement process with the regulator.

Property Assets Valuation

Following a tender process, a contract was awarded for CCol asset valuation which commenced in July 2022 and is expected to be completed at end of Quarter 1 2023.

Property Stock Condition Survey

The Board has decided to defer the progression of the Stock Condition Survey until 2023.

Property Capital Funding – New Housing Units

- Current project - The expected completion date for the project in Grennan Villas Thomastown, Co. Kilkenny is Quarter 4 2022 which will deliver 5 new units.
- No new applications for Capital Assistance Scheme (CAS) applications were submitted in 2021.
- Pre-existing CAS applications for the Bridge, Co. Kildare and Jerpoint Co. Kilkenny were reviewed during 2021 and ceased.
- An existing CAS project for Carrick is planned for review in Q4 2022.

Sinking Fund

Forty percent of rents collected is allocated to a sinking fund. The cumulative amount in the sinking fund on 31st December 2021 is €269,616. This amount is held in a bank account included in cash and bank and in hand.

Property Disposal

Funds generated from the sale of non-strategic assets will be allocated directly to the sinking fund.

All disposals are compliant with the requirements of the AHBRA, Charities Regulator, Company Law and associated funding conditions or charges attaching to the particular property(ies)/ assets. In particular, transactions with connected parties are notified to the Charities Regulator.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Housing Function

CCol currently has 33 tenancy agreements and 4 property lease agreements granted.

Status of subsidiaries

At 31 December 2021, the organisation had two subsidiaries, both of which were dissolved in early 2022.

- Three Pellars Construction Company Limited (CRO No.368037) - Dissolution Date 27 Jan 2022.
- Callan Renewable Supply Company Limited (CRO No. 395757) - Dissolution Date 27 Apr 2022.

On 5 March 2021, CCol disposed of its shareholding 100% shareholding in BEOFS Limited (CRO No. 258565)

4. Financial Review

Transparency and public accountability

The board of directors believes that Camphill Communities of Ireland, as a registered charity, should be fully accountable to the general public, providing detailed information on where its funds come from and what they are spent on and have provided substantial information in the directors' report in accordance with Charities SORP (FRS1020, the international Statement of Recommended Practice for charities.

Annual financial statements are published on the company's website: www.camphill.ie <http://www.camphill.ie/Annual-Audits>.

Internal controls

In 2021, the internal audit function was outsourced through a tendering process through the Office of Government Procurement. Crowleys DFK have been appointed as internal auditors for CCol.

Principal funding sources

In 2021, the principal sources of income for Camphill Communities of Ireland's core operations are as set out in note 3 to the financial statements.

Reserves policy and level

The board of directors of Camphill Communities of Ireland has set a cash reserves policy for the organisation for both unrestricted funds and restricted funds and these are set out in more detail in note 1 to financial statements. However, while it is generally accepted that organisations, such as Camphill, should have between three months (€7.1 m) and six months (€14.2m) operational reserves in place, it is not feasible at this time for the organisation to accumulate such large cash reserves. Therefore the following policy has been set:

- Unrestricted: 3 months operating reserves. This level of operating reserves would be approximately €337k.
- Restricted: 30 days operating reserves. This level of operating reserves would be approximately €2.2m
- 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.
- Reserves must be maintained in a readily realisable form.
- Total cash reserves at year end were €1.9m.

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 board continues to strive towards achieving these targets so that sufficient reserves are held in cash at bank should unforeseen events occur. The organisation aspires to accumulate cash reserves to match their policy targets. The level of reserves will be kept under constant review through ongoing financial reporting and production of annual audited accounts.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties:

The board faces many risks through the activities of the organisation. A corporate risk register is held by the organisation which is reviewed quarterly by senior management team with escalations to board at each board meeting. The principal risks include:

Financial risks:

- The organisation is at risk of insolvency if contingent liabilities in relation to uninsured litigation materialise.
- The organisation is heavily reliant on its commercial arrangements with H.S.E. Any adverse changes in the relationship with the H.S.E will hold significant risks and uncertainty for the organisation to deliver services.
- CCol is engaged in a formal process with the Sustainability and Stability Group in the H.S.E. to ensure the organisation is financed on a sustainable basis. A memorandum of understanding ("MOU") is being finalised which will underpin the Sustainability Impact Assessment Process and secure interim financing arrangements.
- A risk of major financial loss due to a litigation case where there was insufficient insurance cover at the time of the relevant claim.
- A risk of major financial loss due to potential litigation resulting from historical safeguarding cases brought against CCol.
- Estimates for payroll taxes payable in relation to ex-volunteers have been raised by the Revenue Commissioners. Appeals have been lodged with the Tax Appeals Commission to dispute same. These cases are also under review with the Department of Social Protection in relation to PRSI contributions.

Property

- Risk of closure of houses due to an insufficient sinking fund to cover the cost of repairs, renewals and upgrades to the housing stock of CCol.
- Risk of non-compliance with Fire Services Act 1981 & 2003, Building Control Act 1990 & 2007, Safety, Health and Welfare at work Act 2005 and Health Act 2007 (Care and Support of Residents in Designated Centres for Persons (Children and Adults) with Disabilities) Regulations 2013 due to insufficient capital to ensure that passive and active fire protection within is compliant with the relevant codes of practice, standards and legislation.

Legal risks:

- The organisation is subject to certain claims in 2021 related to legacy issues.
- There are a number of ongoing legal cases and challenges working through the legal system.

Other risks

Business continuity

- A serious risk of interruption, curtailment or cessation of services due to insufficient capitation to meet the needs of the residents.
- Risk of severe illness and harm to community members with support needs, staff, volunteers, contractors and visitors' due to infection by COVID-19.
- A risk of cessation of business due to non-compliance with relevant social care standards, regulations, and policies: including but are not limited to Safety, Health and Welfare at work Act 2005 and Health Act 2007 (Care and Support of Residents in Designated Centres for Persons (Children and Adults) with Disabilities) Regulations 2013 and Safeguarding Vulnerable Persons at Risk of Abuse National Policy & Procedures.

Employment

Staff recruitment and retention:

- Competition for staff in this sector remains challenging. Whilst employment terms in relation to hourly rates have improved in CCol in 2022, further financial resources are required to address pensions, health insurance, and other employee benefits which are a major factor in the recruitment and retention of staff.
- Insufficient staffing in key areas such as IT, Finance, HR and Compliance.

Pension:

- The organisation has no fixed contributory pension scheme in place, although there are a small number of such pensions operational in the organisation, which are of an historic nature. The organisation does offer all employees a PRSA deduction facility.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Other:

- A serious risk of interruption, curtailment, or cessation of services as a result of employer workplace disputes.
- Risk of interruption, curtailment or cessation of services due to deficits in staffing ratios and skillsets required to meet the assessed needs of service users.

Safeguarding

- Work is ongoing with the HSE in the management of legacy safeguarding issues.
- Risk of harm to service users due to failures to protect vulnerable adults from abuse whilst in the care of CCoI.

Insurance and compliance

HIQA & regulatory compliance:

- Compliance with requirements of HIQA, Charities Regulator, AHBRA and Companies Acts is resource dependent.

Insurance risks:

- The insurance market for the voluntary sector remains challenging and is limited for Directors & Officers Liability cover.

GDPR and information technology systems

- A risk of non-compliance with statutory GDPR regulations which could result in major fines and penalties if a suitable data protection management system is not put in place.
- Investment in IT resources is required to reach an acceptable standard in relation to cyber security insurance requirements.
- Risk of severe disruption to services for the organisation due to the level of current resources and potential cyber attack.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will be able to continue in operational existence for the foreseeable future. The company continues to operate in a very challenging environment.

The operating deficit for 2021 before a gain on disposal of an investment of €110k and fair value revaluation of investment properties of €3.174m are taken into account, amounted to €73,867 (2020: deficit €175,234). The company had net current liabilities at 31 December 2021 of €1.334m (2020: €589k) and total net assets of €13.727m (2020: net assets €10.516m). Total assets less current liabilities are €32.415m in 2021 and €30.107m in 2020.

Based on the current financial commitments from the HSE and the company's own forecast, the company is expected to break-even in 2022 but will continue to need support from the HSE by way of out of profile cash accelerations in order to meet its obligations as they fall due. The HSE have committed to providing that support as part of the sustainability and stability process.

The company is dependent on the Health Service Executive (HSE) to finance its activities and the ongoing support of the HSE at an appropriate level is fundamental to the company's ability to continue as a going concern. The company has been in negotiations with the HSE for the past number of years in relation to the overall financial situation and the financing levels for individuals receiving residential and day services. In the absence of progress on financial sustainability despite extensive engagement with the HSE over a number of years, the board through the Chief Executive issued 12 months' notice to the HSE on 14 December 2021 to terminate the Service Arrangement and transfer responsibility for service provision to the HSE. The Department of Health requested the HSE to complete a Sustainability Impact Assessment (SIA) with the organisation.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

At a board meeting on 11 April 2022, the directors have considered this request and agreed to enter into a Memorandum of Understanding (MOU) with the HSE to facilitate participation on the completion of the Sustainability Impact Assessment (SIA) which will take place between now and 29 February 2024. The Memorandum of Understanding (MOU) is in draft format.

The directors also formally resolved to defer the Notice of Termination of the Service Arrangement, issued on 14 December 2021 during the discussions outlined above, until at least 29 February 2024. The deferral of notice will be reviewed each quarter thereafter and the board fully reserves its position regarding reinstatement of its notice to the HSE. If at some point beyond 31 December 2022, the termination notice is reinstated, a further notice period would follow before services would actually terminate. Given the goodwill on both sides in signing up to the MOU, the board considers it highly unlikely that such a decision would be taken until at least the end of the MOU process (29 February 2024), which is outside of the 12-month period post signing of these financial statements.

During 2021, the company received non-capitation income from the HSE, which effectively allowed it to meet its obligations to its employees and suppliers. All non-capitation income received in 2021 is not repayable by CCol to the HSE.

As part of the MOU agreement, the HSE have committed, with the support of the Department of Health, to continue to provide sufficient additional non-capitation income to allow CCol to meet its obligations as they fall due. Furthermore, the HSE have also committed, as part of the MOU, that they will not require the repayment of non-capitation income to the HSE for the duration and implementation of the SIA. This commitment by the HSE is relevant to the director's overall assessment in relation to going concern.

Furthermore, with respect to legacy issues which may have significant impact on the financial position of the company, both parties to the MOU have acknowledged that "their clear intent is to agree and set out, as part of the implementation plan within the final agreed SIA report, how the legacy issues in CCol will be addressed."

The company is projecting that it will break-even in 2022, and that any cash shortfalls will be fully financed as required from the HSE. In addition to the matters referred to above, the Board of CCol have requested and received from the HSE a letter of support confirming their intention to provide sufficient additional cash to CCol to allow it to meet its obligations as they fall due covering the period of at least 12 months from date of signing of the 2021 financial statements. The board are satisfied that the HSE will honour that commitment.

In considering the various facts and circumstances, the directors have in reaching their conclusions that it is appropriate to prepare the financial statements on a going concern basis, have had regard to the following matters:

- the operating deficit of €73k in 2021, with forecast break-even position for 2022 and beyond.
- although a substantial net current liability situation of €1.334m remains at 31 December 2021 (2020: €589k), the MOU has set a platform for agreement and resolution of this legacy deficit, while providing cashflow support in the interim during the period of the SIA process. CCol will contribute to the repayment of debt with funds generated from the sale of associated assets.
- payments to creditors and suppliers were made on a timely basis during 2021 and into 2022
- the terms of the MOU with the HSE are expected to be finalised before 31 December 2022.
- Cash flow projection indicates that approximately €11m of additional non-core capitation income will be required annually from HSE in the period to 29 February 2024 to continue to provide services without curtailment. This will be reviewed throughout the MOU process.

The directors are satisfied based on the progress made in relation to the MOU and communication received from the HSE, that the necessary cash will be received to address this shortfall. Having made enquiries and considering the proposed actions and sustainability impact assessment described above, the directors have a reasonable expectation that implementation of a final sustainability impact assessment will be underway by 31 December 2022, with a view to ensuring that the implementation will be adequately financed and substantially complete within 3 years of the end of the interim period i.e., by no later than January 2025. For the above reasons, the directors continue to adopt the going concern basis in preparing the directors' report and financial statements of the company.

CAMPBILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Camphill Communities of Ireland requires significant financial resources across a number of properties necessitated through many years of underinvestment to meet the appropriate levels of premises maintenance and fire safety standards. Currently, the organisation faces such immediate challenges in some communities in relation to fire safety remedial works and suitability of accommodation required in many of the older houses in those communities.

Having conducted a formal Going Concern Assessment, the board is satisfied that despite the material uncertainties noted above, the going concern basis is appropriate for the foreseeable future.

5. Plans for Future Periods

The board will review the organisation's strategic plan in Q1 2023.

Events after the balance sheet date

Duffcarrig community and transfer to BOCSI

A formal lease arrangement was agreed in August 2022 between CCoI and Brothers of Charity Services in respect of residential properties in Duffcarrig. The leasing arrangement is effective from 1 September 2021.

Sale of non-strategic assets

The organisation is currently engaged in a strategy of divestment of non-essential property assets. The funds generated will in the first instance be used to pay down existing associated debt on such assets and any surplus invested in the sinking fund.

During 2021 and early 2022, the impact of COVID-19 adversely impacted on progress with the asset disposal programme as on-site asset valuations were prohibited. Since the easing of restrictions in 2022 and the improvement in the property market, several properties have been professionally valued and placed in the open market.

Subsidiaries

Two inactive subsidiary companies, Three Pellars Construction Company Limited and Callan Renewable Supply Company Limited were dissolved in early 2022.

Impact of COVID-19

All services were impacted throughout 2021 and 2022 due to COVID-19 restrictions and to comply with public health guidelines. Furthermore, this necessitated closure of social enterprise facilities has had an adverse impact on related revenue streams in 2021. It is anticipated that these services will resume in Q4 2022.

Asset valuation

The assets of the organisation are currently being valued and the process will conclude in early 2023.

Contingent liabilities

The board has decided to disclose the following contingent liabilities:

- The organisation is in an appeals process with the Revenue Commissioners regarding the tax treatment of former long term volunteers.
- The board may in the event of non-compliance with certain grant arrangements be obliged to return certain funds.
- The board is in the process of addressing legal claims regarding historical legacy issues.
- The board is carrying out a series of operational reviews in relation to compliance with legislation in all areas of the organisation. Within this process the board are currently reviewing the organisations activities in relation to retail establishments within the communities, and any potential liability to transactional taxes. The board are not currently in a position to quantify the level of liability to the organisation. The board have therefore decided to disclose the existence of a contingent liability without provision due to the uncertainty of same.

A liability may arise depending on the outcome of the above events.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 CCOI's policy to agree payment terms with all suppliers and to adhere to those payment terms.

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 Chief Financial Officer has been appointed. The accounting records of the company are kept at the registered office and principal places of business.

Auditor

In accordance with the company's constitution, a resolution proposing that UHY Farrelly Dawe White Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

In accordance with Section 330 of the Companies Act 2014:

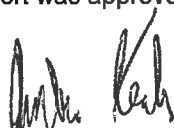
- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Ambrose Kealy

Director

Date: 14/11/22



Bernard Haslam

Director

Date: 14/11/22



CAMPHILL COMMUNITIES OF IRELAND

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the board

Ambrose Kealy
Director

Date: 14/11/22.....


Bernard Haslam
Director

Date: 14/11/22.....


CAMPHILL COMMUNITIES OF IRELAND

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAMPHILL COMMUNITIES OF IRELAND

Opinion

We have audited the financial statements of Camphill Communities of Ireland (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the Companies Act 2014, including Financial Reporting Standard 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 state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Ireland, including the Ethical Standard 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.

Material uncertainties in relation to going concern

We draw attention to note 1.2 in the financial statements which explains that the Company incurred a operating deficit of €73,867 during the year ended 31 December 2021 (2020: deficit €175,234) and as of that date the Company has net current liabilities of €1,334,292 (2020: €589,970). As stated in Note 1.2, these events or conditions along with other matters as set forth in Note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other information

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

We have nothing to report in this regard.

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 directors' report, which for the purposes of company law, is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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, and the financial statements are in agreement with the accounting records.

CAMPHILL COMMUNITIES OF IRELAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAMPHILL COMMUNITIES OF IRELAND

Matters on which we are required to report by exception

Based on the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

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.

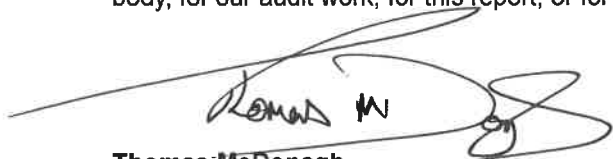
Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

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

This 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 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.



Thomas McDonagh

For and on behalf of UHY Farrelly Dawe White Limited

Chartered Certified Accountants

Statutory Auditor

Unit 4A

Fingal Bay Business Park

Balbriggan

Co. Dublin

14/11/2022

CAMPHILL COMMUNITIES OF IRELAND

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

	Notes	Unrestricted funds 2021 €	Restricted funds 2021 €	Total 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total 2020 €
Income from:							
Donations and legacies	3	100,732	58,944	159,676	126,695	249,440	376,135
Charitable activities	3	251,402	26,862,576	27,113,978	373,052	22,711,180	23,084,232
Investment Income	3	40,000	-	40,000	40,021	-	40,021
Other income	3	464,066	599,343	1,063,409	449,275	592,889	1,042,164
Total income		856,200	27,520,863	28,377,063	989,043	23,553,509	24,542,552
Expenditure on:							
Charitable activities	5	1,283,766	27,167,164	28,450,930	1,164,277	23,553,509	24,717,786
Operating surplus / (deficit)		(427,566)	353,699	(73,867)	(175,234)	-	(175,234)
Other gains/(losses)							
Net gains on investment assets	10	109,997	3,174,200	3,284,197	-	-	-
Net (outgoing)/incoming resources before transfers		(317,569)	3,527,899	3,210,330	(175,234)	-	(175,234)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(317,569)	3,527,899	3,210,330	(175,234)	-	(175,234)
Reconciliation of funds							
Fund balances at 1 January 2021		4,330,572	6,185,987	10,516,559	4,505,806	6,185,987	10,691,793
Fund balances at 31 December 2021	22	4,013,003	9,713,886	13,726,889	4,330,572	6,185,987	10,516,559

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

All income and expenditure derive from continuing activities.

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

CAMPHILL COMMUNITIES OF IRELAND

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		€	€	€	€
Fixed assets					
Tangible assets	11	26,537,371		27,474,480	
Investment properties	12	7,212,500		3,222,570	
Investments	13	-		3	
		<u>33,749,871</u>		<u>30,697,053</u>	
Current assets					
Stocks	14	179,662		186,069	
Debtors	15	783,615		830,616	
Cash at bank and in hand		1,920,012		1,130,807	
		<u>2,883,289</u>		<u>2,147,492</u>	
Creditors: amounts falling due within one year	17	<u>(4,217,581)</u>		<u>(2,737,462)</u>	
Net current liabilities			(1,334,292)		(589,970)
Total assets less current liabilities		<u>32,415,579</u>		<u>30,107,083</u>	
Creditors: amounts falling due after more than one year	18		(18,688,690)		(19,590,524)
Net assets			<u>13,726,889</u>		<u>10,516,559</u>
Income funds					
General restricted funds	22	3,774,266		246,367	
Revaluation reserve	22	5,939,620		5,939,620	
			<u>9,713,886</u>		<u>6,185,987</u>
Unrestricted funds					
General unrestricted funds	22	3,743,387		4,163,236	
Sinking fund reserve	22	269,616		167,336	
			<u>4,013,003</u>		<u>4,330,572</u>
			<u>13,726,889</u>		<u>10,516,559</u>

The financial statements were approved by the Directors on 14/1/2022

Ambrose Kealy
Director

Date: 14/1/22

Bernard Haslam
Director

Date: 14/1/22

Company Registration No. 35672

CAMPHILL COMMUNITIES OF IRELAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €	€	2020 €	€
Cash flows from operating activities					
Cash generated from operations	30		1,384,557		52,892
Investing activities					
Purchase of tangible fixed assets		(588,198)		(252,298)	
Proceeds on disposal of tangible fixed assets		67,500		-	
Proceeds on disposal of subsidiaries		110,000		-	
Investment income received		40,000		40,021	
Net cash used in investing activities			(370,698)		(212,277)
Financing activities					
Repayment of bank loans and other loans		(50,801)		(50,713)	
Net cash used in financing activities			(50,801)		(50,713)
Net increase/(decrease) in cash and cash equivalents			963,058		(210,098)
Cash and cash equivalents at beginning of year			781,680		991,778
Cash and cash equivalents at end of year			1,744,738		781,680
Relating to:					
Cash at bank and in hand			1,920,012		1,130,807
Bank overdrafts included in creditors payable within one year			(175,274)		(349,127)

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Camphill Communities of Ireland (Company No: 35672) is a company limited by guarantee incorporated in the Republic of Ireland. Dunshane House, Dunshane, Brannockstown, 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.

1.1 Accounting convention

The financial statements have been prepared on a going concern basis 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.

The directors have implemented Charities SORP except the provisions relating to the recognition of capital grants. The directors have elected to use the 'accrual model' option (section 24 of FRS 102) for the recognition of income from government grants which is not permitted by the Charities SORP.

The charity is a Public Benefit Entity as defined by FRS 102.

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

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.2 Going concern

The organisation has made an operating deficit in the current year of €73,867 (2020: deficit of €175,234). As the organisation continues its evolution from a volunteer led model of 13 independent locations in 2018 to an employment model operating as a national organisation under common policies and procedures, significant investment in practice and system development and training is required to deliver on HIQA requirements.

In recognition of the insufficient financial arrangements in place across all CCol Communities, the HSE continues to provide CCol with non-capitation income payments and a budget uplift of €2.5m. This amounted to €10.67m in 2021 (2020: €6.6m). However, this level of income is not sufficient to deliver the full complement of staffing required to meet the changing needs of CCol community members with support needs nor to meet certain other compliance requirements as evidenced in several poor HIQA inspection reports throughout 2021.

Camphill Communities requires significant capital investment across a number of properties necessitated through many years of underinvestment to meet appropriate levels of premises maintenance and current fire safety standards.

The board are of the opinion that based on the continued support from its principal funder the organisation can remain viable. However, any change in this relationship would have severe implications for the organisation. The board continues to have a strong working relationship with the HSE and are satisfied that they can continue to rely on their support for the foreseeable future.

The board are continuing to transition the organisation as described earlier and continuously seek to streamline the organisations controls and structures to create efficiencies and economies within the organisation. The organisation remains solvent and is in a position to pay its debts as and when they fall due.

The organisation's ability to pay its debts as and when they fall due is entirely dependent on the continued level of support from the HSE.

The following actions are being employed to minimise the financial risk to the business:

- CCol continues to liaise with local CHO areas to submit Business Cases to the HSE in response to individual cases for changing and/or unmet needs and specific HIQA recommendations.
- CCol will defer non-pay expenditure in situations where a risk to health and safety of residents and or staff will not ensue e.g., non-essential capital spend, non-critical maintenance works.
- CCol will continue to identify opportunities to dispose of non-essential essential assets in the organisation.
- The board are continuously looking to increase and diversify the funding streams of the organisation whilst also ensuring strong relationships with their existing funders. To generate their own funds and diversify revenue streams, CCol appointed a dedicated fundraising and donor care staff member to work closely with a volunteer-led Fundraising Committee (established in Autumn 2020).

The board are satisfied that despite the material uncertainties noted above, the going concern basis is appropriate for the foreseeable future.

1.3 Charitable funds

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

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

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Incoming resources

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 dependent 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 Statement of Financial Activities annually over the useful economic life of the asset to which it relates.

Revenue grants are credited to the Statement of Financial Activities 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.

1.5 Resources expended

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.

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.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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. 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.

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:

Freehold land and buildings	Straight line over 50 years
Plant and equipment	33% Straight line
Fixtures and fittings	20% Straight line
Motor vehicles	33% Straight line

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.

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 Statement of Financial Activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 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).

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 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.

Included in closing stock at 31 December 2021 of €179,662 is livestock which is held for resale, own consumption, and wellness / therapeutic purposes.

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

1.11 Cash and cash equivalents

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

1.12 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.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement 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.

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

1.15 Housing loans

Specific loans are advanced by the Department of Housing, Planning and Local Government under the Capital Assistance Scheme (CAS), subject to the terms of individual loan agreements.

1.16 Short term volunteers

Short term volunteers are defined as follows:

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

1.17 Reserves policy and level

The Board of Directors of Camphill Communities of Ireland has set a cash reserves policy for the organisation for both unrestricted funds and restricted funds. However, while it is generally accepted that organisations, such as Camphill Communities of Ireland, should have between three months (€7.1m) and six months (€14.2m) operational reserves in place, it is not feasible at this time for the organisation to accumulate such large cash reserves. Therefore the following policy has been set:

- Unrestricted: 3 months operating reserves. This level of operating reserves would be approximately €337k.
- Restricted: 30 days operating reserves. This level of operating reserves would be approximately €2.2 million.
- 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.
- 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 board continue to strive towards achieving these targets so that sufficient reserves are held in cash at bank should unforeseen events occur. The organisation aspires to accumulate cash reserves to match their policy targets. The level of reserves will be kept under constant review through ongoing financial reporting and production of annual audited accounts.

Sinking Fund

Sinking fund allocation of 40% of rent collected is applied to all rental charges. The sinking fund contributions are held in the National Housing bank account and the funds are allocated to a designated sinking fund reserve.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1. 18 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.

1. 19 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.

1. 20 Government grants

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

1. 21 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.

1. 22 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.

1. 23 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 Statement of Financial Activities.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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.

Fair value of investment properties

Investment properties consist of housing units and other properties in the former Ballytobin and Duffcarrig communities. These assets are not depreciated but valued at fair value in the financial statements at the reporting date. The directors have elected to rely on the interim work to date in Q3 of 2022 by professional valuers Colliers to determine the fair value of investment properties. The final report is not expected to be issued until Q1 of 2023.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Income from charitable activities

The income for the year has been derived from:

	Unrestricted 2021 €	Restricted 2021 €	Total 2021 €	Total 2020 €
Charitable activities				
HSE core capitation income from CHOs	-	15,016,608	15,016,608	15,045,774
HSE additional core income	-	2,500,000	2,500,000	2,500,000
HSE non-capitation income	-	8,178,196	8,178,196	4,176,336
Participant contributions & disability allowance	-	778,017	778,017	845,652
Other capitation income	-	20,000	20,000	-
Other state grants	88,000	212,014	300,014	143,418
Department of Social Protection (CE Scheme)	-	157,741	157,741	-
Own produce consumed	163,402	-	163,402	313,741
Shop income	-	-	-	59,311
	<u>251,402</u>	<u>26,862,576</u>	<u>27,113,978</u>	<u>23,084,232</u>
Donations, gifts & legacies				
Donations and gifts	100,732	58,944	159,676	376,135
	<u>100,732</u>	<u>58,944</u>	<u>159,676</u>	<u>376,135</u>
Other activities				
KCAT income	93,407	3,150	96,557	47,784
Other income	370,659	-	370,659	401,891
Amortisation of capital grants	-	596,193	596,193	592,489
	<u>464,066</u>	<u>599,343</u>	<u>1,063,409</u>	<u>1,042,164</u>
Investment income				
Rental income from investment property	40,000	-	40,000	40,000
Interest receivable	-	-	-	21
	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>40,021</u>
	<u><u>856,200</u></u>	<u><u>27,520,863</u></u>	<u><u>28,377,063</u></u>	<u><u>24,542,552</u></u>

Included in other income are the following income streams:

- Rental Income from a number of communities
- Income from training courses ran in communities

Included in Other State grants is funding from the Arts Council in relation to KCAT community. KCAT received strategic funding of €88,000 and a capacity building award of €19,877 from the Arts Council in 2021. We confirm that they held a valid tax clearance certificate and that less than 50% of that community's income is received from the Exchequer.

CAMPHILL COMMUNITIES OF IRELAND

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

4 HSE income by CHO area	Total	HSE										Interest / Other	
		Disability Services	CHO01	CHO02	CHO03	CHO04	CHO05	CHO06	CHO07	CHO08	CHO09		
	€	€	€	€	€	€	€	€	€	€	€	€	€
HSE core CHO income													
- Capitation income residential services	13,328,162	-	761,704	391,135	194,230	1,115,969	4,960,541	1,010,503	4,011,497	341,456	540,836	1,291	
- Covid expenditure reimbursed	463,062	-	-	-	-	-	343,373	9,058	110,631	-	-	-	
- Training	6,000	-	-	-	-	-	6,000	-	-	-	-	-	
- Restructuring grant	511,007	-	-	-	-	-	-	-	511,007	-	-	-	
- Directly funded posts	230,015	-	-	-	-	40,000	170,215	-	19,800	-	-	-	
- Capital and SP grants	372,362	-	88,000	-	-	22,500	165,862	-	96,000	-	-	-	
- Other income - Duffcarrig	105,000	-	-	-	-	-	105,000	-	-	-	-	-	
HSE non-capitation income	8,178,196	8,178,196	-	-	-	-	-	-	-	-	-	-	
HSE additional core income	2,500,000	2,500,000	-	-	-	-	-	-	-	-	-	-	
Total HSE income for 2021	25,694,804	10,678,196	849,704	391,135	194,230	1,178,469	5,750,991	1,019,561	4,748,935	341,456	540,836	1,291	

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Expenditure on charitable activities and raising funds

	Unrestricted 2021 €	Restricted 2021 €	Total 2021 €	Total 2020 €
Staff costs	91,267	17,301,898	17,393,165	16,762,269
Depreciation and impairment	102,987	583,590	686,577	714,038
Staff training	-	153,011	153,011	139,175
Agency staff	-	3,659,108	3,659,108	1,534,243
Rates	5,129	97,462	102,591	79,605
Insurance	51,034	459,306	510,340	583,119
Light and heat	-	587,273	587,273	512,242
Cleaning	-	89,105	89,105	88,860
Furniture, crockery, & hardware	-	225,124	225,124	125,691
Bedding & clothing	-	19,956	19,956	7,637
Medical expenses	-	42,852	42,852	54,020
Repairs and maintenance	44,351	838,003	882,354	483,455
Office expenses	25,541	485,278	510,819	375,117
Advertising and fundraising costs	470	8,937	9,407	21,225
Motor expenses	23,734	450,951	474,685	323,616
Legal and professional	-	700,211	700,211	405,927
Recruitment costs	-	166,394	166,394	69,316
Audit	2,506	47,617	50,123	49,200
Auditor's remuneration - non-audit services	1,000	19,002	20,002	15,104
Bank charges and interest	2,159	41,011	43,170	55,278
Food	30,658	582,511	613,169	625,029
Community expenses	603,356	156,161	759,517	402,037
Health & safety	-	240,748	240,748	132,405
Land, farm & garden	74,869	49,913	124,782	133,126
Culture & education	-	15,331	15,331	49,909
Workshops	87,705	-	87,705	41,292
Own produce consumed	163,402	-	163,402	362,090
Other expenses	15,921	143,285	159,206	256,075
Subscriptions	467	3,126	3,593	15,427
Reimbursement of resident contributions	-	-	-	269,685
Profits/losses on disposal of tangibles	(44,500)	-	(44,500)	(4,284)
	<u>1,282,056</u>	<u>27,167,164</u>	<u>28,449,220</u>	<u>24,681,928</u>
Restaurant purchases	1,710	-	1,710	35,858
	<u>1,283,766</u>	<u>27,167,164</u>	<u>28,450,930</u>	<u>24,717,786</u>

CCOI Community Employment Scheme

Included in staff costs of €17,393,165 are wages and social security costs of €149,376 in relation to the CE scheme. The remaining costs related to the CE Scheme of €12,868 are included in other expenses of €159,206.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6	Net movement in funds	2021	2020
		€	€
	Net movement in funds is stated after charging/(crediting)		
	Depreciation of owned tangible fixed assets	686,577	714,038
	Amortisation of government grants	(596,193)	(592,489)
	- Audit of individual company accounts	50,123	49,200
	- Other non-audit services	20,002	15,104
		<u>680,489</u>	<u>685,853</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

Number of employees

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

	2021	2020
	Number	Number
Management	27	30
Operations /Administration	418	454
	<u>445</u>	<u>484</u>

Employment costs

	2021	2020
	€	€
Wages and salaries	15,702,851	15,139,558
Social security costs	1,681,382	1,614,392
Pension costs	8,932	8,319
	<u>17,393,165</u>	<u>16,762,269</u>

The number of employees whose annual remuneration was €60,000 or more were:

	2021	2020
	Number	Number
Staff salaries fall between €60,000 and €70,000	2	2
Staff salaries fall between €70,001 and €80,000	2	3
Staff salaries fall between €80,001 and €90,000	1	1
Staff salaries fall between €90,001 and €100,000	-	1
Staff salaries fall between €100,001 and above	-	-
	<u>5</u>	<u>7</u>

The former CEO was placed on secondment to Camphill Communities of Ireland from its primary funder, the H.S.E. and this is included in the above salary bands. The secondment ceased on 31 July 2021.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Key management compensation

Key management includes the directors, various subgroups members, the company management and company secretary. The compensation paid or payable to key management for employee services is shown below:

	2021	2020
	€	€
The staff costs comprise:		
Salaries and other short- term employee benefits	244,476	384,953
Secondment costs	47,444	81,833

In addition, the former CEO had been placed on secondment to Camphill Communities of Ireland from its primary funders, the HSE, for part of the year. The directors are not remunerated for their service on the board of the charity nor are they in receipt of any other fees from the charity.

10 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Total
	2021	2021	2021	2020
	€	€	€	€
Gain/(loss) on sale of investments	109,997	-	109,997	-
Revaluation of investment properties	-	3,174,200	3,174,200	-
	<u>109,997</u>	<u>3,174,200</u>	<u>3,284,197</u>	<u>-</u>

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	€	€	€	€	€
Cost / Valuation					
At 1 January 2021	29,555,429	45,335	225,145	744,950	30,570,859
Additions	508,384	-	36,364	43,450	588,198
Disposals	(25,000)	-	-	-	(25,000)
Transfer to investment property	(760,000)	-	-	-	(760,000)
At 31 December 2021	29,278,813	45,335	261,509	788,400	30,374,057
Depreciation and impairment					
At 1 January 2021	2,286,564	24,818	100,851	684,146	3,096,379
Depreciation charged in the year	572,035	7,435	52,587	54,520	686,577
Eliminated in respect of disposals	(2,000)	-	-	-	(2,000)
Transfer from investment property	55,730	-	-	-	55,730
At 31 December 2021	2,912,329	32,253	153,438	738,666	3,836,686
Carrying amount					
At 31 December 2021	26,366,484	13,082	108,071	49,734	26,537,371
At 31 December 2020	27,268,865	20,517	124,294	60,804	27,474,480

The board sought valuations of all land and buildings in 2016. The board are satisfied the carrying balance at year end is at least equal to the market value. In compliance with Section 17.2 of FRS102. The board decided to revalue the properties based on these qualified expert valuations. This resulted in an increase in value of €5,939,620. This has been recognised in the Revaluation Reserve. The land and buildings were revalued by independent expert valuers as follows;

- DNG, MIPAV, REV
- DJ Fennelly & Son Auctioneers, F.S.C.S.I, F.R.I.C.S.
- Appleton Property, MIPAV
- Sherry FitzGerald Power & Walsh, MSCSI, MRISC
- Fitzgerald & Associates, MSCSI, MRISC
- Independent Valuations, MSCSI, MRISC

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.

The charity is in the process of having its properties valued by professional valuers in Q3 and Q4 of 2022. This process is still ongoing and thus there has been no revaluation of land and buildings recorded in the 2021 financial statements.

CAMPBILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Investment property

	2021	2020
	€	€
Fair value		
At 1 January	3,222,570	3,222,570
Transfers from owner-occupied property	760,000	-
Net gains or losses through fair value adjustments	3,229,930	-
	<u>7,212,500</u>	<u>3,222,570</u>
At 31 December	<u>7,212,500</u>	<u>3,222,570</u>

Land and buildings held at Ballytobin and used by Camphill Communities of Ireland ceased to be used in September 2018 and these were then rented to Brothers of Charity at this date.

Residential buildings held at Duffcarrig and used by Camphill Communities of Ireland ceased to be used at 31 August 2021 and these were subsequently rented to Brothers of Charity from this date.

In accordance with FRS 102, investment properties have been measured at their fair value at the reporting date. The increase in value of €3,229,930 is based on interim work to date in Q3 of 2022 by professional valuers Colliers. The final report is not expected to be issued until Q1 of 2023.

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2021	3
Disposals	(3)
	<u>-</u>
At 31 December 2021	<u>-</u>
Carrying amount	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>3</u>

	2021	2020
	€	€
Other investments comprise:		
Investments in subsidiaries	-	3
	<u>-</u>	<u>3</u>

On the 5 March 2021, Camphill Communities of Ireland disposed of its 100% shareholding on BEOFS Limited.

At year end, the company held investments with a value of €Nil in Three Pellars Construction Company Limited (dissolved 27/01/2022) and Callan Renewable Energy Supply Company Limited (dissolved 27/04/2022).

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Stocks

	2021	2020
	€	€
Raw materials and consumables	179,662	186,069

Included in closing stock at 31 December 2021 of €179,662 is livestock which is held for resale, own consumption, and wellness / therapeutic purposes.

15 Debtors

	2021	2020
	€	€
Amounts falling due within one year:		
Other debtors	654,432	570,046
Prepayments and accrued income	129,183	260,570
	<u>783,615</u>	<u>830,616</u>

The board consider that amounts owed are collectable. Income due from funders of €528,396 (2020: €521,911) is deemed due at the year end. The amounts were primarily due from H.S.E.

16 Loans and overdrafts

	2021	2020
	€	€
Bank overdrafts	175,274	349,127
Bank loans	433,045	483,846
Other loans	675,139	675,139
	<u>1,283,458</u>	<u>1,508,112</u>
Payable within one year	871,820	545,673
Payable after one year	411,638	962,439

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Creditors: amounts falling due within one year

	Notes	2021 €	2020 €
Bank loans and overdrafts	16	271,820	445,673
Other borrowings		600,000	100,000
Other taxation and social security		482,359	551,235
Deferred income	20	580,154	86,001
Trade creditors		828,513	728,702
Other creditors		883,888	591,996
Accruals		570,847	233,855
		<u>4,217,581</u>	<u>2,737,462</u>

Included in the other creditors figure of €883,888 is an amount due to the HSE of €186,863 (2020: €186,863).

CAMPBILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Creditors: amounts falling due after more than one year

	Notes	2021 €	2020 €
Bank loans	16	336,499	387,300
Other borrowings		75,139	575,139
Deferred income	20	18,277,052	18,628,085
		<u>18,688,690</u>	<u>19,590,524</u>

Other loans are loans from private supporters of the charity. These funds are due for repayment in 2022. The charity is currently in negotiations to extend the terms of the non-bank loans beyond 2022.

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

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 have been extinguished, the charity is currently in the process of removing the respective charges from the organisation.

19 Taxation

	2021 €	2020 €
Payables:		
PAYE/ PRSI/ USC	<u>482,359</u>	<u>551,235</u>

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.

CAMPHILL COMMUNITIES OF IRELAND

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

20 Deferred income

	2021 €	2020 €
Arising from government grants	18,857,206	18,700,086
Other deferred income	-	14,000
	<u>18,857,206</u>	<u>18,714,086</u>

Deferred income is included in the financial statements as follows:

	2021 €	2020 €
Current liabilities	580,154	86,001
Non-current liabilities	18,277,052	18,628,085
	<u>18,857,206</u>	<u>18,714,086</u>

20.1 Government grants deferred - Non current liabilities

	2021 €	2020 €
At 1 January 2021	28,065,078	27,958,403
Increase in the year	245,160	106,675
	<u>28,310,238</u>	<u>28,065,078</u>
Amortisation		
At 1 January 2021	(9,436,993)	(8,844,504)
Amortised in the year	(596,193)	(592,489)
	<u>(10,033,186)</u>	<u>(9,436,993)</u>
Carrying amount		
At 31 December 2021	<u>18,277,052</u>	<u>18,628,085</u>
At 31 December 2020	<u>18,628,085</u>	<u>19,113,899</u>

Fixed asset grants may become repayable if certain conditions outlined in the relevant agreements occur. Included in the above figures are grants received from CAS in regard to the provision of housing in the respective communities.

These grants are accounted for using the 'accrual model'. The use of the 'accrual model' option (section 24 of FRS 102) for the recognition of income from government grants is not permitted by the Charities SORP. This represents a departure from the Charities SORP. The directors are of the opinion that this departure presents a fair view of the affairs of the company to the readers of these financial statements as it is consistent with the treatment of capital grants before the implementation of Charities SORP.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 €1.

22 Reconciliation of funds

	Opening Balance €	Income & Other gains €	Expenditure €	Transfers €	Closing Balance €
Restricted funds					
General restricted funds	246,367	27,520,863	(27,167,164)	-	600,066
Unrealised gains on fair value of investment property	-	3,174,200	-	-	3,174,200
Revaluation reserve	5,939,620	-	-	-	5,939,620
	<u>6,185,987</u>	<u>30,695,063</u>	<u>(27,167,164)</u>	<u>-</u>	<u>9,713,886</u>
Unrestricted funds					
General funds	4,163,236	966,197	(1,283,766)	(102,280)	3,743,387
Sinking fund	167,336	-	-	102,280	269,616
	<u>4,330,572</u>	<u>966,197</u>	<u>(1,283,766)</u>	<u>-</u>	<u>4,013,003</u>
Total	<u>10,516,559</u>	<u>31,661,260</u>	<u>(28,450,930)</u>	<u>-</u>	<u>13,726,889</u>

23 Financial commitments, guarantees and contingent liabilities

The board has decided to disclose the following contingent liabilities:

- The organisation is in an appeals process with the Revenue Commissioners regarding the tax treatment of former long term volunteers.
- The board may in the event of non-compliance with certain grant arrangements be obliged to return certain funds.
- The board is in the process of addressing legal claims regarding historical legacy issues.
- The board is carrying out a series of operational reviews in relation to compliance with legislation in all areas of the organisation. Within this process the board are currently reviewing the organisations activities in relation to retail establishments within the communities, and any potential liability to transactional taxes. The board are not currently in a position to quantify the level of liability to the organisation. The board have therefore decided to disclose the existence of a contingent liability without provision due to the uncertainty of same.

Due to the fundamental uncertainty as to the outcome of these processes, the board decided to disclose the event as a contingent liability should a future liability arise.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 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.

25 Events after the reporting date

There were no significant subsequent events, with the exception of the ongoing impact of the COVID-19 pandemic which the company is managing, and which commenced before the balance sheet date, that require disclosure or adjustment to the financial statements.

26 Related party transactions

At year end 31 December 2021, Camphill Communities of Ireland owed BEOFS Limited €Nil (2020: €25,032). During the year BEOFS Limited supplied goods and services in the amount of €Nil (2020: €4,743).

Camphill Communities of Ireland disposed of its 100% shareholding in March 2021 and in accordance with the sales agreement €5,000 was paid in full and final settlement of any amounts owing to BEOFS Ltd.

27 Reclassification

Certain prior year comparatives have been regrouped and reclassified on a basis consistent with the current year.

28 Subsidiaries

Details of the charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Callan Renewable Energy Supply Company Limited	Camphill Community, The Workhouse, Callan, Co. Kilkenny.	Energy supplier	Ordinary Shares	100.00	
Three Pellars Construction Company Limited	Sweeneys House, Ballyhail, Callan, Co Kilkenny.	Construction	Ordinary Shares	100.00	

29 Analysis of changes in net funds/(debt)

	At 1 January 2021	Cash flows	At 31 December 2021
	€	€	€
Cash at bank and in hand	1,130,807	789,205	1,920,012
Bank overdrafts	(349,127)	173,853	(175,274)
	<u>781,680</u>	<u>963,058</u>	<u>1,744,738</u>
Loans falling due within one year	(196,546)	(500,000)	(696,546)
Loans falling due after more than one year	(962,439)	550,801	(411,638)
	<u>(377,305)</u>	<u>1,013,859</u>	<u>636,554</u>

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

30 Cash generated from operations	2021	2020
	€	€
Surplus/(deficit) for the year	3,210,330	(175,234)
Adjustments for:		
Investment income recognised in statement of financial activities	(40,000)	(40,021)
Gain on disposal of tangible fixed assets	(44,500)	-
Gain on disposal of investments	(109,997)	-
Fair value gains and losses on investment properties	(3,174,200)	-
Depreciation and impairment of tangible fixed assets	686,577	714,038
Movements in working capital:		
Decrease in stocks	6,407	48,003
Decrease/(increase) in debtors	47,001	(323,382)
Increase in creditors	659,819	363,908
Increase/(decrease) in deferred income	143,120	(534,420)
Cash generated from operations	1,384,557	52,892

31 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 14/11/2022.