

Company Number: 35672

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

Directors' Report and Financial Statements

for the year ended 31 December 2018

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

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

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

DIRECTORS AND OTHER INFORMATION

Directors	Tracy O'Brien (Appointed 9 October 2018) Ambrose Kealy (Appointed 9 October 2018) Brigid Pike (Appointed 26 March 2019) Brendan Johnson (Appointed 9 October 2018) Miriam Moffitt Marie Keane (Chair) Bernard Haslam Noel Mulvihill Niall Byrne (Resigned 9 October 2018) Thomas Collins (Resigned 9 October 2018) Leo Veling (Resigned 26 March 2019) Thomas Horan (Resigned 15 March 2018) Mischa Fekete (Resigned 15 March 2018) Patrick J Lydon (Resigned 16 March 2018)
Company Secretary	Miriam Moffitt (Resigned 9 October 2018) Joseph Lynch (Appointed 9 October 2018)
Company Number	35672
Charity Tax Number	CHY 5861
CRA Number	20009489
Registered Office and Business Address	National Governance Office Ground Floor, Unit W5D Ladytown Business Park Ladytown Naas Co. Kildare
Auditors	BCK Audit Accounting & Tax Limited Certified Public Accountants and Statutory Audit Firm Suite 4 & 5 Bridgewater Business Centre Conyngham Road Islandbridge Dublin 8
Bankers	Bank of Ireland Group Ulster Bank Limited Triodos Bank AIB Bank
Solicitors	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
DIRECTORS' REPORT
for the year ended 31 December 2018

The Council (directors) present their report and the audited financial statements for the year ended 31 December 2018.

Principal Activity and review of the business

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

Results

In 2018, Camphill Communities of Ireland had income of €25,094,497 and expended €25,453,737 on services for its members and supporting their needs. Of the total income raised, €22,306,741 was from statutory sources, €247,788 from donations and gifts, €2,539,944 from income generated through participant contributions (a levy on residents) and other income sources generated within the communities and €24 from investment income. Statutory support from the core funding schemes from the Department of Environment, Community and Local Government increased by 25% in 2018. Non statutory income decreased by 18% in 2018.

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

The full results for the year are set out on page 15.

Directors and Secretary

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

Tracy O'Brien (Appointed 9 October 2018)
Ambrose Kealy (Appointed 9 October 2018)
Brigid Pike (Appointed 26 March 2019)
Brendan Johnson (Appointed 9 October 2018)
Miriam Moffitt
Marie Keane (Chair)
Bernard Haslam
Noel Mulvihill
Niall Byrne (Resigned 9 October 2018)
Thomas Collins (Resigned 9 October 2018)
Leo Veling (Resigned 26 March 2019)
Thomas Horan (Resigned 15 March 2018)
Mischa Fekete (Resigned 15 March 2018)
Patrick J Lydon (Resigned 16 March 2018)

The secretaries who served throughout the year was Miriam Moffitt.

Miriam Moffitt (Resigned 9 October 2018)
Joseph Lynch (Appointed 9 October 2018)

Their record of attendance at Council meetings is found in the Supplementary Information on page 34.

Events after the period end

The Registered Offices for Camphill Communities of Ireland as and from July 2019 is the National Governance Office, Ground Floor, Unit W5D, Ladytown Business Park, Ladytown, Naas, Co. Kildare.

The organisation is in the process of voluntary strike off regarding three of its subsidiaries. This process is expected to be completed in late 2019.

Auditors

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

Camphill Communities of Ireland

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DIRECTORS' REPORT

for the year ended 31 December 2018

Payment of Creditors

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

Structure, Governance and Management of Camphill Communities of Ireland

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

Camphill Communities of Ireland is governed by a Council of Directors with a maximum number of 9 people. Every Council member's term of office is three years. Membership of the Council consists of three connected persons (family members) and six external individuals is the maximum number of Directors.

Every year at the AGM one third of the Council 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. New Directors may be nominated and elected from the organisation's membership.

Housing Association Compliance

The organisation is a registered Approved Housing Body (AHB) and is deemed to be a Tier 2 organisation. The organisation currently has 210 residential units and is striving to comply with all the principles and requirements of the Voluntary Regulation Code [VRC]. The organisation remains in the Housing Regulator Engagement Process and met with the Regulator in July and October 2018 to review performance and agree ongoing compliance priorities. CCOI has extensive work required to achieve required compliance standards.

CAS funded housing projects continue to be limited to projects that are in progress, with an agreed pause being placed on any new projects, in line with the directive from the regulator. CAS funded development projects remain limited to four communities. Sinking Fund allocation of 40% of rent collected is applied to all rental charges but the shortfall of sinking fund allocation detailed in the 2017 report remains, with replacement alternative funding sources continually being explored. Camphill Communities of Ireland are currently engaged in the sale of assets, with a view to strengthening the sinking fund position.

Tenancy agreement management is centralised and the phased re-organisation of all Property & Housing functions of the organisation into a centralised managed structure is taking place. This will ensure compliance with housing regulator standards and appropriate oversight of all function performance across all communities. This centralisation will include Housing Management, Property Repairs & Maintenance and Property Development. CCOI has extensive work required to achieve this required centralisation function.

Appropriate disposal of CCOI properties not compatible with the service delivery objectives of the organisation are being processed to supplement essential funding requirements for vital service provision. This process is carried out in compliance with Charity Regulator regulations, Housing Regulator regulations and any original funding conditions of the identified property for disposal.

Re-organisation of delivery of the housing function within the organisation, implementation of required audit controls and reporting & oversight of function performance remains essential for appropriate governance and compliance.

Council subgroups

During 2018 there were 2 sub-committees of the Council:

- Finance and Audit
- Stakeholders

In line with the Charities Governance Code, it is expected that new subgroups to meet the oversight responsibilities of the Council will be established in 2019.

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DIRECTORS' REPORT

for the year ended 31 December 2018

Policies and procedures for the induction and training of Council members:

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

- Adopted Constitution April 2018 (Adopted).
- 2016 Audited Accounts.
- 2017 Audited Accounts.
- Camphill Communities of Ireland Council Member – Role Description.
- CCol Code of Conduct for Coworkers, Volunteers and Employees.
- List of Directors (updated November 2018).
- Strategic plan 2017-2020.
- Synopsis of Strategic Plan.
- Governance Code.
- Guide to the Governance Code.
- A Strategic Outlook on challenges facing Camphill as a result of Social Policy.
- The Roots of Camphill -Trustees Induction 10 June 2008.
- Life In Camphill in Ireland- Section 1.
- Living-with-intention.
- Changes in Social Policy and its effects on Camphill in Ireland – recommendations.
- Community development and identity- Andrew Plant.
- The individual and the... what- A Discussion Document in Relation to Changes at Oaklands Camphill Community in the UK.
- Statement of Purpose- Sample- The Bridge Community.
- Trends and Concerns in Human resources in CCol Jan 2014 vers3.
- Council Members Declaration of Interests.
- Arthur Cox Guide to Board Membership.
- Governance Document August 2016.
- Report- Review of Camphill Governance and Organisation 25th September 2017.
- Board Information for the last 3 meetings

Furthermore, a full day induction was held with a presentation by Senior management outlining status of organisation across all organisational functions and included mandatory training on Safeguarding for Vulnerable adults.

Organisational structure and how decisions are made:

During 2018, the HSE resourced a senior management executive team for CCol. This team included a CEO, COO, HR Manager, Chief Financial Officer and Head of Quality and Safety. This team commenced in September 2018. The Board have delegated operational responsibility to the CEO. The CEO reports to the Council through the Chair and updates at each monthly board meeting.

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

- The Organisation's strategic plans and annual operating budgets;
- Projects outside the scope of the strategic plan;
- Business acquisitions and disposals;
- Litigation;
- Appointment/Removal of Subgroup Members;
- Appointment/Removal of CEO
- Appointment/ Removal of Auditors;
- Approval of Borrowing/Finance Facilities/Credit Card users;
- Approval of Contracts with terms exceeding one year or financial liability on Camphill Communities of Ireland exceeding €25k on a pro rata basis;
- Agreement of corporate risk register

The organisation has four subsidiaries;

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

There are ongoing voluntary strike off procedures for Three Pellars Construction Company Limited, Callan Renewable Supply Company Limited and Spectrum Heat Limited.

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They provided the following services to the organisation:

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

They are under the control of CCol.

H.S.E. Review

Engagement with the HSE national disability team was ongoing throughout 2018 with the intention of agreeing an overall Performance Improvement Plan for CCol.

Governance Code for Community, Voluntary and Charitable Organisations

Camphill Communities of Ireland commenced preparation for meeting the Charities Code of Governance. An audit of governance was conducted at the end of 2018 with the intention of implementing the findings of the audit in 2019.

Internal Controls:

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

Financial controls were reviewed by the Chief Financial Officer with plans to improve all internal financial controls in the organisation throughout 2019. This will be assisted by the planned centralisation of finances.

Objectives and Activities

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

We do this through:

- Provision of residential social care in 13 residential communities.
- Day services are provided in all of our 16 communities.
- Provision of independent living opportunity in 5 of our communities.
- Opportunities to avail of art therapy and social inclusion, through our KCAT community.
- Social farming projects in 12 communities.
- Rehabilitative therapy programmes in two communities.

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

Transparency and public accountability

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

Achievements and Performance in 2018:

- CCol ceased the LTCW model of service provision in December 2018
- CCol gained registration for all 13 Designated Centres in 2018
- Commencement of a Senior Executive team in Sept 2018
- Challenges continued on funding for the provision of services largely arising from the changes to the model of service which was largely volunteer base to that of a staffed workforce
- Commencement of a review of the Short Term Coworker model

The core income from all sources into Camphill Communities of Ireland's Statement of Financial Activities account over 2018 was €25,094,497 (2017: €21,243,908) against expenditure of €25,453,737 (2017: €21,091,492) over the same period, thus leading to an operational deficit of €359,240 (2017: surplus of €152,416) after investment income received of €24 (2017: €16) and released provision of €Nil (2017: €1,049,348).

Income Streams

In 2018 CCol income from the H.S.E. was our primary source of income as well as contributions from participants – our residents.

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 for the year ended 31 December 2018

Principal Funding Sources:

In 2018, the principal funding sources for Camphill Communities of Ireland's core operations are described in the details below. Note that a detailed breakdown of major funding lines is provided in the note 5 broken down as per SORP headlines.

Statutory Income:

Source	Amount	Remarks
Income from charitable activities Health Service Executive (H.S.E)	€18,111,729	This is a service arrangement that Camphill Communities of Ireland have with the H.S.E. under section 39 Health Act 2004.
Other State Grants	€4,195,012	Includes revenue grants from Department of Social Protection and Department of Agriculture and further funding from the H.S.E.

Non-Statutory Income:

Income from charitable activities	€247,788	Other income from a range of charitable activities
	€200,013	Own produce consumed
	€72,059	KCAT
	€407,133	Restaurant income
	€897,585	Participant contributions & disability allowance
Other Income	€580,924	Amortisation of capital grants
Donations	€382,230	Includes various donations / sponsorships for programmes and events.

Reserves Policy and Level:

The Council of Camphill Communities of Ireland has no set reserves policy at this point. However, it is generally accepted that organisations, such as Camphill, should have between three and six months operational reserves in place. The level of operational reserves that would be required to provide cover for a minimum period of 3 months would be in the region of €6 Million. Therefore:

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

This takes into account:

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

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

Pension:

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

Plans for Future Periods:

The Strategic Plan will shape the plans and direction for Camphill Communities of Ireland until 2020 against the strategic objectives identified through consultation and review by the Council. Work is also progressing with the HSE in developing and agreeing a Performance Improvement Plan and a Safeguarding improvement plan.

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for the year ended 31 December 2018

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 by the Board on a monthly basis. The principal risks include:

Financial risks:

Developing a sustainable funding to meet the needs of the organisation following the cessation of the LTCW model at the end of 2018. The Board remains in direct dialogue with its funder with regards to ensuring the organisation has a more sustainable funding model and are confident of successfully resolving the same.

The organisation is heavily reliant on their main funding, the H.S.E. Any changes in the relationship with the H.S.E will hold significant risks and uncertainty for the organisation.

Legal risks:

The organisation has been subject to certain claims in 2018 related to legacy issues. As at 31 December 2018, these claims are uncertain regarding the potential outcome. These place a risk to the organisation.

Staff recruitment and retention:

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

Management of legacy issues:

Work is ongoing with the HSE in the management of legacy issues.

Compliance:

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

Insurance risks:

The insurance company used by the organisation is currently a UK based company. Given the uncertainty of the UK in current times, it may be difficult for the organisation to be insured. Furthermore, if the organisation need to switch to an Irish provider there is a risk that the organisation would not be able to afford the costs associated and be uninsurable.

Health and Safety

The Directors of CCOI are satisfied that the Health and Safety statement is in place all staff members are aware and understand it and are provided with appropriate training. The statement is currently under review and will be revised in Q.4 of 2019 to reflect the changes in the model of service provision from a volunteer led model to a full employment led model, and to bring the wording of the policy in line with sector norms.

Remuneration

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

3 staff salaries fall between €60,001 and €80,000.

Volunteers

Long Term Co-workers (LTCWs) - Vocational Volunteers, worked across all areas of Camphill's operations, from Person in Charge level through to house coordination and social care roles. Many are also involved in social farming, administration duties and various other workshops. These senior roles would have been filled by Long Term Co-workers with five or more years engagement with Camphill. Remuneration for long Term Co-workers was on a 'needs met' payment method. This LTCW model ceased in December 2018. Many Long Tern Co-workers remained with the organisation and transitioned into employment. Short Term Co-workers (STCWs) continue to be engaged with Camphill and provide an invaluable resource to the organisation. Remuneration for Short Term Co-workers is on average €50 per week.

GDPR

In 2018 some work in compliance with GDPR continued with all staff and volunteers being moved to a Camphill email address. Further work is required in ensuring full compliance with GDPR. Work is ongoing in this area.

Camphill Communities of Ireland
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DIRECTORS' REPORT
for the year ended 31 December 2018

Statement on Relevant Audit Information

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.

Going Concern

The organisation has made a deficit in the current year of €359,240 (2017: a surplus of €152,416). The organisation continues to transition from a volunteer led model to a full employment model and this continues to place financial pressure on the organisation.

The organisation has been in receipt of further funding to satisfy its short-term cash flow requirements and continues to negotiate with its principal funder for increased support to ensure staffing requirements are appropriately funded. Should funding levels not increase in line with expenditures this places uncertainty as to whether the organisation can continue to fulfil its activities.

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 board are continuously looking to increase and diversify the funding streams of the organisation whilst also ensuring strong relationships with their existing funders.

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

Contingent Liabilities

The organisation is in a consultative process with the Revenue Commissioners with regard to the tax treatment of co-workers (voluntary) in CCOI. Due to the fundamental uncertainty as to the outcome of this process, the board decided to disclose the event as a contingent liability should a future liability arise.

The board may in the event of non-compliance with certain grant arrangements be obliged to return certain funds. The board as at 31 December 2018 are not aware of any situation that would require disclosure.

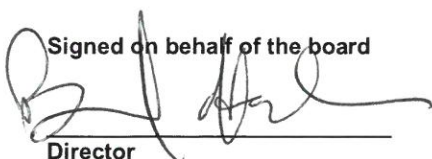
The board are in the process of assessing legal claims regarding historical legacy issues. Due to the fundamental uncertainty as to the outcome of these processes, the board decided to disclose the event as a contingent liability should a future liability arise.

Accounting Records

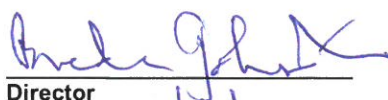
The directors acknowledge their responsibilities under Section 281 to Section 285 of the Companies Act 2014 to keep adequate accounting records for the company.

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.

Signed on behalf of the board


Director

Date: 12 Nov 2019


Director

Date: 14/11/2019

Camphill Communities of Ireland

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

DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2018

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

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

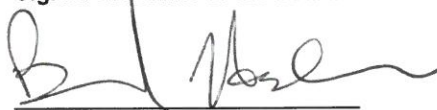
- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify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

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

In so far as the directors are aware:

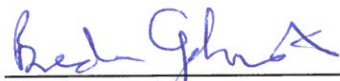
- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit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

Signed on behalf of the board



Director

Date: 12/11/2019



Director

Date: 12/11/2019

INDEPENDENT AUDITOR'S REPORT

to the Members of Camphill Communities of Ireland

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Camphill Communities of Ireland ('the company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Charities SORP (FRS 102).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Material uncertainties in relation to going concern

We draw attention to Note 3 in the financial statements which indicates that the Company incurred a net deficit of €359,240 during the year ended 31 December 2018 and as of that date the Company's net assets exceed its total liabilities by €112,001. As stated in Note 3, these events or conditions along with other matters as set forth in Note 3 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the Members of Camphill Communities of Ireland

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

Opinions on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Further information regarding the scope of our responsibilities as auditor

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

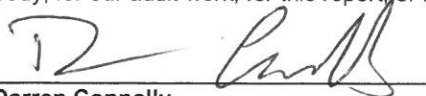
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

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

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darren Connolly

for and on behalf of

BCK AUDIT ACCOUNTING & TAX LIMITED

Certified Public Accountants and Statutory Audit Firm

Suite 4 & 5

Bridgewater Business Centre

Conyngham Road

Islandbridge

Dublin 8

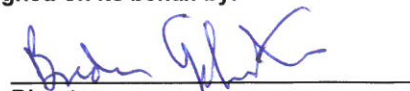
Date: 12/11/2019

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

	Notes	2018 €	2017 €
Non-Current Assets			
Property, plant and equipment	12	31,521,246	30,858,519
Investments	13	3	9
		<u>31,521,249</u>	<u>30,858,528</u>
Current Assets			
Inventories	14	239,320	283,550
Receivables	15	677,939	1,756,400
Cash and cash equivalents		1,541,806	2,369,287
		<u>2,459,065</u>	<u>4,409,237</u>
Payables: Amounts falling due within one year	16	<u>(2,347,064)</u>	<u>(2,776,436)</u>
Net Current Assets		<u>112,001</u>	<u>1,632,801</u>
Total Assets less Current Liabilities		<u>31,633,250</u>	<u>32,491,329</u>
Payables			
Amounts falling due after more than one year	17	(1,076,684)	(1,205,576)
Provisions for liabilities			
		-	-
Government grants	19	<u>(19,706,388)</u>	<u>(20,076,335)</u>
Net Assets		<u>10,850,178</u>	<u>11,209,418</u>
Funds			
Restricted funds	26	225,485	95,503
Revaluation funds	26	5,939,620	6,069,602
Unrestricted funds	26	4,685,073	5,044,313
		<u>10,850,178</u>	<u>11,209,418</u>
Funds of the Organisation		<u>10,850,178</u>	<u>11,209,418</u>

Approved by the board on _____ and signed on its behalf by:


Director


Director

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2018

	Notes	Restricted Funds 2018 €	Unrestricted Funds 2018 €	Total 2018 €	Total 2017 €
Income and Endowments from					
Charitable Activities	5	23,204,326	607,146	23,811,472	19,752,644
Donations, Gifts and Legacies	5	-	247,788	247,788	447,447
Other Activities	5	580,924	454,289	1,035,213	1,043,801
Investment Income	8	-	24	24	16
Total Income and Endowments		23,785,250	1,309,247	25,094,497	21,243,908
Expenditure On					
Charitable Activities	6	23,804,958	1,548,779	25,353,737	21,091,492
Total Expenditure		23,804,958	1,548,779	25,353,737	21,091,492
Net operating (deficit)/surplus		(19,708)	(239,532)	(259,240)	152,416
Transfers between funds		19,708	(19,708)	-	-
Other Gains and Losses	6	-	(100,000)	(100,000)	-
Net movement in funds		-	(359,240)	(359,240)	152,416
Reconciliation of funds					
Total funds brought forward		6,165,105	5,044,313	11,209,418	11,057,002
Total funds carried forward		6,165,105	4,685,073	10,850,178	11,209,418

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

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

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

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
STATEMENT OF CASH FLOWS
for the year ended 31 December 2018

	Notes	2018 €	2017 €
Cash flows from operating activities			
(Deficit)/surplus for the year		(259,240)	152,416
Adjustments for:			
Finance income		(24)	(16)
Depreciation		793,502	769,763
Surplus/deficit on disposal of property, plant and equipment		4,292	1,145
Amortisation of government grants		(580,924)	(599,131)
Write off of intercompany loan		(100,000)	-
		<u>(142,394)</u>	<u>324,177</u>
Movements in working capital:			
Movement in provisions		-	(1,049,348)
Movement in inventories		44,230	12,213
Movement in receivables		1,087,950	(1,230,221)
Movement in payables		(492,154)	1,237,581
		<u>497,632</u>	<u>(705,598)</u>
Cash generated from operations		497,632	(705,598)
Net cash generated from operating activities		<u>497,632</u>	<u>(705,598)</u>
Cash flows from investing activities			
Interest received		24	16
Payments to acquire property, plant and equipment		(1,465,321)	(1,516,561)
Receipts from sales of property, plant and equipment		4,800	13,855
Receipts from sales of Investments		6	-
		<u>(1,460,491)</u>	<u>(1,502,690)</u>
Net cash used in investment activities		(1,460,491)	(1,502,690)
Cash flows from financing activities			
Movement in long term loan		(128,892)	(84,838)
Movement in short term loan		-	(4,581)
Movement in funding from subsidiaries/group companies		107,866	(7,866)
Advances from related parties		(9,499)	(23,027)
Capital grants received		210,977	1,212,185
		<u>180,452</u>	<u>1,091,873</u>
Net cash generated from financing activities		180,452	1,091,873
Net (decrease)/increase in cash and cash equivalents		<u>(782,407)</u>	<u>(1,116,415)</u>
Cash and cash equivalents at beginning of financial year		<u>2,318,814</u>	<u>3,435,229</u>
Cash and cash equivalents at end of financial year	25	<u><u>1,536,407</u></u>	<u><u>2,318,814</u></u>

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. GENERAL INFORMATION

Camphill Communities of Ireland is a company limited by guarantee incorporated in the Republic of Ireland. National Governance Office, Ground Floor, Unit W5D, Ladytown Business Park, Ladytown, Naas, Co.Kildare, Ireland (Company No: 35672) is the registered office. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

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

Statement of compliance

The financial statements are prepared 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 company has applied the recommendations contained in Charities SORP (FRS 102) effective 1 January 2015.

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

Basis of preparation

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.

Income

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

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

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

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.

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

Resources Expended

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

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

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

Fund Accounting

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

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

Property, plant and equipment and depreciation

Cost

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

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

(ii) Depreciation

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

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

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

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

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

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Inventories

The organisation uses a prescribed method of calculating the value of the livestock as set out in the financial statements.

Receivables

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

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

Cash and cash equivalents

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

Borrowing costs

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

Provisions

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

Payables

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

Employee benefits

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

Taxation

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

Government grants

Capital grants received and receivable are treated as deferred income and amortised to the 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.

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.

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.

Co-workers

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

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

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

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

Own Produce Consumed

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

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

Departure From Companies Act 2014 Presentation

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

Reserves Policy and Level

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

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

This takes into account:

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

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

3. GOING CONCERN

The organisation has made a deficit in the current year of €359,240 (2017: a surplus of €152,416). The organisation continues to transition from a volunteer led model to a full employment model and this continues to place financial pressure on the organisation.

The organisation has been in receipt of further funding to satisfy its short-term cash flow requirements and continues to negotiate with its principal funder for increased support to ensure staffing requirements are appropriately funded. Should funding levels not increase in line with expenditures this places uncertainty as to whether the organisation can continue to fulfil its activities.

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 board are continuously looking to increase and diversify the funding streams of the organisation whilst also ensuring strong relationships with their existing funders.

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

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Establishing lives for depreciation purposes of property, plant and equipment

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

Providing for doubtful debts

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

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

5. INCOME FROM CHARITABLE ACTIVITIES/ DONATIONS/ OTHER ACTIVITIES

The income for the year has been derived from:-

	Restricted €	Unrestricted €	2018 €	2017 €
Charitable Activities				
H.S.E. Income	18,111,729	-	18,111,279	17,803,473
Participant Contributions & Disability Allowance	897,585	-	897,585	968,827
Other State Grants	4,195,012	-	4,195,012	280,128
Own Produce Consumed	-	200,013	200,013	253,930
Shop Income	-	407,133	407,133	446,286
	<u>23,204,326</u>	<u>607,146</u>	<u>23,811,472</u>	<u>19,752,644</u>
Donations, Gifts & Legacies				
Donations and Fundraising	-	247,788	247,788	447,447
	<u>-</u>	<u>247,788</u>	<u>247,788</u>	<u>447,447</u>
Other Activities				
KCAT Income	-	72,059	72,059	73,214
Other Income	-	382,230	382,230	371,456
Amortisation of Capital Grants	580,924	-	580,924	599,131
	<u>580,924</u>	<u>454,289</u>	<u>1,035,213</u>	<u>1,043,801</u>
Investment Income				
Bank Interest Received	-	24	24	16
	<u>-</u>	<u>24</u>	<u>24</u>	<u>16</u>
	<u>23,785,250</u>	<u>1,309,247</u>	<u>25,094,497</u>	<u>21,243,908</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. They received €66,220 in 2018.

We confirm that they held a valid tax clearance cert and that less than 50% of that communities income is received from the Exchequer.

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

6. EXPENDITURE ON CHARITABLE ACTIVITIES AND RAISING FUNDS

	Restricted €	Unrestricted €	2018 €	2017 €
Charitable Activities				
Wages and salaries	12,593,132	-	12,593,132	9,654,659
Social welfare costs	1,326,431	-	1,326,431	1,000,797
Co-worker settlements	475,899	-	475,899	-
Agency staff	2,680,784	-	2,680,784	2,425,977
Staff training	176,374	-	176,374	175,997
Rates	125,383	-	125,383	128,738
Insurance	383,028	-	383,028	428,076
Light and heat	673,091	-	673,091	679,997
Cleaning	81,531	-	81,531	95,387
Furniture Crockery Hardware	180,903	-	180,903	260,369
Bedding & Clothing	19,299	-	19,299	26,655
Medical Expenses	132,878	-	132,878	149,598
Repairs and maintenance	433,734	64,811	498,545	743,350
Office Expenses	366,406	54,750	451,156	426,393
Advertising and fundraising costs	80,231	11,989	92,220	148,388
Motor expenses	559,639	83,624	643,263	682,128
Legal and professional	383,631	-	383,631	370,459
Recruitment Costs	141,006	-	141,006	81,562
Audit	42,804	6,396	49,200	35,732
Auditor's remuneration - other non-audit services	64,962	9,707	74,669	57,630
Bank charges	43,445	6,492	49,937	56,950
Food	630,583	94,225	724,808	859,074
Community expenses	779,175	592,311	1,371,486	1,340,930
Health & Safety	321,817	-	321,817	291,783
Land, Farm & Garden	95,981	143,972	239,953	249,254
Culture & Education	159,298	-	159,298	169,931
Workshops	-	74,891	74,891	62,044
Own produce consumed	-	200,013	200,013	253,930
Trust contribution	-	(38,446)	(38,446)	-
Leaving Support	-	-	-	100,000
Other expenses	36,201	36,201	72,402	138,089
Subscriptions	19,518	2,916	22,434	22,730
Depreciation of property, plant and equipment	793,502	-	793,502	769,763
Profits/losses on disposal of tangibles	4,292	-	4,292	1,145
	23,804,958	1,343,852	25,148,810	21,887,515
Restaurant Purchases	-	204,927	204,927	253,325
Exceptional provision	-	-	-	(1,049,348)
	23,804,958	1,548,779	25,353,737	21,091,492
Other Gains and Losses				
Write off of intercommunity balance	-	100,000	100,000	-
	23,804,958	1,648,779	25,453,737	21,091,492

Camphill Communities of Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

7. OPERATING (DEFICIT)/SURPLUS	2018	2017
	€	€
Operating (deficit)/surplus is stated after charging/(crediting):		
Depreciation of property, plant and equipment	793,502	769,763
Surplus on disposal of property, plant and equipment	4,292	1,145
Amortisation of Government grants	(580,924)	(599,131)
Auditors remuneration		
-Audit of individual company accounts	49,200	35,732
-Other non-audit services	74,669	57,630
	<u> </u>	<u> </u>

8. INVESTMENT INCOME	2018	2017
	€	€
Bank interest	24	16
	<u> </u>	<u> </u>

9. EMPLOYEES AND REMUNERATION

Number of employees

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

	2018	2017
	Number	Number
Management	42	42
Operations/ Administration	376	201
	<u> </u>	<u> </u>
	418	243
	<u> </u>	<u> </u>

The staff costs comprise:

	2018	2017
	€	€
Wages and salaries (incl. Agency Staff)	15,749,815	12,080,636
Social welfare costs	1,326,431	1,000,797
	<u> </u>	<u> </u>
	17,076,246	13,081,433
	<u> </u>	<u> </u>

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

	2018	2017
staff salaries fall between €60,001 and €70,000	1	1
staff salaries fall between €70,001 and €80,000	1	1
staff salaries fall between €80,001 and €90,000	1	-
staff salaries fall between €90,001 and €100,000	-	-
staff salaries fall between €100,001 and above	-	-
	<u> </u>	<u> </u>
	3	2
	<u> </u>	<u> </u>

An acting CEO has been placed on secondment to Camphill Communities of Ireland from its primary funders, the H.S.E. and this is included in the above salary bands.

Camphill Communities of Ireland
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

continued

9.1 Key Management Compensation

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

The staff costs comprise:	2018	2017
	€	€
Salaries and other short- term employee benefits	355,236	208,933
Secondment costs	83,641	-
	<u><u> </u></u>	<u><u> </u></u>

In addition, an acting CEO has been placed on secondment to Camphill Communities of Ireland from its primary funders, the HSE. The Council members (directors) are not remunerated for their service as Council members.

10. CAMPHILL LEAVING SUPPORT FUND

	2018	2017
	€	€
Opening provision	150,883	52,883
Annual Contribution Provision	-	100,000
Paid during the year	(50)	(2,000)
Closing provision	<u><u>150,833</u></u>	<u><u>150,883</u></u>

In addition to the contribution to Camphill Community Trust, it was decided that each community would make contribution to a Leaving support fund to support long serving co-workers who leave the community. In 2018, €Nil (2017; €100,000) was contributed to this fund.

11. CAMPHILL COMMUNITY TRUST

	2018	2017
	€	€
Opening provision	65,213	265,213
Annual Contribution Provision	-	-
Paid during the year	-	(200,000)
Write back of provision	(65,213)	-
Closing provision	<u><u>-</u></u>	<u><u>65,213</u></u>

The directors have decided that there will be no provision for 2018 (2017: €Nil).

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings freehold	Investment properties	Plant machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	€	€	€	€	€	€
Cost or Revalued Amount						
At 1 January 2018	31,322,831	-	12,353	11,755	507,544	31,854,483
Additions	1,242,559	-	10,678	50,732	161,352	1,465,321
Disposals	-	-	-	-	(42,025)	(42,025)
Transfers	(3,339,451)	3,339,451	-	-	-	-
At 31 December 2018	29,225,939	3,339,451	23,031	62,487	626,871	33,277,779
Depreciation						
At 1 January 2018	626,458	-	4,118	2,350	363,038	995,964
Charge for the year	620,072	-	7,676	12,498	153,256	793,502
On disposals	-	-	-	-	(32,933)	(32,933)
Transfers	(116,881)	116,881	-	-	-	-
At 31 December 2018	1,129,649	116,881	11,794	14,848	483,361	1,756,533
Carrying amount						
At 31 December 2018	<u>28,096,290</u>	<u>3,222,570</u>	<u>11,237</u>	<u>47,639</u>	<u>143,510</u>	<u>31,521,246</u>
At 31 December 2017	<u>30,696,374</u>	-	<u>8,235</u>	<u>9,404</u>	<u>144,506</u>	<u>30,858,519</u>

The Board sought valuations of all land and buildings in 2016. 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 €6,069,602, which has been recognised in the Statement of Financial Activities. 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.

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

13. INVESTMENTS

	Subsidiary undertakings	Total
Investments Cost	€	€
At 1 January 2018	9	9
Disposals	(6)	(6)
	<u>3</u>	<u>3</u>
At 31 December 2018	3	3
Carrying amount		
At 31 December 2018	<u>3</u>	<u>3</u>
At 31 December 2017	<u>9</u>	<u>9</u>

14. INVENTORIES

	2018 €	2017 €
Farm Livestock	192,556	231,077
Inventories for re-sale	46,761	52,473
	<u>239,320</u>	<u>283,550</u>

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

15. RECEIVABLES

	2018 €	2017 €
Amounts owed by group companies (Note 23)	-	100,000
Other receivables	44,389	6,035
Prepayments and advances	148,174	1,011,180
Income due from funders (net of provision)	485,376	639,185
	<u>677,939</u>	<u>1,756,400</u>

The Board consider that amounts owed are collectable. Income due from funders of €485,376 (2017: €639,185) is deemed due at the year end. The amounts were due from H.S.E. who provide funding to the organisation.

16.	PAYABLES	2018	2017
	Amounts falling due within one year	€	€
	Amounts owed to credit institutions	235,008	280,092
	Trade payables	719,626	1,220,411
	Taxation (Note 18)	566,877	468,640
	Amounts due to H.S.E	186,863	-
	Other payables	248,243	150,097
	Accruals	333,074	500,259
	Deferred Income	57,373	156,937
		<u>2,347,064</u>	<u>2,776,436</u>
		<u>2,347,064</u>	<u>2,776,436</u>
17.	PAYABLES	2018	2017
	Amounts falling due after more than one year	€	€
	Bank loans	477,508	585,264
	Other long term loans	500,000	500,000
	Amounts owed to Camphill Foundation UK	99,176	120,312
		<u>1,076,684</u>	<u>1,205,576</u>
		<u>1,076,684</u>	<u>1,205,576</u>
	Loans		
	Repayable in one year or less, or on demand (Note 16)	235,008	280,092
	Repayable between one and two years	621,814	621,814
	Repayable between two and five years	454,870	455,579
	Repayable in five years or more	-	128,183
		<u>1,311,692</u>	<u>1,485,668</u>
		<u>1,311,692</u>	<u>1,485,668</u>

Other loans are loans from private supporters of the organisation. These funds are due for repayment in 2022. The organisation does not incur interest on same and also has the option to renew for a further period.

Bank loans and Camphill Foundation loans are in 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 organisation is currently in the process of removing the respective charges from the organisation.

18. TAXATION	2018	2017
	€	€
Payables:		
PAYE/ PRSI/ USC	<u><u>566,877</u></u>	<u><u>468,640</u></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

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

19. GOVERNMENT GRANTS DEFERRED	2018	2017
	€	€
Capital grants received		
At 1 January 2018	27,747,426	26,535,241
Increase in year	<u><u>210,977</u></u>	<u><u>1,212,185</u></u>
At 31 December 2018	<u><u>27,958,403</u></u>	<u><u>27,747,426</u></u>
Amortisation		
At 1 January 2018	(7,671,091)	(7,071,960)
Amortised in year	<u><u>(580,924)</u></u>	<u><u>(599,131)</u></u>
At 31 December 2018	<u><u>(8,252,015)</u></u>	<u><u>(7,671,091)</u></u>
Carrying amount		
At 31 December 2018	<u><u>19,706,388</u></u>	<u><u>20,076,335</u></u>
At 1 January 2018	<u><u>20,076,335</u></u>	<u><u>19,463,281</u></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.

The Board are currently reviewing the Capital Grants register of the organisation. The Board intends to move from the accruals model of accounting to the performance model as prescribed by Charities SORP (FRS 102). Their review is expected to be completed in 2019.

20. STATUS

The liability of the members is limited.

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

21. CONTINGENT LIABILITIES

The organisation is in a consultative process with the Revenue Commissioners with regard to the tax treatment of co-workers (voluntary) in CCOI. Due to the fundamental uncertainty as to the outcome of this process, the board decided to disclose the event as a contingent liability should a future liability arise.

The board may in the event of non-compliance with certain grant arrangements be obliged to return certain funds. The board as at 31 December 2018 are not aware of any situation that would require disclosure.

The board are in the process of assessing legal claims regarding historical legacy issues. 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.

22. CAPITAL COMMITMENTS

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

23. RELATED PARTY TRANSACTIONS

The organisation has applied the exemption under FRS 102 not to disclose group transactions.

24. EVENTS AFTER THE PERIOD END

The Registered Offices for Camphill Communities of Ireland as and from July 2019 is the National Governance Office, Ground Floor, Unit W5D, Ladytown Business Park, Ladytown, Naas, Co. Kildare.

The organisation is in the process of voluntary strike off regarding three of its subsidiaries. This process is expected to be completed in late 2019.

25. CASH AND CASH EQUIVALENTS

	2018	2017
	€	€
Cash and bank balances	1,537,192	2,364,673
Bank overdrafts	(5,399)	(50,473)
Cash equivalents	4,614	4,614
	<u>1,536,407</u>	<u>2,318,814</u>

26. RECONCILIATION OF FUNDS

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	€	€	€	€	€
Restricted	95,503	23,785,250	(23,804,958)	149,690	225,485
Unrestricted	5,044,313	1,309,247	(1,648,779)	(19,708)	4,685,073
Revaluation Reserve	6,069,602	-	-	(129,982)	5,939,620
Total	11,209,418	25,094,497	(25,453,737)	-	10,850,178

27. APPROVAL OF FINANCIAL STATEMENTS

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