

CAMPHILL COMMUNITIES OF IRELAND
(A company limited by Guarantee, not having a Share Capital)

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

*Murray Murphy Limited,
Chartered Accountants and
Registered Auditors,
Hyde Square,
652 South Circular Road,
Dublin 8.*

CAMPHILL COMMUNITIES OF IRELAND

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

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* The Detailed Revenue Statement does not form part of the Financial Statements of the company and is provided solely as additional information for internal purposes.

CAMPHILL COMMUNITIES OF IRELAND

COMPANY INFORMATION

YEAR ENDED 31ST DECEMBER 2013

DIRECTORS

Leo Veling (Chairman)
Jose van der Donk
Marian Evans (Resigned on 17th February 2014)
Mischa Fekete
Alan Flett
Paul Flynn
Michael Hilary
P. J. Lambe
Thomas Leonard
Patrick J Lydon
Heather Lynch
Regina MacLean (Resigned on 9th September 2013)
Thomas Meyer (Resigned on 13th April 2014)
Miriam Moffitt
John O'Connor
Tim Phalan
Andrew Syme
Anne Todman
Elke Williams (Resigned on 9th September 2013)

SECRETARY

Eddie Brophy

BANKERS

Bank of Ireland Group
Ulster Bank Limited
Triodos Bank
AIB Bank

CAMPHILL COMMUNITIES OF IRELAND

COMPANY INFORMATION

YEAR ENDED 31ST DECEMBER 2013

AUDITORS

Murray Murphy Limited,
Chartered Accountants and
Registered Auditors,
Hyde Square,
652 South Circular Road,
Dublin 8.

SOLICITORS

Arthur Cox,
Earlsfort Centre,
Earlsfort Terrace,
Dublin 2.

REGISTERED OFFICE

National Governance Office,
Dunshane Community,
Near Brannockstown,
Naas,
Co. Kildare.

COMPANY NUMBER

35672

CHARITY NUMBER

CHY 5861

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2013

The directors submit herewith their report and audited Financial Statements for the year ended 31st December 2013.

Principal Activities, Business Review and Future Developments

Camphill Communities of Ireland is a voluntary organisation with charitable status, which provides for the social and educational needs of people with a diverse range of disabilities.

There are 328 people with special needs receiving services in residential, day care and in supported living at 18 centres in the Republic of Ireland. Day-to-day running costs are financed by capitation grants, which are paid, in respect of each person in care, by the Health Service Executive (HSE). The financial objective is to break even one year taken with another.

Results and State of Affairs

The Financial Statements for the year ended 31st December 2013 show an operating deficit of €20,072 after a depreciation charge of €196,036.

After the transfer of depreciation to the Capital Account and the exceptional item (write back of provision of contribution to Camphill Community Trust) of €2,157,000, the members' surplus for the year ended 31st December 2013 was €2,332,964 .

The accumulated members' deficit was €2,880,693 at 31st December 2013.

Principal Risks and Uncertainties

The main risks and uncertainties facing the company continue to be the following:

- Consistent support to the company in the form of HSE funding
- Continued support to the individual communities from co-workers
- Banking relationships with the company's principal bankers, which at the balance sheet date remained positive

The directors believe adequate resources and support are in place to mitigate any threat from the matters raised above.

Directors

Alan Flett, Paul O'Fynn, Michael Hilary, P J Lambe and Miriam Moffitt retire by rotation, in accordance with the provisions of Article 39 of the Articles of Association, and are eligible for re-election.

Research and Development

The company did not undertake any research or development activities during the period.

CAMPHILL COMMUNITIES OF IRELAND

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2013

Books of Account

The measures taken by directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and provision of adequate resources to the financial function. The books of account are maintained at each of the 18 centres.

Events since the year end

There have been no significant events affecting the company since the year end date.

Auditors

The auditors, Murray Murphy Limited, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the Board

Leo Veling (Chairman)
Director

Alan Flett
Director

3rd September 2014

CAMPHILL COMMUNITIES OF IRELAND

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31ST DECEMBER 2013

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Irish Law including the accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

Irish company law requires the directors to prepare Financial Statements for each financial year which give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that year. In preparing these Financial Statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the Financial Statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish Statute comprising the Companies Acts 1963 to 2013. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Registration in Ireland governing the preparation and dissemination of Financial Statements may differ from registration in other jurisdictions.

On behalf of the Board

Leo Veling (Chairman)
Director

Alan Flett
Director

2nd September 2014

CAMPHILL COMMUNITIES OF IRELAND

AUDITORS' REPORT

TO THE MEMBERS OF CAMPHILL COMMUNITIES OF IRELAND

YEAR ENDED 31ST DECEMBER 2013

We have audited the Financial Statements on pages 10 to 27 of Camphill Communities of Ireland for the year ended 31st December 2013 which comprise the Revenue Statement, Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish Law and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the Financial Statements giving a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with Irish Law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the Accounting Policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies within the Audited Financial Statements and to identify any information that is apparently incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the Financial Statements

In our opinion the Financial Statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs at 31st December 2013 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

Emphasis of Matter

In forming our opinion, we have considered the adequacy of the disclosures in Note 18 to the Financial Statements, surrounding the current inspection being undertaken by the Office of the Revenue Commissioners. The Financial Statements have been prepared on the going concern basis, the validity of which depends on the results and conclusions of the Revenue investigation. Details of the matter are disclosed further in Note 18 to the Financial Statements. Our opinion is not qualified in this respect.

CAMPHILL COMMUNITIES OF IRELAND

AUDITORS' REPORT
TO THE MEMBERS OF CAMPHILL COMMUNITIES OF IRELAND

YEAR ENDED 31ST DECEMBER 2013

Matters on which we are required to report by the Companies Acts 1963 to 2013

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the company;
- the Financial Statements are in agreement with the books of account;
- in our opinion the information given in the Directors' Report is consistent with the Financial Statements;

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions of the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

3rd September 2014

Una Murphy (Registered Auditor)
For and on behalf of
Murray Murphy Limited,
Chartered Accountants and
Registered Auditors,
Hyde Square,
652 South Circular Road,
Dublin 8.

CAMP HILL COMMUNITIES OF IRELAND

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31ST DECEMBER 2013

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

1. **Basis of Preparation**

The financial statements have been prepared on the going concern basis and in accordance with the accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 1963 to 2013. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

2. **Capitation Grants**

Capitation grants are accounted for on an income received and receivable basis.

3. **Donations**

Donations and fundraising income are recognised as the amounts are received and are credited to the Capital Account.

4. **Tangible fixed assets and depreciation**

All tangible fixed assets are initially recorded at cost. Freehold land and buildings are adjusted for directly attributable acquisition costs where material.

Depreciation is provided at rates calculated to write off the cost net of capital grants of each asset over its expected useful life, as follows:

Land and buildings - Straight Line over 50 years

Other assets to include furniture equipment and motor vehicles are written off to the Revenue Account on a renewals basis in the year in which they are acquired.

The carrying values of tangible fixed assets are reviewed annually for impairment if events or changes in circumstances indicate the carrying values may not be recoverable. The service and replacement cost is taken into account in determining the impairment of fixed assets.

5. **Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value. Any increase or decrease in the value of investments is carried to the Revenue Statement.

CAMPHILL COMMUNITIES OF IRELAND

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31ST DECEMBER 2013

6. **Stock**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete items. Cost includes all costs incurred in bringing the company's shop stock and livestock to their present location and condition.

Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and all costs to be incurred in marketing, selling and distributing.

7. **Fixed Asset Grants**

Fixed asset grants are accounted for on a cash received and receivable basis and associated capital expenditure is capitalised. Fixed asset grants are disclosed as long term capital items in the balance sheet.

8. **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Revenue Statement.

9. **Group accounts**

The company and its subsidiaries combined meet the size exemption criteria for the group. The company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of Regulation 7 of the European Communities (Companies Group Accounts) Regulation, 1992. Consequently, these financial statements deal with the results of the company as a single entity.

CAMPHILL COMMUNITIES OF IRELAND

REVENUE STATEMENT

YEAR ENDED 31ST DECEMBER 2013

	<u>NOTES</u>	<u>2013</u> €	<u>2012</u> €
INCOME			
Capitation Grants	1	9,739,092	9,354,271
Other Income	1	2,917,598	2,883,747
		<u>12,656,690</u>	<u>12,238,018</u>
EXPENDITURE			
		<u>(12,676,762)</u>	<u>(11,939,659)</u>
OPERATING (DEFICIT)/SURPLUS FOR THE YEAR	3	(20,072)	298,359
EXCEPTIONAL ITEM			
	4	2,157,000	(3,500,000)
TRANSFER TO CAPITAL ACCOUNT (DEPRECIATION)			
	5	196,036	193,259
DEFICIT FUNDING			
	6	-	(100,000)
SURPLUS/(DEFICIT) FOR THE YEAR		<u>2,332,964</u>	<u>(3,108,382)</u>

All of the above figures relate to continuing operations.

A separate Statement of Total Recognised Gains and Losses is not required, as there are no gains or losses other than those reflected in the Revenue Statement.

The Financial Statements were approved by the board on 2nd September 2014 and signed on its behalf by

Leo Veling (Chairman)
Director

Alan Flett
Director

The notes on pages 13 to 27 form part of these Financial Statements.

CAMPHILL COMMUNITIES OF IRELAND

BALANCE SHEET

AS AT 31ST DECEMBER 2013

		<u>2013</u>		<u>2012</u>	
	<u>NOTES</u>	<u>€</u>	<u>€</u>	<u>€</u>	<u>€</u>
Fixed Assets					
Tangible assets	7		29,337,794		28,448,634
Investments	8		9		9
			<u>29,337,803</u>		<u>28,448,643</u>
Current Assets					
Stocks	9	260,561		244,123	
Debtors	10	775,404		734,876	
Cash at bank and in hand		4,112,707		4,812,469	
		<u>5,148,672</u>		<u>5,791,468</u>	
Creditors: Amounts falling due within one year					
Bank loans and overdrafts	11	611,945		765,120	
Creditors and Accruals	12	658,143		529,340	
Other Loans	12	629,000		632,541	
Camphill Community Trust	14	97,713		2,859,239	
Leaving Support Fund	14	37,701		92,000	
		<u>2,034,502</u>		<u>4,878,240</u>	
Net Current Assets			<u>3,114,170</u>		<u>913,228</u>
Total Assets less Current Liabilities			<u>32,451,973</u>		<u>29,361,871</u>
Creditors: Amounts falling due after more than one year					
Bank Long Term Loans	15		<u>945,613</u>		<u>1,042,470</u>
Total Net Assets			<u>31,506,360</u>		<u>28,319,401</u>
Financed by					
Fixed Asset Grants	16		24,431,724		23,884,853
Capital Account	17		9,955,329		9,648,205
Revenue Account	23		(2,880,693)		(5,213,657)
			<u>31,506,360</u>		<u>28,319,401</u>

The Financial Statements were approved and authorised for issue by the Board on 2nd September 2014 and signed on its behalf by

Leo Veling (Chairman)
Director

Alan Flett
Director

The notes on pages 13 to 27 form part of these Financial Statements.

CAMPHILL COMMUNITIES OF IRELAND

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2013

	<u>2013</u>	<u>2012</u>
Note	€	€
Surplus/(Deficit) for the year	2,332,964	(3,108,382)
Movement in stock	(16,438)	2,612
Movement in debtors	(40,528)	(23,703)
Movement in creditors	74,504	118,593
Movement in related company balance	(604,526)	(270,761)
Exceptional items - Trust write back/fixed asset impairment	(2,157,000)	3,500,000
	<u> </u>	<u> </u>
Net Cash (outflow)/inflow from operating activities	(411,024)	218,359
	<u> </u>	<u> </u>
Cash Inflows		
Donations received	503,160	290,964
Camphill Foundation loans received	-	100,000
Capital Grants received	546,871	168,541
	<u> </u>	<u> </u>
	1,050,031	559,505
	<u> </u>	<u> </u>
Cash Outflows		
Payments to acquire tangible fixed assets	1,085,196	1,001,957
Bank loans repayments	70,056	57,769
Other Loans repaid	3,541	50,000
Camphill Foundation loans repaid	92,787	19,290
	<u> </u>	<u> </u>
	1,251,580	1,129,016
	<u> </u>	<u> </u>
Net Cash (Outflow)	(612,573)	(351,152)
	<u> </u>	<u> </u>
Movement in cash		
(Decrease)/Increase in cash at bank and on hand	22 (699,762)	(454,636)
Decrease in bank overdrafts	22 87,189	103,484
	<u> </u>	<u> </u>
(Decrease) in Cash	(612,573)	(351,152)
	<u> </u>	<u> </u>

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

1. INCOME

	<u>2013</u>	<u>2012</u>
	€	€
<u>Capitation Grants</u>		
HSE South	5,340,725	4,764,489
HSE Dublin Mid Leinster	3,411,492	3,482,931
HSE Dublin North East	492,957	612,424
HSE West	493,918	494,427
	<u>9,739,092</u>	<u>9,354,271</u>
	<u>2013</u>	<u>2012</u>
	€	€
<u>Other Income</u>		
Own Produce Consumed	354,341	305,417
Shop Gross Profit	200,302	173,792
Participant Contributions	876,499	898,739
Other State Grants	939,548	905,820
KCAT Funding	237,667	256,765
Bank Interest Received and Sundry Income	309,241	343,214
	<u>2,917,598</u>	<u>2,883,747</u>

2. EMPLOYEES AND REMUNERATION

Number of employees

The average numbers of persons employed by Camphill Communities of Ireland in the financial year was:

	<u>2013</u>	<u>2012</u>
	Number	Number
Employees	<u>164</u>	<u>157</u>
	<u>2013</u>	<u>2012</u>
	€	€
<u>Employment costs</u>		
Salaries and wages	3,883,734	3,299,827
Social welfare costs	359,762	293,364
	<u>4,243,496</u>	<u>3,593,191</u>

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

<u>3. OPERATING (DEFICIT)/SURPLUS FOR THE YEAR</u>	<u>2013</u>	<u>2012</u>
	€	€
The operating (deficit)/surplus is stated after charging:		
Depreciation of tangible assets	196,036	193,259
Bank interest and charges	79,944	85,912
Directors' remuneration	-	-
	<u> </u>	<u> </u>
and after crediting:		
Deposit Interest	<u>32,305</u>	<u>28,847</u>

4. EXCEPTIONAL ITEMS

	<u>2013</u>	<u>2012</u>
	€	€
Exceptional Items	<u>2,157,000</u>	<u>(3,500,000)</u>

2013

Camphill Community Trust recognised that Camphill Communities of Ireland could not fund the full contributions provided for based on the actuarial report commissioned when the Trust was originally formed. The Trust has agreed to write back €2,157,000 in 2013.

2012

In 2012, Land and Buildings bought on the open market since 2000 were revalued and a provision of €3,500,000 for impairment in respect of these Land and Buildings was provided for.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

5. TRANSFER TO CAPITAL ACCOUNT - DEPRECIATION

	<u>2013</u>	<u>2012</u>
	€	€
Transfer to Capital Account - Depreciation	196,036	193,259
	<u> </u>	<u> </u>

Depreciation is not included by the HSE in their allowances for Capitation Grants. Accordingly, in order to eliminate the depreciation charge from the deficit for the year, it is necessary to transfer the amount of €196,036 to the Capital Account from the Revenue Account.

6. DEFICIT FUNDING

Deficit funding of €100,000 was to be provided by the HSE for 2011 to meet the continuing shortfall in capitation rates. This funding was not received and has been written back in 2012.

CAMPBILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

7. TANGIBLE ASSETS

	<u>Land and buildings</u>
	€
<u>COST</u>	
At 1st January 2013	34,111,702
Additions	1,085,196
At 31st December 2013	<u>35,196,898</u>
<u>DEPRECIATION</u>	
At 1st January 2013	2,163,068
Impairment provision brought forward	3,500,000
Charge for the year	196,036
At 31st December 2013	<u>5,859,104</u>
<u>NET BOOK VALUES</u>	
At 31st December 2013	<u>29,337,794</u>
At 31st December 2012	<u>28,448,634</u>

Provision for impairment on land and buildings brought forward has been provided for on the following properties which were bought on the open market since 2000:

Property	Valuation €	Valuer
Camphill Ballymoney - Ballymoney House, Gorey, Co. Wexford	375,000	Warren Estates
Camphill Carrick on Suir - 9/10 Gleann an Locha, Carrick on Suir.	270,000	Sherry Fitzgerald
Camphill Callan - The Workhouse, Callan, Co. Kilkenny	240,000	D.J. Fennelly & Son
Camphill Callan - Dunree House, Callan, Co. Kilkenny	250,000	D.J. Fennelly & Son
Camphill Callan - Regan House, Callan, Co. Kilkenny	150,000	D.J. Fennelly & Son
Camphill Callan - Moate Lane, Callan, Co. Kilkenny	240,000	D.J. Fennelly & Son
Camphill Callan - Moate Field, Callan, Co. Kilkenny	136,000	D.J. Fennelly & Son
Camphill Callan - KCAT Dwelling, Callan, Co. Kilkenny	160,000	D.J. Fennelly & Son
Camphill Callan - Westcourt Bus. Park site only, Callan, Co. Kilkenny	48,000	D.J. Fennelly & Son
Camphill Callan - Coolagh, Callan, Co. Kilkenny	50,000	D.J. Fennelly & Son
Camphill Greenacres -1A Farmhill Park, Goatstown, Dublin 14	500,000	Independent Valuers
Camphill Greenacres -29 Hazel Ave., Kilmacud, Dublin 14	480,000	Independent Valuers
Camphill Greenacres -24 Dale Road, Stillorgan, Co. Dublin	380,000	Independent Valuers
Camphill Kilcullen - No 2 The Avenue, Kilcullen, Co. Kildare	375,000	CME
Camphill Thomastown - 31 The Meadows, Thomastown, Co. Kilkenny	160,000*	
	<u>3,814,000</u>	

CAMPBILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

*The valuation at Camphill Thomastown is based on the directors' assessment of the material diminution in value of the property at 31 the Meadows.

The properties were valued early in 2013.

The original cost of the properties listed was €7,279,728. As a result of the new valuations, provision for impairment was applied in the amount of €3,500,000 in the year ended 31st December 2012.

During the year ended 31st December 2013, the company considered the need for impairment on other Land and Buildings. Those assets reviewed for valuations would be considered charitable assets in accordance with FRS 11 (Impairment of Fixed Assets and Goodwill). In accordance with paragraph 20 of FRS 11, asset valuation of charitable assets should be based on service potential and not only market values. The Charities Statement of Recommended Practice 2008 states that service potential and replacement cost is a more relevant method of asset valuation. The directors deem the replacement costs of such assets to be in line with their carrying values and therefore no impairment of fixed assets has been applied in the year ended 31st December 2013.

Futhermore, in the majority of cases 90% of Land and Buildings are government grant-aided. If impairment were applied, deferred grant income would be released to the Revenue Account at the same rate as the impairment expense, in accordance with SSAP 4 (paragraph 12). This would ultimately result in no material effect on the surplus/deficit for the financial year.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

<u>8. INVESTMENTS</u>	<u>2013</u>	<u>2012</u>
	<u>€</u>	<u>€</u>
BEOFS Limited	3	3
Callan Renewable Energy Supply Company Limited	2	2
Spectrum Heat Limited	2	2
Three Pellars Construction Company Limited	2	2
	<u>9</u>	<u>9</u>
	<u>9</u>	<u>9</u>

The above companies are all wholly owned subsidiaries of Camphill Communities of Ireland.

BEOFS Limited was set up under the EU Employment Initiative, as an enterprise that would provide training and employment for people with disabilities in an open economy. It processes farm and organic waste in order to produce, use and sell bio-gas and organic fertilisers.

Callan Renewable Energy Supply Company Limited and Spectrum Heat Limited were set up to establish a sustainable model for the production, distribution, promotion and research of a range of renewable energy sources and technologies within a rural/small town economy. The companies have built and operate two wood fuel heating systems.

Three Pellars Construction Company Limited was set up to undertake a variety of construction projects to create habitations and buildings for other purposes in accordance with the principles of the Camphill movement.

The companies have been excluded from the Camphill Communities of Ireland's Financial Statements as they are engaged in completely different activities.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

8.1. Holdings of 20% or more

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

Company	Country of registration or incorporation	Class of shares held	Proportion of shares held
<u>Subsidiary undertaking</u>			
BEOFS Limited	Rep. of Ireland	Ordinary	100%
Callan Renewable Energy Supply Company Limited	Rep. of Ireland	Ordinary	100%
Spectrum Heat Limited	Rep. of Ireland	Ordinary	100%
Three Pellars Construction Company Limited	Rep. of Ireland	Ordinary	100%

The directors believe the value of unlisted investments in the balance sheet at the year end date is stated at less than their market value.

9. STOCKS

	<u>2013</u>	<u>2012</u>
	€	€
Stocks	260,561	244,123

There are no material differences between the replacement cost of stocks and the balance sheet amounts.

10. DEBTORS

	<u>2013</u>	<u>2012</u>
	€	€
Capitation Fees due	425,857	332,942
Other debtors and prepayments	118,299	170,686
BEOFS Limited	50,000	50,000
Callan Renewable Energy Supply Company Limited	181,248	181,248
	<u>775,404</u>	<u>734,876</u>

These amounts fall due within one year.

CAMP HILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

<u>11. BANK LOANS AND OVERDRAFTS</u>	<u>2013</u>	<u>2012</u>
	€	€
Bank Overdrafts	264,572	351,761
Bank loans - Short Term	320,597	325,091
Camphill Foundation - Short Term	26,776	88,268
	<u>611,945</u>	<u>765,120</u>

The Company's indebtedness to Bank of Ireland, Triodos Bank, AIB Bank and Ulster Bank Limited is secured on the assets of the company.

Loans - Securities held by banks in respect of loans are as follows:

Triodos Bank

Residential mortgage over the freehold property known as Carrig House, Tara House, Workshops and Land at Camphill Duffcarrig, Co. Wexford

Residential mortgage over the freehold property known as Grangebeg and over two individual plots at Park Lane, Grangebeg, Co Kildare.

The right of set off for any liability exists against any other accounts held with Triodos Bank by Camphill Communities of Ireland.

AIB Bank

Mortgage over 6 acres at Westcourt, Callan, Co. Kilkenny

Bank of Ireland

Residential mortgage over 31, The Meadows, Malfield, Thomastown, Co. Kilkenny.

Mortgage over The Watergarden, Ladywell Street, Thomastown, Co. Kilkenny.

Mortgage over Legan, Thomastown, Co. Kilkenny.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

<u>12. CREDITORS: AMOUNTS FALLING DUE</u>	<u>2013</u>	<u>2012</u>
<u>WITHIN ONE YEAR</u>	<u>€</u>	<u>€</u>
Creditors and Accruals	452,701	411,815
Other taxes and social security costs (Note 13)	205,442	117,525
	<u>658,143</u>	<u>529,340</u>

Other short term loans of €29,000 (2012: €32,541) represent loans received by the company from benefactors - €600,000 and a participant - €9,000. These loans are considered to be fully repayable.

<u>13. TAXATION</u>	<u>2013</u>	<u>2012</u>
	<u>€</u>	<u>€</u>
Included in Creditors: Amounts falling due within one year		
PAYE control account	205,442	117,525
	<u>205,442</u>	<u>117,525</u>

CAMPBILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

14. CAMPBILL COMMUNITY TRUST AND LEAVING SUPPORT FUND

	<u>2013</u>	<u>2012</u>
	€	€
Camphill Community Trust		
Provision at 1st January 2013	2,859,239	3,130,000
Annual Contribution Provision	513,000	525,000
Overprovision 2011	-	(121,000)
Write back	(2,157,000)	-
Paid during the year	(1,117,526)	(674,761)
Provision at 31st December 2013	<u>97,713</u>	<u>2,859,239</u>
Leaving Support Fund		
Provision at 1st January 2013	92,000	-
Annual Contribution Provision	97,000	104,000
Paid during the year	(151,299)	(12,000)
Provision at 31st December 2013	<u>37,701</u>	<u>92,000</u>

Camphill Communities of Ireland decided that provision should be made for Community members, who through illness, infirmity, old age, poverty or other necessitous circumstances require financial assistance. The Department of Health and Children and the HSE have agreed in principle that such a provision is necessary and that the annual contributions to the fund should be part of the normal running costs of the Communities.

Based on an actuarial report, an annual contribution of €1,023,000 or an initial contribution of €465,000 and an annual contribution of €73,000 thereafter, would be required to finance a Fund to meet these objectives, having regard to the age profile of the Community members, their lengths of service and assumptions regarding their financial needs.

A trust entitled Camphill Community Trust has been set up and Trustees appointed. The Revenue Commissioners have granted Charitable Status to the Trust.

The company has decided that, due to financial circumstances, a sum of €13,000 (2012-€25,000) would be contributed to Camphill Community Trust in 2013. In addition to the contribution to Camphill Community Trust, it was decided that each Community would make a contribution to a Leaving Support Fund to support long serving co-workers who leave the Community. In 2013, €7,000 (2012 - €104,000) was contributed to this fund and the balance of the fund was €37,701 at 31st December 2013.

CAMPHILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

In 2012, there was write back of the contribution of €121,000 which had been provided for in 2011. This reduced the contribution for 2011 from €73,000 to €52,000.

Camphill Community Trust recognised that, the total contributions provided for based on the actuarial report commissioned when the Trust was originally formed, could not be funded and agreed to write back €2,157,000 in 2013.

Provision of €6,036,000 has been made to date of which €5,938,287 has been paid over to Camphill Community Trust leaving a balance due of €7,713 at 31st December 2013.

<u>15. CREDITORS: AMOUNTS FALLING DUE</u>	<u>2013</u>	<u>2012</u>
<u>AFTER MORE THAN ONE YEAR</u>	<u>€</u>	<u>€</u>
Bank loans - Long Term	774,488	840,050
Camphill Foundation - Long Term	171,125	202,420
	<u>945,613</u>	<u>1,042,470</u>
Loans		
Repayable in one year or less, or on demand	347,373	413,359
Repayable between one and two years	179,960	180,102
Repayable between two and five years	269,940	270,153
Repayable in five years or more	495,713	592,215
	<u>1,292,986</u>	<u>1,455,829</u>

CAMP HILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

16. FIXED ASSET GRANTS

	<u>2013</u>	<u>2012</u>
	€	€
At 1st January 2013	23,884,853	23,716,312
Received during the year	546,871	168,541
At 31st December 2013	<u>24,431,724</u>	<u>23,884,853</u>

Included in the capital grants above are:

Capital Grants - Dormant Accounts Funds

At 1st January 2013	955,363	954,363
Received during the year	-	1,000
At 31st December 2013	<u>955,363</u>	<u>955,363</u>

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

17. CAPITAL ACCOUNT

	<u>2013</u>	<u>2012</u>
	€	€
At 1st January 2013	9,648,205	9,550,500
Donations received during the year	503,160	290,964
Transfer from Revenue Account - Depreciation (Note 5)	(196,036)	(193,259)
At 31st December 2013	<u>9,955,329</u>	<u>9,648,205</u>

CAMP HILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

18. CONTINGENT LIABILITIES

In early 2014, the Revenue commenced an investigation relating to the tax treatment of long-term and short-term co-workers within the communities. As of the date of signing the Financial Statements, the enquiries from the Revenue had not yet concluded. Having taken legal advice, the directors remain positive regarding the outcome of the investigation. However there is still some uncertainty regarding the final outcome of the matter and the possibility that the organisation will be subject to a liability remains. Furthermore, the potential liability cannot be quantified and therefore a possible material uncertainty exists.

Consequently, having made due enquiries and considering the material uncertainty noted, the directors continue to adopt the going concern basis of preparing the Financial Statements, which assumes that the company will continue in operational existence for the foreseeable future, which is twelve months from the date of signing the Financial Statements.

19. TRANSACTIONS WITH DIRECTORS

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

20. CAPITAL COMMITMENTS

In order to comply with the requirements of the Health Information and Quality Control (HIQA), the communities within Camphill have been subject to a number of ongoing inspections regarding the quality of fire regulations compliance within the organisation. In order to be fully compliant with HIQA standards, it is expected that the company will enter into a number of projects over a three year period. The costs of the projects are likely to exceed €1million in total. The directors are confident that the company has adequate resources to meet the costs as they are incurred.

CAMP HILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

21. RELATED PARTY DISCLOSURES

Ultimate control

There is no ultimate controlling party.

Related parties

BEOFS Limited

Callan Renewable Energy Supply Company Limited

Spectrum Heat Limited

Three Pellars Construction Company Limited

Relationship

Subsidiary undertaking

Subsidiary undertaking

Subsidiary undertaking

Subsidiary undertaking

Related party transactions

The following related party transactions were carried out with the above named companies:

	<u>2013</u>	<u>2012</u>
	€	€
BEOFS Limited		
Receipt of goods and services	65,000	65,000
Management Fee	<u>(50,000)</u>	<u>(50,000)</u>
Three Pellars Construction Company Limited		
Receipt of goods and services	<u>245,000</u>	<u>245,000</u>
Callan Renewable Energy Supply Company Limited		
Receipt of goods and services	<u>37,461</u>	<u>45,523</u>
Spectrum Heat Limited		
Receipt of goods and services	<u>33,500</u>	<u>38,000</u>
	<u>2013</u>	<u>2012</u>
	€	€
Amounts owing to the company at the year end:		
BEOFS Limited	50,000	50,000
Three Pellars Construction Company Limited	-	-
Callan Renewable Energy Supply Company Limited	181,248	181,248
Spectrum Heat Limited	-	-
	<u>231,248</u>	<u>231,248</u>

CAMP HILL COMMUNITIES OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

..... continued

22. ANALYSIS OF CHANGES IN NET FUNDS

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	4,812,469	(699,762)	4,112,707
Overdrafts	(351,761)	87,189	(264,572)
	<u>4,460,708</u>	<u>(612,573)</u>	<u>3,848,135</u>

23. RESERVE ACCOUNT

	<u>2013</u>	<u>2012</u>
	€	€
Opening Reserve Account	(5,213,657)	(2,105,275)
Surplus/(Deficit) for the year	2,332,964	(3,108,382)
Closing Reserve Account	<u>(2,880,693)</u>	<u>(5,213,657)</u>

24. LEGAL STATUS OF COMPANY

In accordance with Section 24 of the Companies Act 1963, the Company is exempt from including the word "Limited" in its name. The Company is limited by guarantee and has no share capital.

25. FINANCIAL STATEMENTS APPROVAL

The Financial Statements were approved by the Directors on 2nd September 2014 and signed on its behalf by

Director
Leo Veling (Chairman)

Director
Alan Flett

CAMPHILL COMMUNITIES OF IRELAND

DETAILED REVENUE STATEMENT

YEAR ENDED 31ST DECEMBER 2013

	<u>2013</u>		<u>2012</u>
	€	€	€
<u>INCOME</u>			
Capitation Grants		9,739,092	9,354,271
Other Capitation Fees		33,005	42,649
Bank Interest Received		32,305	28,847
Farm and Workshop Sales		120,092	134,014
Own Produce Consumed		354,341	305,417
Other Income		123,839	137,704
Shop Gross Profit		200,302	173,792
KCAT Funding		237,667	256,765
Participant Contributions		876,499	898,739
Other State Grants		939,548	905,820
		<u>12,656,690</u>	<u>12,238,018</u>
<u>EXPENSES</u>			
Furniture Crockery Hardware	231,031		208,427
Bedding and Clothing	57,448		78,154
Medical Expenses	162,415		181,287
Cleaning and Washing	88,146		88,424
Food	963,864		998,656
Community Expenses	1,420,415		1,476,635
Motor and Travel	736,380		771,195
Health and Safety	120,103		93,415
Heat and Light	750,758		788,112
Insurance	368,646		362,337
Office	164,725		148,105
Postage and Telephone	175,680		189,766
Rent and Rates	159,127		180,431
Bank Interest and Charges	79,944		85,912
Repairs and Renewals	910,601		827,332
Land Farm and Garden	246,173		295,552
Culture and Education	418,832		412,283
Workshops	106,722		95,389
Depreciation	196,036		193,259
Own Produce Consumed	354,341		305,417
Wages and Pensions	4,243,496		3,593,191
Audit Fees	58,935		58,380
Trust Contribution	513,000		404,000
Leaving Support	97,000		104,000
Legal Fees	52,944		-
		<u>12,676,762</u>	<u>11,939,659</u>
OPERATING (DEFICIT)SURPLUS FOR THE YEAR		<u>(20,072)</u>	<u>298,359</u>