



CORBENIC CAMPHILL COMMUNITY LIMITED

Scottish Charity No. SC015477

Company No. SC066657

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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Annual Report & Accounts



CORBENIC CAMPHILL COMMUNITY LIMITED

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**Reference and Administrative Details
For the Year ended 31 March 2019**

Company number: SC 066657

Charity number: SC 015477

Registered Office: Drumour Lodge, Trochry, Dunkeld, PH8 0DY

Auditors: James Anderson & Co, Pentland Estate, Straiton, Edinburgh, EH20 9QH.

Bankers: Royal Bank of Scotland

Solicitors: Anderson Beaton Lamond, 31 Kinnoull Street, Perth, PH1 5EN.

Company secretary: J Cursiter

Directors: The directors serving during the year and since the year-end were as follows:

J Carlson (Chair - appointed 12 December 2018)
U Ruprecht (Chair, until 12 December 2018)
R P Baker
S Beckett
B J Cox (resigned 24 April 2019)
J Cursiter (appointed 25 April 2018)
J Ferguson
S McCorquodale (appointed 26 June 2019)
G McKeown
Dr E Murphy
R G Tinto (appointed 26 June 2019)
G G C Venters (appointed 28 August 2019)

General Manager: C Pooler

**Report of the Directors
For the Year ended 31 March 2019**

The trustees who are also the directors present their annual report and financial statements of the charity for the year to 31 March 2019.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SoRP FRS102).

Objectives and Activities

Corbenic is a Camphill community, in which individuals with a variety of social, emotional, intellectual and learning disabilities live and work with others in healthy social relationships, based on mutual care and respect.

Out of this respect for the uniqueness of each human being, Corbenic strives to foster social and cultural well-being through mutual support and community building.

Corbenic promotes 'citizenship' for all those involved in its activities. We believe that development, participation, and the ability to contribute creates a healthy sense of belonging and purpose that promotes well-being.

We build on this philosophy to create a more diverse community based on three overriding themes with clarity. Our aim is to provide:

- A thriving and diverse community built on the Camphill ethos.
- Best practice Care and Support provision.
- A community based therapeutic social enterprise and day service provision

Achievements and Performance

Research commissioned by Camphill Scotland has demonstrated that the ethos of the Camphill movement is of great and lasting benefit to individuals with social, emotional, intellectual and learning disabilities.

Our mix of staff and international volunteer co-workers helps create a safe and caring environment which can be evidenced by the Care Inspectorate's reports over the past decade, most of which have given Good or Very Good grades.

The 40 residents that call Corbenic their home have enjoyed a varied and productive year, with many festivals and celebrations bringing our community together. We celebrated Corbenic's 40th birthday in June, with a 2-day event during which we showcased the many talents of the residents, staff and international volunteers through music, performance and, of course, wonderful cake.



**Report of the Directors
For the Year ended 31 March 2019**

Achievements and Performance (continued)

Our shop in Dunkeld is a vital and popular link with the local community, becoming the first wholefoods and plastic-free shop in town.

The vibrant life of the seven residential homes and ten workshops has flourished with the day services expanding from nine to sixteen places. The completion of our new Cabin gave this group a sense of place and a social space to gather, have lunch or rest after a busy day. We would like to thank the Camphill Foundation for their generous grant towards this project.

Our continuing professional development covered a broad range of subjects including Discovering Camphill, Health & Safety, Adult Support & Protection, and Makaton. Four of the leadership team undertook the six-day Leadership for Succession course delivered by Animate Consulting and Camphill Scotland, with the feedback being very positive.

A key priority for us has been the development a supportive structure where all stakeholders have a clear understanding of their roles and responsibilities and can have confidence in the future of Corbenic. For example, the new operational management team met monthly to discuss and decide on tasks and priorities, and the minutes of these meetings were shared with the whole community.

The 'Iona Project' was approved by the board in October and will provide the community with three additional ground floor bedrooms, which will help provide appropriate accommodation as the needs of our residents change in the future and help us reduce our waiting list. An old garage will be converted to a much-needed therapy room that will provide a home for the therapeutic work (speech, art, massage, adult education) and underlines the commitment of the community to these vital services. We will also gain a new guest room. The project is expected to be completed in Autumn-2019 and we are grateful to the Camphill Central Scotland Trust that contributed £60,000 and to individuals and organisations that gave over £100,000.

Corbenic has been visited by several politicians from across the political spectrum:

John Swinney, Deputy First Minister and Cabinet Secretary for Education and Skills, paid a visit to unveil the new Estate and Craft sculptural bench. Cultural funding was awarded by Perth and Kinross council and the relevant workshops got creatively busy. Pebbles from the Braan river were painted, wood from Corbenic was used for the seating and huge slabs of stone were erected and inlaid with the painted stones to reflect the course of the river that sustains our own and all local communities.

Mr Swinney said "*Corbenic Camphill Community is a Perthshire institution, which has enriched the lives of countless individuals for four decades. It is an organisation centred around faith, dignity and respect, which aims to nurture the individuality and talent of all those living within the community. I am delighted to be able to offer my support to such a worthwhile organisation and for the opportunity to view their Poetry Path, which has been receiving overwhelming positive reviews*".

Mark Ruskell MSP lodged a Motion in the Scottish Parliament about his visit to Camphill Corbenic: *That the Parliament recognises the work of the Corbenic Camphill Community, near Dunkeld, which has provided residential and day care for adults with complex and severe social, emotional, intellectual and learning disabilities since 1978; understands that it has grown into a community of approximately 120 people, 40 of whom are adults in need of special care, who live and work with each other in healthy social relationships based on mutual care and respect; commends the establishment of the Poetry Path, which has been created by those who live in or attend the Corbenic Community, and combines the work of poets who live and work in Scotland with an accessible path through the quiet corners and magical places in the Corbenic estate.*

The Board has been impressed by the work of the senior managers who have shown leadership and managed the Community with skill and enthusiasm.

We would also like to show our appreciation for work done by House Coordinators, Workshop Leaders, Senior Support Workers, and the volunteers who join the Community every year from across the globe.

Without all their hard work and dedication Corbenic could not function.

Corbenic's place in the provision of services in Scotland

Corbenic and its sister Camphill communities provide a vital service within the overall pattern of care for those with learning disabilities. The advent of Care in the Community in the 1980's led to the provision of many excellent services for those who are able to live independently with some measure of support.

However, there will always be a need for those individuals who are unable to live without a high level of residentially based support and need holistic residential and day-care services like ours. Corbenic is an essential part of the mix of provision for those with social, emotional, intellectual and learning disabilities in Scotland.

**Report of the Directors
For the Year ended 31 March 2019****Corbenic's place in the provision of services in Scotland (continued)**

The residential and day opportunities provided operates on an extended family basis, maintaining Corbenic as a community that upholds in each individual a sense of integrity, dignity and worth. Security, safety, stability, fulfilment and self-confidence come from this ethos as it is applied through daily workshops and social life; everyone contributes to the community and benefits accordingly.

Camphill communities have also found that catering for the spiritual dimension of life is important and Corbenic adopts the Christian framework to celebrate Christmas, Easter and other festivals which gives each year a familiar rhythm.

Financial Review

The financial statements follow on pages 11 to 23.

The charity had total incoming resources on its Operations Fund of £2,711,608 (2018: £2,526,666) and total expenditure of £2,653,267 (2018: £2,495,547), resulting in an operating surplus for the year of £58,341 (2018: £31,119). In addition, there was also income and expenditure on the designated and restricted funds as shown in the Statement of Financial Activities on page 11 with an analysis provided by the notes on pages 16 to 17.

Reserves policy

An analysis of Net Assets between Reserve Funds is disclosed in note 20 of the accounts. The restricted funds totalling £870,749 represents funds received for various building projects less depreciation.

The Capital Fund represents fixed assets which have been acquired using Operational Funds and so does not represent liquid reserves.

The directors wish to build up free reserves to a level which is sufficient to cover three months running costs. The current reserves amount to 6 weeks of annual expenditure and the charitable company will need to generate ongoing surpluses to maintain the required level.

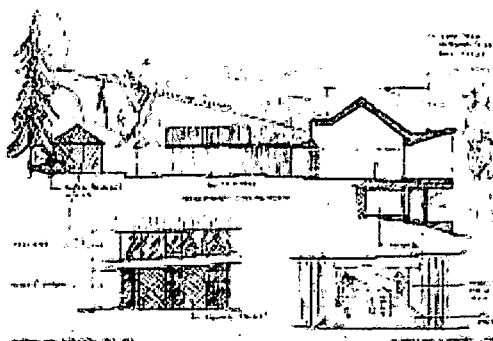
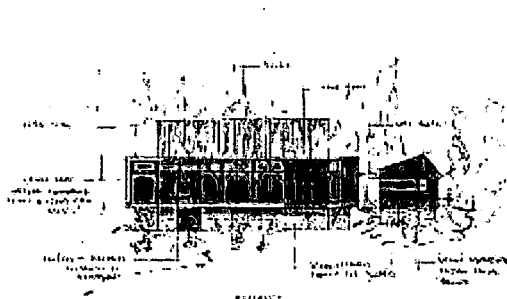
Plans for Future Periods

The efforts and developments of the last two years have provided a solid foundation from which we can plan for the future with confidence.

It has become clear that our expanding Community has outgrown the current hall and common rooms in Drumour Lodge. There is a clear need to develop a facility that will become the heartbeat of Corbenic, and plans have been drawn up for a new hall, associated buildings and outdoor performance area.

This will be a major capital development costing in the region of £2,700,000 and we have received a commitment to support this from our landlord, the Camphill Central Scotland Trust.

A design team has been appointed and this exciting project is in the concept phase, which is being done in such a way to ensure it is closely linked to the needs of the residents. We will need to cover a substantial part of the cost through fundraising.



**Report of the Directors
For the Year ended 31 March 2019****Fundraising**

Our expenditure budget is mostly covered by the fees we receive to care and support the residents from local authorities. It covers our day to day running costs, the rent for the Estate and maintenance etc., but not significant capital work, which either must be funded by our 'landlord', the Camphill Central Scotland Trust, or Corbenic - or joint-funded as was the case for our 'Iona' Project.

We are very grateful for the support given by individuals towards The Iona Project project, including Allan Hardie who raised over £1,000 by walking 74 miles along Hadrian's Wall. Furthermore, we are also very thankful for the trusts, foundations and businesses (those wishing anonymity and those listed below) which supported us, some making grants within the 2018/19 financial year; some making pledges for payment in 2019/20; and some making grants in 2019/20. We have listed all such donors here, regardless of year, so we can acknowledge everyone together. Adding in the £60,000 made available by Camphill Central Scotland Trust we raised over £162,000 towards the 'Iona' project.

The Albert Hunt Trust
The Alexander Moncur Trust
The Barrack Trust
The Boshier Hinton Trust
The Hermes Trust
The Hugh Fraser Foundation
The Beatrice Laing Trust
The McCorquodale Family Trust
The Robertson Trust
The Scott-Davidson Charitable Trust
The Screwfix Foundation
The SSE Community Trust (Griffin and Calliachar Community Fund)
The Walter Craig Charitable Trust

We will move on to raise funds for our Community Centre in the knowledge that we can build on this success.

Structure Governance and Management*Governing Document*

Corbenic Camphill Community Limited is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 20 December 1978. The liability of each member is limited to £1. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR). The Memorandum and Articles of Association are in the process of being updated.

Director induction and training

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

Organisation

The Board of Directors appoint the senior management team, carry out financial overview and is available to assist the staff on more complex issues. The general manager is responsible for placement of residents, the engagement and training of staff and the day to day running of the residential home and workshops. The Directors meet on average five occasions a year to receive reports from the senior management team and to carry out operational and financial reviews.

Key Management Remuneration Policy

The key management of the charity during the year consisted of the general manager, community development manager, house team leader and workshop team leader. Their salaries are set each year with regard to equivalent positions in similar organisations.

**Report of the Directors
For the Year ended 31 March 2019**

Structure Governance and Management Continued

Risk Management

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

1. The requirement to comply with legislation, regulations, standards & guidance for residential and day care of adults with additional support needs: The Board is in the process of reviewing the Community's organisational management structure, and in this is supported and led by an experienced management team and trustees. Internal quality audits and external inspections by regulatory bodies (eg Perth & Kinross Council, Care Inspectorate, Tayside Fire and Rescue) are also supporting this process.
2. Financial risks arising from lower than budgeted occupancy levels, inadequate financial controls and substantially increased staffing costs: The Board takes a strategic role for the financial planning of the charity and receives regular updates on the Community's financial position and is supported by professional advisers.

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

Funds held as Custodian Trustee on Behalf of Others

Corbenic operates 25 bank accounts on behalf of service users. These accounts are kept separate from funds held by Corbenic and controls monitored by the Care Inspectorate are in place to ensure the safe custody of these funds.

Statement of Directors Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

**Report of the Directors
For the Year ended 31 March 2019**

Statement of Disclosure of Information to Auditors

In the case of each of the persons who are directors at the time when the directors report is approved:

- so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, James Anderson & Co CA, will be proposed for reappointment in accordance with s485 of the Companies Act 2006.

By Order of the Board

A handwritten signature in black ink, appearing to read 'U Ruprecht', written over a horizontal line.

**U Ruprecht
Director**

11 December 2019

Opinion

We have audited the financial statements of Corbenic Camphill Community Limited for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 the ISAs (UK) require us to report to you where:

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime (and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report).

Responsibilities of trustees

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

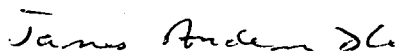
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Spalding (Senior Statutory Auditor)

For and on behalf of James Anderson & Co, Statutory Auditors, Pentland Estate, Straiton, EH20 9QH

James Anderson & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

16 December 2019

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Year ended 31 March 2019

	Notes	Unrestricted funds Operations Fund	Designated Funds	Restricted Funds	Total 2019	Total 2018
Income from:						
Donations						
- Donations	3	5,416	7,364	29,139	41,919	12,479
- Grants receivable	4	67,684	-	6,000	73,684	95,684
Charitable activities						
- Fees and allowances		2,515,022	-	-	2,515,022	2,352,871
- Sale of residents' work		-	29,739	-	29,739	16,335
Other trading activities						
- Shop income		75,693	-	-	75,693	49,310
Investment income	5	-	81	-	81	9
Other incoming resources						
- Recovery of expenses	6	47,793	-	-	47,793	56,801
Total Income		<u>2,711,608</u>	<u>37,184</u>	<u>35,139</u>	<u>2,783,931</u>	<u>2,583,489</u>
Expenditure on:						
Raising funds						
- Fundraising	8	-	-	5,691	5,691	-
- Shop expenses	9	133,319	-	-	133,319	76,193
Charitable activities						
- Costs of charitable activities	10	2,519,948	-	15,063	2,535,011	2,439,821
- Depreciation	14	-	29,655	80,184	109,839	126,891
Total expenditure		<u>2,653,267</u>	<u>29,655</u>	<u>100,938</u>	<u>2,783,860</u>	<u>2,642,905</u>
Net Income / (Expenditure)	11	58,341	7,529	(65,799)	71	(59,416)
Transfers between funds	19	(47,339)	(9,063)	56,402	-	-
Net Movement in Funds		11,002	(1,534)	(9,397)	71	(59,416)
Reconciliation of Funds						
Total funds brought forward		<u>4,989</u>	<u>466,945</u>	<u>880,146</u>	<u>1,352,080</u>	<u>1,411,496</u>
Total funds carried forward	19	<u>15,991</u>	<u>465,411</u>	<u>870,749</u>	<u>1,352,151</u>	<u>1,352,080</u>

The results set out in the income and expenditure account above derive wholly from the continuing operations of the charitable company.

Balance Sheet
As at 31 March 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	14	1,287,763	1,378,498
Current Assets			
Stock	15	21,493	10,711
Debtors	16	182,208	164,174
Cash at bank and in hand		273,725	245,895
		477,426	420,780
Creditors			
Amounts falling due within one year	17	199,079	182,477
Net Current Assets		278,347	238,303
Total Assets less Current Liabilities		1,566,110	1,616,801
Creditors			
Amounts falling due after one year	18	213,959	264,721
Net Assets		1,352,151	1,352,080
The funds of the charity :			
Operations fund	19	15,991	4,989
Designated funds	19	465,411	466,945
Total unrestricted funds		481,402	471,934
Restricted funds	19	870,749	880,146
Total Funds		1,352,151	1,352,080

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS102 SORP.

The financial statements on pages 11 to 23 were approved by and signed on behalf of the Board of Directors on 11 December 2019

U Ruprecht

Director

G Venters

Director

Statement of Cash Flows
For the Year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	114,537	48,252
Net cash provided by operating activities		<u>114,537</u>	<u>48,252</u>
Cash flows from investing activities			
Sale of tangible assets		17,300	300
Purchase of tangible fixed assets		(36,404)	(10,228)
Interest paid		(20,345)	(23,536)
Investment income and interest receivable		81	9
Net cash used for investing activities		<u>(39,368)</u>	<u>(33,455)</u>
Cash flows from financing activities			
Repayment of borrowing		(47,339)	(44,149)
Net cash used for financing activities		<u>(47,339)</u>	<u>(44,149)</u>
Net (decrease) in cash and cash equivalents		27,830	(29,352)
Cash and cash equivalents at 31 March 2018		245,895	275,247
Cash and cash equivalents at 31 March 2019		<u>273,725</u>	<u>245,895</u>

Note to Cash Flow Statement

1. Reconciliation of net income to net cash flow from operating activities

Net (expenditure)	71	(59,416)
Depreciation charges	109,839	126,891
Interest received	(81)	(9)
Interest paid	20,345	23,536
	<u>130,174</u>	<u>91,002</u>
(Increase) / decrease in stocks	(10,782)	(10,711)
(Increase) / decrease in debtors	(18,034)	(63,702)
Increase in creditors	13,179	31,663
Net cash provided by operating activities	<u>114,537</u>	<u>48,252</u>

**Notes to the Financial Statements
For the Year ended 31 March 2019**

1. Statutory information

Corbenic Camphill Community Limited is a private company, limited by guarantee with charitable status and registered in Scotland. The company's registration number and registered office address can be found on the Reference and Administrative Details page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SoRP FRS102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Corbenic Camphill Community Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Donated services

In accordance with the Charities SoRP (FRS102) general volunteer time is not recognised in the accounts. Information regarding the contribution of volunteers is provided in the Report of the Directors and in note 12.

Income

Income is attributable to the one continuing activity, which is the provision of residential care and therapeutic workshops for adults with learning difficulties.

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

The charity receives fees for the provision of residential and day support services. Fee income is recognised when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Donations and grants are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

Income from the shop is recognised at the time of the sale and is measured at the fair value of the consideration received.

**Notes to the Financial Statements
For the Year ended 31 March 2019**

2. Accounting policies continued

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. This includes termination payments.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

The support of fundraising activities is minimal and so all support costs have been allocated to expenditure on charitable activities.

Fund accounting

Unrestricted funds can be used on any activity within the charitable objectives of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to use for a specific purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is in note 19 to the financial statements.

Tangible fixed assets and depreciation

Expenditure is capitalised as a fixed asset where it represents either a new asset or an enhancement to an existing asset. Depreciation is provided at the following annual rates and charged to either the designated Capital Fund or the appropriate restricted fund in order to write off each asset over its expected useful life less estimated residual value.

Tenant's improvements	10% straight line
Tenant's improvements (new house)	Over the remaining term of the lease which expires in 2037
Furniture & equipment	10% straight line
Motor vehicles	25% reducing balance

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash in bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Pensions

The company operates a defined contribution scheme. Contributions are charged to the Income and Expenditure Account in the year they arise.

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

2. Accounting policies continued

Taxation

No provision for corporation tax is necessary as the company has charitable status and does not trade. The company suffers input VAT on some of its expenditure which it does not recover.

Operating leases

Rentals payable under operating leases are charged to expenditure on a straight line basis over the period of the lease.

3. Donations	2019	2018
	£	£
Operations Fund (unrestricted)	5,416	-
General Fund (designated)	7,364	12,479
Iona Project Fund (restricted)	29,139	-
Total donations receivable	<u>41,919</u>	<u>12,479</u>
4. Grants receivable		
Operations Fund		
Camphill Central Scotland Trust	67,684	67,684
Befriending Project (restricted)		
Gannochy Trust	6,000	8,000
Farm and Estate Fund (restricted)		
Camphill Foundation	-	20,000
Total grants receivable	<u>73,684</u>	<u>95,684</u>
5. Investment income		
Bank interest	<u>81</u>	<u>9</u>
6. Recovery of expenses		
Accommodation and vehicle expenses	<u>47,793</u>	<u>56,801</u>
7. Staff costs		
Co-worker costs	129,512	127,658
Salaries and national insurance	1,184,033	1,150,746
Pension contributions	62,063	59,285
Camphill Central Scotland Social Fund	3,000	3,000
Staff training & travel	35,884	38,781
Recruitment	519	4,254
	<u>1,415,011</u>	<u>1,383,724</u>
Allocated as follows:		
Shop expenses (note 8)	66,450	30,044
Charitable activities – Operations Fund (note 9)	1,334,905	1,340,402
Charitable activities – Befriending Project (note 9)	<u>13,656</u>	<u>13,278</u>

Notes to the Financial Statements
For the Year Ended 31 March 2019

	2019 £	2018 £
8. Fundraising expenses		
Iona Project Fund (<i>restricted</i>)		
Professional fees	5,691	-
9. Shop expenses		
Purchases	50,054	19,072
Staff costs (note 7)	66,450	30,044
Rent, rates and insurance	12,600	14,066
Heat and light	651	1,109
Property and equipment costs	40	7,990
Telephone	61	986
Bank charges	3,463	638
Miscellaneous	-	2,288
	<u>133,319</u>	<u>76,193</u>
10. Expenditure on charitable activities		
<i>Operations Fund</i>		
Staff costs (note 7)	1,334,905	1,340,402
Food	181,076	172,913
Household expenses	71,930	68,852
Residents' expenses	3,931	4,777
Medical and therapy	23,240	24,940
Cultural and education	12,829	7,627
Workshop expenses	70,544	62,125
Rent	274,995	268,200
Rates and water	10,329	10,032
Insurance	36,517	28,467
Heat and light	111,428	91,248
Property repairs	164,039	125,040
Furniture and fittings	20,957	20,720
Garden and estate expenses	15,832	20,914
Motor expenses	53,773	36,446
Telephone	25,101	17,689
Stationery, printing and postage	6,654	6,804
Office equipment	7,421	9,139
Registration fees	7,136	7,117
Professional fees	15,534	16,253
Honorarium	2,917	-
Camphill contributions	14,796	15,251
Subscriptions and donations	4,470	2,362
Miscellaneous	6,390	20,817
Loan interest and fees	20,345	23,536
Bank charges	5,899	4,523
Accounting and secretarial services	8,200	6,000
Audit fee	8,760	8,160
	<u>2,519,948</u>	<u>2,419,354</u>
<i>General Fund (designated)</i>		
Maintenance	-	5,780
<i>Befriending Project (restricted)</i>		
Staff costs (note 7)	13,656	13,278
Volunteer expenses	1,407	1,409
	<u>15,063</u>	<u>14,687</u>
Total expenditure on charitable activities	<u>2,535,011</u>	<u>2,439,821</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

	2019 £	2018 £
11. Net income / (expenditure)		
The deficit is stated after charging:		
Depreciation – designated capital fund	29,655	47,703
Depreciation – restricted funds	80,184	79,188
Audit fee	8,760	8,160

12. Staff costs

Wages & salaries	1,090,932	1,061,012
Social security costs	93,101	89,734
Pension costs	62,063	59,285
	<u>1,246,096</u>	<u>1,210,031</u>

The average weekly number of employees during the year was:

	Number	Number
Administration	12	10
House co-ordinators & relief workers	20	20
Workshop	15	13
	<u>47</u>	<u>43</u>
Co-workers	33	33
	<u>80</u>	<u>76</u>

No staff member is remunerated at a level in excess of £60,000. Pension contributions are made in respect of 46 (2018: 42) members of staff.

The key management personnel of the charity comprise the general manager, community development manager, deputy manager, house team leader and workshop team leader. Their total employee benefits were £189,100 (2018: £196,306).

The charity made termination payments during the year of £Nil (2018: £20,663). The balance due at 31 March 2019 was £Nil (2018: £Nil).

In addition to salaried members of staff Corbenic attracts volunteer workers from all over the world who provide friendship and care to residents. These volunteers, who are known as Co-workers, live at Corbenic and help foster a strong & distinctive community spirit. Allowances paid to Co-workers are shown in note 7.

13. Pension costs

The charitable company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £62,063 (2018: £59,285).

Notes to the Financial Statements
For the Year Ended 31 March 2019

14. Tangible fixed assets

	Tenant's improvements £	Furniture & equipment £	Motor vehicles £	Total £
Cost				
As 31 March 2018	1,575,180	218,103	143,580	1,936,863
Additions	36,404	-	-	36,404
Disposals	-	-	(55,856)	(55,856)
As at 31 March 2019	1,611,584	218,103	87,724	1,917,411
Depreciation				
As at 31 March 2018	346,695	113,043	98,627	558,365
Charge for year	83,611	18,481	7,747	109,839
Written back on disposals	-	-	(38,556)	(38,556)
As at 31 March 2019	430,306	131,524	67,818	629,648
Net book value				
At 31 March 2019	1,181,278	86,579	19,906	1,287,763
At 31 March 2018	1,228,485	105,060	44,953	1,378,498
			2019 £	2018 £
Depreciation charged to designated fund	- capital fund		29,655	47,703
Depreciation charged to restricted funds	- farm and estate fund		3,721	1,289
	- laundry fund		117	904
	- new house fund		67,091	67,091
	- property fund		396	394
	- vehicle fund		1,973	2,630
	- workshop fund		6,886	6,880
			<u>109,839</u>	<u>126,891</u>
15. Stock				
Shop stock			21,493	10,711
16. Debtors				
Fees receivable			163,100	137,783
Grants receivable			-	20,000
Other debtors			17,646	2,904
Prepayment			1,462	3,487
			<u>182,208</u>	<u>164,174</u>

Notes to the Financial Statements
For The Year Ended 31 March 2019

	2019 £	2018 £
17. Creditors due within one year		
Trade creditors	62,574	76,970
Accruals	59,911	31,766
Other taxation and social security	25,832	26,402
SIS loan (note 18)	50,762	47,339
	<u>199,079</u>	<u>182,477</u>
18. Creditors due after one year		
SIS loan	<u>213,959</u>	<u>264,721</u>

The loan is from Social Investment Scotland and is secured by a floating charge over the assets of the company. A further security over the heritable property at Corbenic and a guarantee have been provided by the company's landlord Camphill Central Scotland Trust. The loan is repayable in monthly instalments at a fixed interest rate of 7% as follows:

Within one year	50,762	47,339
Between one and two years	54,431	50,762
Between two and five years	159,528	175,382
After five years	-	38,577
	<u>264,721</u>	<u>312,060</u>

19. Statement of funds

	As at 31 March 2018 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2019 £
<i>Current Year</i>					
Operations fund	4,989	2,711,608	(2,653,267)	(47,339)	15,991
Designated Funds					
Asset Replacement Fund	14,072	-	-	4,774	18,846
Capital Fund	206,350	-	(29,655)	(4,774)	171,921
General Fund	246,523	37,184	-	(9,063)	274,644
Total unrestricted funds	<u>471,934</u>	<u>2,748,792</u>	<u>(2,682,922)</u>	<u>(56,402)</u>	<u>481,402</u>
Restricted Funds					
Befriending Project Fund	-	6,000	(15,063)	9,063	-
Farm and Estate Fund	21,227	-	(3,721)	-	17,506
Iona Project Fund	-	29,139	(5,691)	-	23,448
Laundry Fund	175	-	(117)	-	58
New House Fund	840,504	-	(67,091)	47,339	820,752
Property Fund	396	-	(396)	-	-
Vehicle Fund	7,890	-	(1,973)	-	5,917
Workshop Fund	9,954	-	(6,886)	-	3,068
Total restricted funds	<u>880,146</u>	<u>35,139</u>	<u>(100,938)</u>	<u>56,402</u>	<u>870,749</u>
Total funds	<u>1,352,080</u>	<u>2,783,931</u>	<u>(2,783,860)</u>	<u>-</u>	<u>1,352,151</u>

Notes to the Financial Statements
For The Year Ended 31 March 2019

19. Statement of funds continued

	As at 31 March 2017 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2018 £
<i>Previous Year</i>					
Operations fund	17,019	2,526,666	(2,495,547)	(43,149)	4,989
Designated Funds					
Asset Replacement Fund	-	-	-	14,072	14,072
Capital Fund	244,125	-	(47,703)	9,928	206,350
General Fund	255,167	28,823	(5,780)	(31,687)	246,523
Total unrestricted funds	516,311	2,555,489	(2,549,030)	(50,836)	471,934
Restricted Funds					
Befriending Project Fund	-	8,000	(14,687)	6,687	-
Farm and Estate Fund	2,516	20,000	(1,289)	-	21,227
Laundry Fund	1,079	-	(904)	-	175
New House Fund	863,446	-	(67,091)	44,149	840,504
Property Fund	790	-	(394)	-	396
Vehicle Fund	10,520	-	(2,630)	-	7,890
Workshop Fund	16,834	-	(6,880)	-	9,954
Total restricted funds	895,185	28,000	(93,875)	50,836	880,146
Total funds	1,411,496	2,583,489	(2,642,905)	-	1,352,080

The **Operations fund** represents the unrestricted funds which the charitable company is free to use in accordance with its charitable objectives.

The **Designated funds** are unrestricted funds set aside by the directors for particular purposes of the charity:

- Asset Replacement Fund represents funds set aside for the future purchase of fixed assets
- Capital Fund represents expenditure on the tangible fixed assets less depreciation charged.
- General Fund represents donations received together with workshop income less expenditure not normally met out of fee income.

The **Restricted funds** have been received to fund individual projects specified by the funders:

- Befriending Project represents grants received less project expenses incurred. A transfer is made from the General Fund to cover any shortfall.
- Community Hub fund represents grants and donations received towards the cost of constructing a new hub for the community, including initial fees incurred.
- Farm and Estate fund represents grants received towards the purchase of farm and estate equipment and part of the expenditure on a riding arena. The depreciation on these items is allocated between this fund and the Capital Fund.
- Iona Project Fund represents grants and donations received towards the cost of providing additional residential accommodation less depreciation charged.
- Laundry Fund represents grants and expenditures for renovating the laundry less depreciation charged.
- New House Fund represents grants and donations received towards the cost of building a new residential house less depreciation charged. The fund transfer represents loan repayments by the Operations Fund.
- Property Fund represents grants received for property improvements less depreciation charged.
- Vehicle Fund represents a donation towards the cost of vehicles purchased less depreciation charged.
- Workshop Fund represents grants towards the costs of redeveloping the workshop and bunkhouse accommodation less depreciation charged.

Notes to the Financial Statements
For The Year Ended 31 March 2019

20. Analysis of net assets between funds

<i>Current Year</i>	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Operations fund	-	15,991	-	15,991
Designated funds				
Asset replacement Fund	-	18,846	-	18,846
Capital Fund	171,921	-	-	171,921
General Fund	-	274,644	-	274,644
Total unrestricted funds	<u>171,921</u>	<u>309,481</u>	<u>-</u>	<u>481,402</u>
Community Hub Fund	2,970	(2,970)	-	-
Farm and Estate Fund	17,506	-	-	17,506
Iona Project Fund	908	22,540	-	23,448
Laundry Fund	-	58	-	58
New House Fund	1,085,473	(50,762)	(213,959)	820,752
Vehicle Fund	5,917	-	-	5,917
Workshop Fund	3,068	-	-	3,068
Restricted funds	<u>1,115,842</u>	<u>(31,134)</u>	<u>(213,959)</u>	<u>870,749</u>
Total	<u>1,287,763</u>	<u>278,347</u>	<u>(213,959)</u>	<u>1,352,151</u>

<i>Previous Year</i>	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Operations fund	-	4,989	-	4,989
Designated funds				
Asset replacement fund	-	14,072	-	14,072
Capital fund	206,350	-	-	206,350
General fund	-	246,523	-	246,523
Total unrestricted funds	<u>206,350</u>	<u>265,584</u>	<u>-</u>	<u>471,934</u>
Farm and Estate Fund	1,227	20,000	-	21,227
Laundry Fund	117	58	-	175
New House Fund	1,152,564	(47,339)	(264,721)	840,504
Property Fund	396	-	-	396
Vehicle Fund	7,890	-	-	7,890
Workshop Fund	9,954	-	-	9,954
Restricted funds	<u>1,172,148</u>	<u>(27,281)</u>	<u>(264,721)</u>	<u>880,146</u>
Total	<u>1,378,498</u>	<u>238,303</u>	<u>(264,721)</u>	<u>1,352,080</u>

**Notes to the Financial Statements
For The Year Ended 31 March 2019**

21. Related parties

No directors received any reimbursement of expenses during the year.

During the year the company paid an honorarium of £2,917 (2018: £Nil) to its new chair Jeannie Carlson in accordance with an agreement dated 12 December 2018. This payment is permitted by the company's Articles. The amount outstanding at 31 March 2019 was £2,917 (2018: £Nil).

During the year the charitable company paid fees of £Nil (2018: £6,048) on a normal commercial basis to Robin Baker Architects, a business owned by director Robin Baker. The amount outstanding at 31 March 2019 was £Nil (2018: £Nil).

During the year the company paid total employee benefits of £58,718 (2018: £53,350) to its employee Colum Pooler who is the son-in-law of director Simon Beckett. This salary is paid at the normal rate for his position within the charitable company.

During the year the company paid total employee benefits of £17,894 (2018: £4,276) to its employee Vicky Pooler who is the daughter of director Simon Beckett. This salary is paid at the normal rate for her position within the charitable company. Prior to becoming an employee she received £Nil (2018: £2,256) for services provided on a self employed basis at the normal commercial rate.

22. Other financial commitments

The total minimum future lease payments under non-cancellable operating leases are as follows:

	Property 2019 £	2018 £	Other 2019 £	2018 £
Within one year	278,580	271,800	15,516	15,516
In the second to fifth years inclusive	1,114,320	1,087,200	-	15,516
After five years	3,714,400	3,895,800	-	-
	<u>5,107,300</u>	<u>5,254,800</u>	<u>15,516</u>	<u>31,032</u>

The property is leased from Camphill Central Scotland Trust until 9 July 2037.