

CAMPBILL CENTRAL SCOTLAND TRUST LIMITED

Scottish Charity No. SC021689

Company No. SC145366

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**



**Report of the Directors
For the Year ended 31 July 2016****Reference and Administrative Details**

Directors:	W A Nicol – Chairman G Bell J Carson J Glass S Gray (resigned 8 th November 2016) I Lamond D Nicholson U Ruprecht
Company number:	SC145366
Charity number:	SC021689
Registered Office:	Ochil Tower School 140 High Street Auchterarder PH3 1AD
Principal office:	Ochil Tower School 140 High Street Auchterarder PH3 1AD
Auditors:	James Anderson & Co Pentland Estate Straiton Edinburgh EH20 9QH
Bankers:	Svenska Handelsbanken AB
Solicitors:	Anderson Beaton Lamond 31 Kinnoull Street Perth PH1 5EN

**Report of the Directors
For the Year ended 31 July 2016**

The trustees who are also the directors present their annual report and financial statements of the charity for the year to 31 July 2016. 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 for Smaller Entities (effective January 2015).

Objectives and Activities

The purpose of the charity is the acquisition, management and development of property in support of schools and residential centres that operate in accordance with the principles of the late Dr Rudolf Steiner, as carried out by the Camphill movement, in providing for people with special needs, in order to equip them to find a place in the social order. The charity currently owns the properties from which Camphill (Blair Drummond) Trust Limited, Corbenic Camphill Community Limited and Ochil Tower School Limited operate and receives rental income from each of these three charitable organisations. Representatives from each organisation sit on the board of Camphill Central Scotland Trust Limited together with independent directors. The charity works with each organisation to maintain, improve and develop the property from which it operates. As part of this work the charity provides grants to assist the tenant communities with repairs and other financing needs.

Achievements and Performance

The continuing support and development of the three Central Scotland Camphill communities continued to be CCST's main focus in the year to 31st July 2016.

At Camphill Blair Drummond CCST assisted the completion of the Clockhouse, Biomass boiler and District Heating projects. The heating projects are important for the development of Blair Drummond by providing an affordable and stable heating system for a range of buildings. Dry Rot was discovered in the main building during the period and due to CCST's foresight the damage and subsequent repair work was mainly covered by an insurance CCST had taken out after previous remedial work.

At Corbenic new co-worker accommodation was completed and extensions and repairs carried out to the estate road network with CCST assistance.

At Ochil Tower School CCST continued to support the development process for a new School building and planning for a new Activity Centre in the grounds.

Programme related investment

Additions in the year represented funding provided to Camphill (Blair Drummond) Trust Limited to improve existing accommodation and install a major new heating system and to Corbenic Camphill Community Limited to assist with the provision of additional co-worker accommodation.

Financial Review

The financial statements follow on pages 7 to 16.

Rental income increased by 27% to £856,927 (2015 - £672,976), reflecting substantial recent investment by CCST in its properties, and revenue expenditure continued to be kept under tight control. There was a surplus for the year of £162,867 (2015 - £456,329) after providing for grants to be paid in future years of £490,709 as prescribed by the new SoRP (FRSSE) – note 6 on page 11 provides further detail. Without this accrual the surplus would have been £653,576. The surplus will facilitate the repayment of borrowings and increase the scope to support future developments. Total bank borrowings fell slightly during the year from £2,782,916 to £2,777,918. The directors closely monitor the company's level of borrowings and its ability to meet its covenants and service its debts and believe that current levels of debt are appropriate in a low interest rate environment and relative to the level of rental income and overall value of its properties.

Reserves policy

The charity had no free reserves at 31st July 2016, the reserves being substantially represented by fixed assets and the programme related investment. The directors aim to retain sufficient revenue surplus each year to service bank and other loans.

**Report of the Directors
For the Year ended 31 July 2016 continued****Plans for Future Periods***Camphill (Blair Drummond) Trust Limited*

Planning is under way for an Activity Centre, the next phase of Blair Drummond's development programme. CCST will be supporting this and other Blair Drummond projects in the future with both practical advice and finance. Further to our Dry Rot experience at CBD and the subsequent withdrawal of cover by our insurers. CCST has taken the advice of our Brokers and embarked on a process of self-insuring for Rot and Infestation given the number of older properties in our portfolio. A sum will be designated annually as a reserve in future years.

Corbenic Camphill Community Limited

Corbenic's communal facilities are no longer able to cope with the number of residents and co-workers when a community event is held. There is an urgent need for CCST in partnership with others to assist in the creation of a new community space at Corbenic.

Following pressure from placing authorities, the Community is planning to vacate its current office accommodation attached to the main house to make way for new resident accommodation. The Reception and back office functions will be temporarily housed in a workshop type building conveniently placed next to the main driveway into the estate.

Corbenic urgently needs to consider the creation of a new Community Hall and associated administration buildings to cope with the very welcome increase of residents and staff since the opening of the new houses at Fingal and Ossian. A site has been identified which lies in the heart of the community and the consultation and planning process is getting under way.

Ochil Tower School Limited

Ochil Tower is in the middle of an ongoing consultation and planning process to create a new School Building and bring further insight to the development of the Ochil Tower site. Camphill Architects have been awarded the contract to design and oversee the new building.

Reference and Administrative Details

The information relating to Camphill Central Scotland Trust Limited is contained on page 1. The directors who served during the accounting year and to the date of this report are listed.

Structure Governance and Management*Governing Document*

Camphill Central Scotland Trust Limited is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 9 July 1993. The liability of each member is limited to £1. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

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. All directors are reappointed each year at the Annual General Meeting.

Organisation

The board of directors administers the charity and meets on average three occasions a year.

Key management personnel remuneration

The Directors consider that they comprise the Key Management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day to day basis. Directors are required to disclose all relevant interests and in accordance with charity policy, withdraw from decisions where a conflict of interest arises. All directors give of their time freely and no director received remuneration during the year for services as a director.

Detail of related party transactions and expense payments are disclosed in note 20 on page 16.

**Report of the Directors
For the Year ended 31 July 2016 continued****Risk Management**

The directors regard the main risks facing the charity as being a substantial reduction in property values, a substantial rise in interest rates and one or more of the three communities suffering financial difficulties. The directors therefore closely monitor levels of borrowing and maintain a close working relationship with the charity's bankers and with each of the communities. The directors regularly review all of the risks to which the charity is exposed and the procedures in place to manage these risks.

Directors' Responsibilities Statement

The charity trustees (who are also the directors of Campbill Central Scotland Trust Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SoRP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this Report of the Directors confirm that:

- so far as they are 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
- they have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

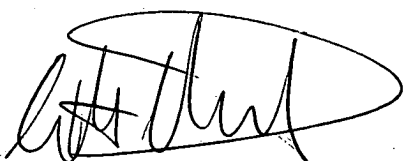
Auditors

A resolution will be proposed at the Annual General Meeting that James Anderson & Co be appointed auditors for the ensuing year.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Board of Trustees

W Nicol
Director



24 April 2017

We have audited the financial statements of Campbill Central Scotland Trust Limited for the year ended 31 July 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 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 (applicable to smaller entities); 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 (as amended).

Opinion (Continued)...

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared 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 following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, 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 exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report).

James Anderson & Co

Mark Ferguson (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.

24 April 2017

Statement of financial activities
(Incorporating Income & Expenditure Account)
For the year ended 31 July 2016

	Notes	Unrestricted funds General fund £	Designated funds £	2016 Total funds £	2015 Total funds £
Income from:					
Donations	3	-	20,000	20,000	-
Charitable activities	4	856,927	-	856,927	672,976
Investments	5	320	-	320	691
Total income		857,247	20,000	877,247	673,667
Expenditure on:					
Charitable activities	6	714,380	-	714,380	217,338
Total expenditure		714,380	-	714,380	217,338
Net income	7	142,867	20,000	162,867	456,329
Reconciliation of funds:					
Balances 31 July 2015		3,549,995	1,530,099	5,080,094	4,623,765
Balances 31 July 2016	15	3,692,862	1,550,099	5,242,961	5,080,094

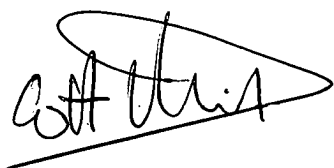
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

Balance Sheet
As at 31 July 2016

	Notes	2016 £	2015 £
Fixed assets:			
Tangible assets	8	6,306,101	6,213,064
Programme related investment	9	3,274,950	2,174,950
Total fixed assets		9,581,051	8,388,014
Current assets:			
Debtors	10	3,302	-
Cash at bank and in hand		50,373	470,259
Total current assets		53,675	470,259
Liabilities:			
Creditors: Amounts falling due within one year	11	945,822	696,929
Net current (liabilities)		(892,147)	(226,670)
Total assets less current liabilities		8,688,904	8,161,344
Creditors: Amounts falling due after more than one year	12	3,445,943	3,081,250
Total net assets		5,242,961	5,080,094
The funds of the charity:			
General fund	15	3,692,862	3,549,995
Designated funds	15	1,550,099	1,530,099
Total charity funds		5,242,961	5,080,094

The financial statements on pages 7 to 16 have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and were approved by and signed on behalf of the Board of Directors on 24 April 2017.

W Nicol
Director



U Reprecht
Director



**Notes to the Financial Statements
For the Year ended 31 July 2016**

1. Accounting policies

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

a) Basis of accounting

The financial statements are 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 for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant policy note.

b) Income

Income is attributable to one charitable activity which is the acquisition, management and development of property in support of schools and residential centres that provide people with special needs in order to equip them to find a place in the social order. All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds.

The charity's income consists of rents receivable from the charities which occupy its properties. Rental income is recognised over the term of the lease. Income received in advance is deferred until the criteria for income recognition are met.

c) Expenditure

Expenditure is attributable to one charitable activity and includes the cost of operating and maintaining the properties together with other activities undertaken to further the purposes of the charity and their associated support costs.

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. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where cost cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged as part of the cost for which the expenditure was incurred.

d) Fund accounting

Unrestricted funds can be used on any activity within the charitable objectives of the charity. Further explanation of the nature and purpose of each fund is set out at note 15 to the financial statements on page 15.

Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside for specific purposes.

e) Tangible fixed assets and depreciation

The company's fixed assets consist entirely of properties held for its charitable purposes. Expenditure on property is capitalised as a fixed asset where it represents either a new asset or an enhancement to an existing asset. Depreciation is calculated to write off the cost of the tangible fixed assets less their estimated residual value over their estimated useful lives of 50 years. Any revaluation increase or decrease is credited to the revaluation reserve.

Notes to the Financial Statements continued
For the Year ended 31 July 2016

f) Programme related investment

The programme related investment is stated at cost less provision for any permanent diminution in value. It is subject to an annual impairment review and any reduction in value is recognised in the Statement of Financial Activities in the year in which the impairment arises. The investment is made to further the objectives of the charity and not to obtain a financial return.

g) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of loans which are subsequently measured at amortised cost using the effective interest method.

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

i) Bank and cash

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Andrew Salvesen Charitable Trust loan

The Andrew Salvesen Charitable Trust loan is being written down as a donation in equal annual amounts of £20,000 over a 25 year period, in accordance with the terms of the loan.

l) 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.

m) Going concern status

The accounts are prepared on a going concern basis; the company operates well within its banking covenants and has the ability to meet its liabilities as they fall due.

2. Legal status

Camphill Central Scotland Trust Limited is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 9 July 1993. The liability of each member is limited to £1. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

Notes to the Financial Statements continued
For the Year ended 31 July 2016

3. Donations	2016	2015
	£	£
Loan amortisation (note 12)	20,000	-
4. Income from charitable activities		
Rents receivable		
Camphill (Blair Drummond) Limited	317,100	248,600
Corbenic Camphill Community Limited	261,760	174,576
Ochil Tower School Limited	278,067	249,800
	856,927	672,976
The company's income consists of one activity, being rents receivable from the charities which occupy its properties. These rents are exempt supplies for VAT purposes.		
5. Income from investments		
Bank interest receivable	320	691
6. Expenditure on charitable activities		
Insurance	421	7,103
Grants for capital expenditure	-	4,790
Grants for maintenance costs	20,141	23,703
Grants for finance costs	558,393	58,655
Professional fees	18,000	360
Legal fees	-	10,618
Bank overdraft interest	44	253
Bank charges	2,352	4,692
Loan interest	6,799	6,137
Bank loan interest	98,661	91,653
Annual return filing fee	13	-
Auditor's remuneration	3,858	3,312
Indemnity insurance	1,445	1,441
Accountancy	4,000	3,920
Directors' travel	253	701
	714,380	217,338

The grant payments included above were made to Camphill (Blair Drummond) Trust Limited and Corbenic Camphill Community Limited to help finance the costs of various building and maintenance projects. The finance grants represent grants made to Corbenic in the current year of £67,684 and, as prescribed by the new SORP (FRSSE) the commitment to pay further grants to Corbenic of £490,709 over the next seven years. These commitments will be funded from unrestricted income and will cease on 31 October 2023, being the scheduled final loan repayment date.

Notes to the Financial Statements continued
For the Year ended 31 July 2016

	2016 £	2015 £
7. Operating surplus (net income)		
Net income is stated after charging:		
Auditor's remuneration		
- statutory audit	3,498	3,312
- other services	360	-
Directors' travel	253	701

The charity has no paid employees.

8. Tangible fixed assets	Land & buildings £
Cost	
At 31 July 2015	6,213,064
Additions	93,037
At 31 July 2016	6,306,101
Net book value	
At 31 July 2016	6,306,101
At 31 July 2015	6,213,064

Valuation of property

The charity's land and buildings were valued on a market value (investment) basis at £9,550,000 in February 2016 by DM Hall, Chartered Surveyors. The historical cost of the land and buildings is £6,306,101 (2015 - £6,213,064).

Standard securities

Two standard securities (see note 13) have been granted over the company's land and buildings as follows:

Charge 1 – a series of standard securities to secure all sums due or becoming due in favour of Svenska Handelsbanken AB.

Charge 2 – a security over part of the Camphill Blair Drummond estate to secure the balance of the Andrew Salvesen Charitable Trust loan.

9. Programme related investment	£
At 31 July 2015	2,174,950
Additions	1,100,000
At 31 July 2016	3,274,950

The programme related investment represents funding provided to Camphill (Blair Drummond) Trust Limited and Corbenic Camphill Community Limited to assist with the costs of various building projects.

Notes to the Financial Statements continued
For the Year ended 31 July 2016

	2016 £	2015 £
10. Debtors		
Prepayments	3,302	-
11. Liabilities	2016 £	2015 £
Creditors: Amounts falling due within one year		
Accruals for grants payable (note 6)	67,684	-
Creditors and accruals	187,258	70,996
Deferred income (note 14)	205,880	174,267
Camphill loans (below)	250,000	250,000
Bank loans (note 13)	215,000	201,666
Andrew Salvesen Charitable Trust loan (note 13)	20,000	-
	945,822	696,929

The Camphill loans were advanced on the following terms:

Loan amount	Interest rate	Repayment date
£71,000	1.5%	Three months' notice
£29,000	1.5%	Three months' notice
£100,000	1.5%	No fixed repayment date
£50,000	3.5%	No fixed repayment date

All of the above loans are unsecured.

	2016 £	2015 £
12. Liabilities		
Creditors: Amounts falling due after more than one year		
Accruals for grants payable (note 6)	423,025	-
Bank loans - falling due in less than five years (note 13)	860,002	806,668
Bank loans - falling due in more than five years (note 13)	1,702,916	1,774,582
Andrew Salvesen Charitable Trust loan - falling due in more than five years (note 13)	460,000	500,000
	3,445,943	3,081,250

Notes to the Financial Statements continued
For the Year ended 31 July 2016

13. Secured borrowings

The bank loans of £2,777,918 (2015 – £2,782,916) from Svenska Handelsbanken AB are secured by a series of standard securities over the company's heritable properties and by a bond and floating charge over the assets of the company. The remaining balance on the loan advanced from the Andrew Salvesen Charitable Trust of £480,000 is secured by a standard security over part of the Camphill Blair Drummond estate.

14. Deferred income

	2016 £	2015 £
Deferred income comprises of rents received in advance.		
Balance at 31 July 2015	174,267	162,667
Released to income from charitable activities	311,400	261,400
Amount deferred in the year	(279,787)	(249,800)
	<u>205,880</u>	<u>174,267</u>
Balance at 31 July 2016 (note 11)		

15. Summary of movements in funds

	Balances 31 July 2015 £	Income £	Expenditure £	Balances 31 July 2016 £
General fund	3,549,995	857,247	(714,380)	3,692,862
Designated funds				
Capital fund	1,530,099	-	-	1,530,099
Property reserve	-	20,000	-	20,000
	<u>1,530,099</u>	<u>20,000</u>	<u>-</u>	<u>1,550,099</u>
Total unrestricted funds	5,080,094	877,247	(714,380)	5,242,961
Total charity funds	<u>5,080,094</u>	<u>877,247</u>	<u>(714,380)</u>	<u>5,242,961</u>

Notes to the Financial Statements continued
For the Year ended 31 July 2016

15. Summary of movements in funds (continued)

The **General fund** represents funds on which no restrictions have been placed. The General Fund is currently substantially represented by property and programme related investment.

The designated **Capital fund** represents the net book value of the properties when these were transferred to the charity by the individual communities in 1993.

The designated **Property reserve** represents the amounts written down in respect of the Andrew Salvesen Charitable Trust loan. The loan is being written down in equal annual amounts over a 25 year period, in accordance with the terms of the loan.

16. Analysis of net assets between funds	General fund £	Designated funds £	Total £
Tangible fixed assets	4,756,002	1,550,099	6,306,101
Programme related investment	3,274,950	-	3,274,950
Cash at bank and in hand	50,373	-	50,373
Other net current liabilities	(942,520)	-	(942,520)
Creditors of more than one year	(3,445,943)	-	(3,445,943)
	<u>3,692,862</u>	<u>1,550,099</u>	<u>5,242,961</u>

17. Indemnity insurance

A premium of £1,445 (2015 - £1,441) was paid during the year for directors' liability insurance.

Notes to the Financial Statements continued
For the Year ended 31 July 2016

18. Contingent liabilities

The company has provided guarantees to Social Investment Scotland for loans (balance 31 July 2016 £359,970) and a grant (balance 31 July 2016 £359,970) together with a guarantee to Royal Bank of Scotland for a bank credit facility of £30,000, all made to Camphill (Blair Drummond) Trust Limited.

The company has provided Social Investment Scotland with a standard security over its heritable property at Corbenic for a loan (balance 31 July 2016 £383,974) and a guarantee for a grant of (balance 31 July 2016 £383,974), both made to Corbenic Camphill Community Limited.

The guarantees represent financial assistance to both Camphill (Blair Drummond) Trust Limited and Corbenic Camphill Community Limited which, together with the programme related investment, is in furtherance of the charity's aims.

The Andrew Salvesen Charitable Trust loan is being written down in equal annual amounts of £20,000 over a 25 year period, in accordance with the terms of the loan. In the event that Camphill (Blair Drummond) Trust Limited ceases to operate at Blair Drummond, the written down amount of the loan becomes immediately repayable and is uplifted by an amount equal to the percentage increase in the value of the property over which it is secured since the loan was made.

19. Post-balance sheet events

In February 2017 extensive dry rot was discovered at one of the charity's properties which had also impacted an adjacent property not owned by the charity. As a precautionary measure the charity has agreed to meet the cost of the works for both properties. A quotation was obtained which indicates a total cost for all works in the region of £25,000 shared more or less equally between the two properties. Arrangements will be made to recover the adjacent property's share of the cost over a number of years.

20. Related party transactions

Travel expenses totalling £253 (2015 - £701) were reimbursed in respect of one director (2015 – one). No director received any remuneration during the current or previous year.