

CAMPBILL CENTRAL SCOTLAND TRUST LIMITED

Scottish Charity No. SC021689

Company No. SC145366



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**



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**Report of the Directors
For the Year ended 31 July 2017**

Reference and Administrative Details

Directors:	W A Nicol – Chairman G Bell J Carson J Glass I Lamond D Nicholson (resigned 16 August 2017) C Pooler (appointed 5 February 2018)) S Provan (appointed 5 February 2018) 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 2017**

The trustees who are also the directors are pleased to present their annual report together with the audited financial statements of the charity for the year to 31 July 2017.

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

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 31 July 2017.

At Camphill Blair Drummond the CCST assisted Biomass boiler and District Heating project is now up and running bringing much needed stability and capacity for an economic heating solution to the original Blair Drummond buildings. The Dry Rot infestation in the East Tower has been dealt with and CCST continues to accrue funds to self-insure for any further outbreaks.

At Corbenic an outbreak of dry rot in the Dunkeld shop was dealt with in conjunction with our upstairs neighbour at a cost of some £30,000. The new co-worker accommodation was completed with a contribution from CCST and new office accommodation, extensions and repairs at Staffa embarked on with financial assurances from CCST for a further £30,000 of funding.

At Ochil Tower School CCST is continuing to support the development of the Life Skills/Activity Centre within the estate and the on going planning, fund raising and development process for a new School building.

Financial Review

The financial statements follow on pages 8 to 18.

Rental income increased by 6% to £905,540 (2016 - £856,927) and revenue expenditure continued to be kept under tight control. There was a surplus for the year of £495,438 (2016 - £162,867). The surplus will facilitate the repayment of borrowings and increase the scope to support future developments. Total bank borrowings fell during the year from £2,777,918 to £2,562,918. 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 31 July 2017, 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 2017 continued****Plans for Future Periods***Camphill (Blair Drummond) Trust Limited*

Development planning is underway for major structural works and refurbishment of part of Blair Drummond House (Tourmaline) to provide modernised and more appropriate residential accommodation.

Corbenic Camphill Community

With the expansion of the number of residents and consequent increase in care staff Corbenic's communal facilities are no longer able to cope when an all 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. A site has been identified which lies in the heart of the community and the consultation and planning process is now under way to create a new Hall and meeting rooms. A major landslip on the exit road from Corbenic required extensive drainage and reinforcement work on the lower drive. CCST granted £25,000 to fund this remedial work on the estate road network.

Ochil Tower School

At Ochil Tower, planning is at an early stage for two major capital projects, a new school building and development of the Coach House buildings. It is hoped to begin building work on the first of these projects within the next two to three years.

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

The board of Camphill Central Scotland Trust Limited comprises two directors appointed by each of the three communities together with independent directors and chairman.

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 19 on page 18.

**Report of the Directors
For the Year ended 31 July 2017 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 charitable company 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 charitable company 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.

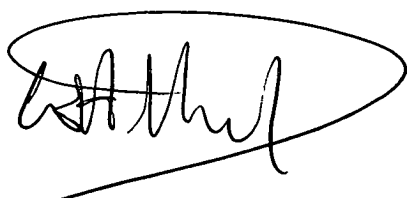
Auditors

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



23 April 2018

Opinion

We have audited the financial statements of Camphill Central Scotland Trust Limited for the year ended 31 July 2017 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).

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.

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 2017 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 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, 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.

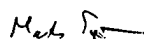
In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate 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.



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.

30 April 2018

Statement of financial activities
(Incorporating Income & Expenditure Account)
For the year ended 31 July 2017

	Notes	Unrestricted funds General fund £	Designated funds £	Restricted Funds £	2017 Total funds £	2016 Total funds £
Income from:						
Donations	3	-	20,000	500	20,500	20,000
Charitable activities	4	905,540	-	-	905,540	856,927
Investments	5	11	-	-	11	320
Total income		<u>905,551</u>	<u>20,000</u>	<u>500</u>	<u>926,051</u>	<u>877,247</u>
Expenditure on:						
Charitable activities	6	<u>430,113</u>	<u>-</u>	<u>500</u>	<u>430,613</u>	<u>714,380</u>
Total expenditure		<u>430,113</u>	<u>-</u>	<u>500</u>	<u>430,613</u>	<u>714,380</u>
Net income	7	475,438	20,000	-	495,438	162,867
Transfer between funds		<u>(15,000)</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		460,438	35,000	-	495,438	162,867
Reconciliation of funds:						
Balances 31 July 2016		<u>3,692,862</u>	<u>1,550,099</u>	<u>-</u>	<u>5,242,961</u>	<u>5,080,094</u>
Balances 31 July 2017	15	<u>4,153,300</u>	<u>1,585,099</u>	<u>-</u>	<u>5,738,399</u>	<u>5,242,961</u>

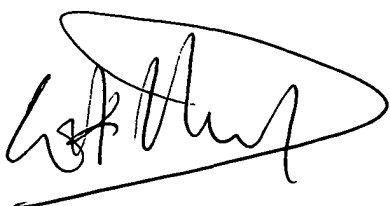
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

Balance Sheet
As at 31 July 2017

	Notes	2017 £	2016 £
Fixed assets:			
Tangible assets	8	6,340,154	6,306,101
Programme related investment	9	3,274,950	3,274,950
Total fixed assets		9,615,104	9,581,051
Current assets:			
Debtors	10	20,416	3,302
Cash at bank and in hand		355,018	50,373
Total current assets		375,434	53,675
Liabilities:			
Creditors: Amounts falling due within one year	11	1,108,881	945,822
Net current (liabilities)		(733,447)	(892,147)
Total assets less current liabilities		8,881,657	8,688,904
Creditors: Amounts falling due after more than one year	12	3,143,258	3,445,943
Total net assets		5,738,399	5,242,961
The funds of the charity:			
General fund	15	4,153,300	3,692,862
Designated funds	15	1,585,099	1,550,099
Restricted fund	15	-	-
Total charity funds		5,738,399	5,242,961

The financial statements on pages 8 to 18 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 23 April 2018.

W Nicol
Director



U Reprecht
Director



Statement of Cash Flows
For the Year ended 31 July 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	650,719	883,653
Net cash provided by operating activities		<u>650,719</u>	<u>883,653</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(34,053)	(93,037)
Programme related investment		-	(1,100,000)
Interest paid		(97,020)	(105,504)
Net cash used for investing activities		<u>(131,073)</u>	<u>(1,298,541)</u>
Cash flows from financing activities			
Repayment of borrowing		(235,001)	(24,998)
Loan amortisation		20,000	20,000
Net cash used for financing activities		<u>(215,001)</u>	<u>(4,998)</u>
Net increase / (decrease) in cash and cash equivalents		304,645	(419,886)
Cash and cash equivalents at 31 July 2016		<u>50,373</u>	<u>470,259</u>
Cash and cash equivalents at 31 July 2017		<u>355,018</u>	<u>50,373</u>

Note to Statement of Cash Flows

1. Reconciliation of net income to net cash provided by operating activities

Net income	495,438	162,867
Loan amortisation	(20,000)	(20,000)
Interest paid	97,020	105,504
	<u>572,458</u>	<u>248,371</u>
(Increase) in debtors	(17,114)	(3,302)
Increase in creditors	95,375	638,584
Net cash provided by operating activities	<u>650,719</u>	<u>883,653</u>

**Notes to the Financial Statements
For the Year ended 31 July 2017**

1. Statutory Information

Camphill Central Scotland Trust 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 charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Statement of Recommended Practice (SORP) FRS102 "Accounting and Reporting by Charities" (revised 2015), the Financial Reporting Standard 102 (FRS102) and UK Generally Accepted Accounting Practice.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Reconciliation with previous Generally Accepted Accounting Practice

This is the first year that the company has presented its financial statements under the Charities SORP (FRS 102). The last financial statements for the year ended 31 July 2016 were prepared under the previous UK GAAP. The transition date to the Charities SORP (FRS 102) is therefore 1 August 2015. There have been no changes to the financial performance or position of the charity as a result of complying with the new standard.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The directors 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.

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.

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.

Notes to the Financial Statements continued
For the Year ended 31 July 2017

2. Accounting policies (continued)

Expenditure (continued)

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

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

Tangible fixed assets and depreciation

The company's tangible 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.

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.

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.

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.

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.

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.

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.

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.

Notes to the Financial Statements continued
For the Year ended 31 July 2017

3. Donations	2017	2016
	£	£
Donations (restricted)	500	-
Loan amortisation (note 12)	20,000	20,000
	<u>20,500</u>	<u>20,000</u>
4. Income from charitable activities	2017	2016
	£	£
Rents receivable		
Camphill (Blair Drummond) Limited	324,540	317,100
Corbenic Camphill Community Limited	269,120	261,760
Ochil Tower School Limited	311,880	278,067
	<u>905,540</u>	<u>856,927</u>
5. Income from investments	2017	2016
	£	£
Bank interest receivable	11	320
6. Expenditure on charitable activities	2017	2016
	£	£
Insurance	-	421
Property maintenance	10,870	-
Grants for maintenance costs (below)	18,054	20,141
Grants for finance costs (below)	-	558,393
Capital grants - unrestricted	284,500	-
Capital grants - restricted	500	-
Professional fees	2,649	18,000
Legal fees	5,989	-
Bank overdraft interest	238	44
Bank charges	1,328	2,352
Loan interest	7,014	6,799
Bank loan interest	89,768	98,661
Annual return filing fee	13	13
Auditor's remuneration	4,092	3,858
Indemnity insurance	1,465	1,445
Accountancy	4,000	4,000
Directors' travel	133	253
	<u>430,613</u>	<u>714,380</u>

Grant payments were approved for Camphill (Blair Drummond) Trust Limited, Ochil Tower School Limited and Corbenic Camphill Community Limited to help finance the costs of various building and maintenance projects. Finance cost grants made to Corbenic in the year totalled £67,684 (2016 - £67,684). As prescribed by the SORP FRS102 the total commitments due to Corbenic as at 31 July 2016 were accrued in the accounts for that year. These commitments will be funded from unrestricted income and will cease on 31 October 2023, being the scheduled final loan repayment date. The total commitments at the year end was £423,025 (2016 - £490,709) as disclosed in notes 11 and 12 on page 15.

Notes to the Financial Statements continued
For the Year ended 31 July 2017

7. Operating surplus (net income)	2017	2016
	£	£
Net income is stated after charging:		
Auditor's remuneration		
- statutory audit	3,672	3,498
- other services	420	360
Directors' travel	133	253
	<u> </u>	<u> </u>

The charity has no paid employees.

8. Tangible fixed assets	Land & buildings
	£
Cost	
At 31 July 2016	6,306,101
Additions	34,053
	<u> </u>
At 31 July 2017	6,340,154
Net book value	
At 31 July 2017	6,340,154
At 31 July 2016	6,306,101
	<u> </u>

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 £6,340,154 (2016 - £6,306,101).

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 2016	3,274,950
Additions	-
	<u> </u>
At 31 July 2017	3,274,950
	<u> </u>

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 2017

10. Debtors	2017 £	2016 £
Trade debtors	3,302	3,302
Other debtors	17,114	-
	<u>20,416</u>	<u>3,302</u>

Included within other debtors are amounts due outwith one year of £7,487.

11. Liabilities	2017 £	2016 £
Creditors: Amounts falling due within one year		
Accruals for grants payable (note 6)	322,684	67,684
Creditors and accruals	89,197	187,258
Deferred income (note 14)	212,000	205,880
Camphill loans (below)	250,000	250,000
Bank loans (note 13)	215,000	215,000
Andrew Salvesen Charitable Trust loan (note 13)	20,000	20,000
	<u>1,108,881</u>	<u>945,822</u>

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.

12. Liabilities	2017 £	2016 £
Creditors: Amounts falling due after more than one year		
Accruals for grants payable (note 6)	355,341	423,025
Bank loans - falling due in less than five years (note 13)	860,000	860,002
Bank loans - falling due in more than five years (note 13)	1,487,917	1,702,916
Andrew Salvesen Charitable Trust loan - falling due in more than five years (note 13)	440,000	460,000
	<u>3,143,258</u>	<u>3,445,943</u>

Notes to the Financial Statements continued
For the Year ended 31 July 2017

13. Secured borrowings

The bank loans of £2,562,918 (2016 – £2,777,918) 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 £460,000 is secured by a standard security over part of the Camphill Blair Drummond estate.

14. Deferred income

	2017 £	2016 £
Deferred income comprises of rents received in advance.		
Balance at 31 July 2016	205,880	174,267
Released to income from charitable activities	311,880	311,400
Amount deferred in the year	(305,760)	(279,787)
Balance at 31 July 2017 (note 11)	<u>212,000</u>	<u>205,880</u>

15. Summary of movements in funds

	Unrestricted funds General fund £	Designated funds Capital fund £	Property reserve £	Insurance reserve £	Restricted fund £	Total £
Balance 31 July 2015	3,549,995	1,530,099	-	-	-	5,080,094
Income	857,247	-	20,000	-	-	877,247
Expenditure	(714,380)	-	-	-	-	(714,380)
Transfers	-	-	-	-	-	-
Balance 31 July 2016	<u>3,692,862</u>	<u>1,530,099</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>5,242,961</u>
Income	905,551	-	20,000	-	500	926,051
Expenditure	(430,113)	-	-	-	(500)	(430,613)
Transfers	(15,000)	-	-	15,000	-	-
Balance 31 July 2017	<u>4,153,300</u>	<u>1,530,099</u>	<u>40,000</u>	<u>15,000</u>	<u>-</u>	<u>5,738,399</u>

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

The designated **Insurance reserve** represents amounts provided to meet the potential cost of dealing with future outbreaks of dry rot in any of the company's properties.

The **Restricted fund** represents a donation received to assist with the new Life Skills Centre planned at Ochil Tower School.

Notes to the Financial Statements continued
For the Year ended 31 July 2017

16. Analysis of net assets between funds

	Unrestricted funds		Designated funds		
	General fund	Capital fund	Property reserve	Insurance reserve	Total
	£	£	£	£	£
Tangible fixed assets	4,756,002	1,530,099	20,000	-	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)
Balance 31 July 2016	3,692,862	1,530,099	20,000	-	5,242,961

	Unrestricted funds		Designated funds		
	General fund	Capital fund	Property reserve	Insurance reserve	Total
	£	£	£	£	£
Tangible fixed assets	4,755,055	1,530,099	40,000	15,000	6,340,154
Programme related investment	3,274,950	-	-	-	3,274,950
Cash at bank and in hand	355,018	-	-	-	355,018
Other net current liabilities	(1,088,465)	-	-	-	(1,088,465)
Creditors of more than one year	(3,143,258)	-	-	-	(3,143,258)
Balance 31 July 2017	4,153,300	1,530,099	40,000	15,000	5,738,399

17. Indemnity insurance

A premium of £1,465 (2016- £1,445) was paid during the year for directors' liability insurance.

18. Contingent liabilities

The company has provided guarantees to Social Investment Scotland for loans (balance 31 July 2017 £307,780) and a grant (balance 31 July 2017 £307,780) and has provided a guarantee to Royal Bank of Scotland for a bank credit facility of £30,000. The loans, grant and credit facility have been made/made available 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 2017 £341,833) and a guarantee for a grant (balance 31 July 2017 £341,833), 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.

Notes to the Financial Statements continued
For the Year ended 31 July 2017

19. Related party transactions

Travel expenses totalling £133 (2016 - £253) were reimbursed in respect of one director (2016 – one). No director received any remuneration during the current or previous year.