

Company Registration Number: 00497029
Charity Number: 307104



THORNLEIGH CAMPHILL COMMUNITIES LIMITED

COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

30 JUNE 2021

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

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THORNLEIGH CAMPHILL COMMUNITIES LIMITED

REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 30 JUNE 2021

Registered charity name	Thornleigh Camphill Communities Limited
Charity number	307104 – Registered on 15 June 1951, amended 16 March 2007
Company registration number	00497029 – Incorporated on 29 June 1951, amended 7 June 2004
Registered office	Thornbury Park Park Road Thornbury Bristol BS35 1HP
Trustees	A Nowlan - Chair I Bailey S Compson P Glover G Snell J Southcombe
School Governors	P Glover - Chair J Bool S Compson E Jones A Nowlan N Pike N Sialelli G Snell
Chief Executive Officers	N Sialelli and C Bradshaw
Auditors	Burton Sweet Limited The Clock Tower 5 Farleigh Court Old Weston Road Flax Bourton Bristol BS48 1UR
Bankers	National Westminster Bank plc PO Box 1081 16 The Plain Thornbury Bristol BS35 2NU

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 30 JUNE 2021

OBJECTIVES AND ACTIVITIES

The Board of Trustees present their report and the financial statements for the year ended 30 June 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice application to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (FRS102).

Objects

Its Memorandum of Association defines the objects of Thornleigh Camphill Communities Limited ("TCC" or "the charity") as follows:

"The charity's objects are, for the public benefit, to (1) relieve sickness, promote good health, provide care to and advance the education and training of: people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolf Steiner (as summarised in the Appendix to this Memorandum), particularly (without limitation) by the establishment and maintenance of communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and/or educational community, in which beneficiaries live and/or work and/or to which they otherwise resort, in community with persons providing support, and (2) to advance education and promote health, particularly through promoting research (making the useful results publicly available)."

The Appendix referred to articulates the principles formulated by the Austrian philosopher, Dr Rudolf Steiner, about many aspects of daily life including social life, economic life, agriculture, horticulture, art, medicine, finance and religion.

Aims

TCC aims to do this by the establishment and maintenance of communities where the beneficiaries live, learn and work in the community with those providing the support. The charity endeavours to provide a wide range of services to pupils and adults with special needs where the individuality of each person can be fully expressed.

Strategy to achieve objects

TCC's main objectives for the year remained to continue to provide support, care and education to both pupils and residents. The charity continues to plan ahead to ensure that the changing needs of those it supports can be met in the future.

Public Benefit

The Trustees have considered the guidance issued by the Charity Commission regarding Public Benefit and are satisfied that the objects and activities of the charity are for the public benefit, in the areas of relieving sickness, promoting good health, providing care to and advancing the education and training of people with a disability. This can be evidenced by the increasing number of referrals from Local Authorities and families.

Relationships with other charitable and non-charitable organisations

One property at the Hatch and one property at Orchard Leigh are owned by HARC Housing Association Limited ("HARC"). TCC has had a longstanding contractual relationship with HARC whereby the two organisations jointly manage these two properties. HARC's activities relate solely to these two properties. Three TCC Trustees (P Glover, A Nowlan and G Snell) are Trustees of HARC; there is one other independent Trustee of HARC.

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Apart from its relationship with HARC, TCC is autonomous with regards to day to day operations and all financial matters. However, it benefits from the membership of and/or a close working association with many associations of charitable bodies, regulators, and central and local governmental departments.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

TCC is a company limited by guarantee, not having share capital and is registered as a charity under the Charities Act. In the event of this company being wound up members are required to contribute an amount not exceeding £1. The company is governed by its Memorandum and Articles of Association.

Organisational structure

TCC is a member of the Association of Camphill Communities, sharing its inspiration with the Camphill Movement which has links to over one hundred centres worldwide, all caring for children or adults with additional support or mental health needs. The Movement was founded in 1940 by Dr Karl Konig, an Austrian paediatrician, who with his co-founders developed a mutually-supportive model for community life based on the principles of the late Dr Rudolf Steiner's (1861–1925) philosophy called Anthroposophy.

Based on this philosophy, the charity supports individuals (regardless of their background, identity or circumstances) in all aspects of their life including physical health, spiritual and emotional wellbeing, and education. In providing community life the individual needs are mutually respected within a therapeutic environment.

The charity's communities comprise a residential and day special school (Sheiling School) and two adult communities (The Hatch and Orchard Leigh).

Governance

The Trustees are legally responsible for the governance and control of TCC. The Board of Trustees ('the Board') met seven times in the year and the Annual General Meeting ("AGM") was held in December. As a result of the continuing COVID-19 pandemic, the Trustees increased the frequency of Board meetings during the year and held all their meetings virtually. During the year the Trustees also continued to maintain a high level of regular contact with each other and with the charity's CEOs. Trustees have also attended specific meetings as mandated by the Board in order to represent trustee interests in appropriate forums.

There are two permanent sub-groups which report into the Board.

- The School Governors, who have certain delegated powers for the governance of the School.
- The Life Communities Group, which supports the ongoing work of both The Hatch and Orchard Leigh.

Appropriate terms of reference for both groups are in place. Other temporary working groups are set up from time to time.

The day to day management of the activities of the charity is delegated to two Chief Executive Officers ("CEOs") who are assisted by specialist management teams. The two CEOs are the charity's key management personnel. The remuneration of the School/Life Communities CEO is set by reference to the remuneration of chief executive officers working in comparable roles within other specialist schools/other life communities respectively.

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Trustees are drawn from members of the local community, past and present parents, professionals with specialist knowledge, people working in anthroposophical and other establishments with similar aims and objectives to TCC. They are selected on the basis of their range of skills and experiences, appointed by a vote of the Board, but their appointment must subsequently be ratified at the AGM. One third of the board put themselves forward for re-election at each AGM in rotation. All Trustees are members of the charity. No Trustee has any beneficial interest in the charity.

The CEO of the School is a Governor. Other Governors are recruited in the same way as Trustees. Some Governors are appointed by the Trustees, and others by the Governors, as set out in the Governors' Terms of Reference.

An induction pack, including a role description, is given to each Trustee or Governor on appointment for the purposes of induction and training. Due to COVID-19 restrictions, and because there were no new Trustees or Governors, during the year there were only a limited number of online training sessions for Trustees and Governors on specific topics related to the work of the charity. These regular training sessions will recommence in 2021/22.

Fundraising

The charity's normal fundraising is limited to small-scale events for families, friends and the local communities held at the Sheiling School, the Hatch and Orchard Leigh. However these events did not take place during the year due to COVID-19 restrictions. The charity's policy on fundraising is that it does not currently solicit funds from members of the general public, nor use professional fundraisers. The charity has received no complaints about its fundraising activities.

Risk Review

The Trustees have overall responsibility for assessing the risks faced by the charity and its residents, pupils, staff and volunteers and they have assessed the major risks to which these parties are exposed. The Trustees are satisfied that systems are in place to mitigate exposure to these risks. They maintain a Risk Register identifying various risks set against control and mitigation procedures.

Currently the main risks for the charity relate to the levels of public funding available from local authorities for residents and pupils, and the risk of a deterioration in rating received from the Care Quality Commission ("CQC") or the Office for Standards in Education ("Ofsted") inspections, notwithstanding the charity's aim to continue to provide high quality care and education services. The Trustees have reviewed the nature of these main risks and judge that they have not been materially affected by the COVID-19 pandemic.

However the Trustees consider that the risks associated with the recruitment and retention of care staff for the Life Communities have increased, particularly in the period since 30 June 2021, due mainly to the increasing mis-match between the pay levels required for successful recruitment and retention and the pay levels inherent in the public funding available. Other factors include the ending of furlough, the possible vaccination requirements for all care staff, and the impact of Brexit.

These, and other risks, are managed by the charity using a variety of controls. The key controls include but are not limited to:

- Annual reviews of support plans for all residents and pupils;
- Careful assessments of possible new residents and pupils;
- Maintenance of appropriate staffing levels;
- The supervision and motivation of all staff;
- Management accounting and reporting against agreed budgets;
- Organisational structure, with terms of reference for all sub-groups, and job roles defined;
- Formal agendas and minutes for all Board, sub-group, and management meetings;

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- Formal detailed policies and procedures;
- Vetting procedures as required by law for the protection of vulnerable people;
- Regular monitoring visits made by Trustees and Governors (these were temporarily suspended due to the COVID-19 pandemic, but a limited number of in person and online "visits" recommenced in October 2020 and the frequency of such visits was increased from September 2021).

ACHIEVEMENTS AND PERFORMANCE

A heartfelt thank you is extended to those who have helped us to sustain the charity, especially during the difficult period since the COVID-19 pandemic significantly affected all our lives. In particular we thank all residents, pupils, staff, volunteers, families and friends, together with the therapists, activity providers, training providers and local businesses who have helped us.

Sheiling School

The School provides a therapeutic learning environment in which children and young people with moderate to severe learning difficulties make progress, are helped to overcome their particular difficulties, and experience the joy of achievement. Situated in a beautiful and peaceful estate in Thornbury near Bristol, the school and residential setting offer opportunities for children to achieve positive outcomes in an environment designed to meet their educational, emotional, social and spiritual needs. The school is registered with the Department for Education ("DFE") and is inspected by Ofsted. The residential provision of the School is also registered with Ofsted as a Children's Home.

The School's main achievement has been the continued development of all pupils, even those who first came to the school exhibiting the most challenging behaviours. This progress is measured using a whole school assessment framework which is applied to each pupil, to monitor individual progress in education, social skills, independence and staying safe.

Other achievements against short-term objectives include:

- an overall effectiveness rating of "good" following Ofsted's most recent inspection of the School in March 2020;
- an overall rating of "good", including for the experiences and progress of children and young people, following Ofsted's inspection of the children's home in September 2021;
- maintaining excellent relationships with placing Local Authorities, thereby maintaining the waiting list for new pupils and facilitating the recruitment of new pupils (the number of pupils increased from 37 at the end of July 2020 to 41 in November 2021).

In addition, following DFE guidance, and in consultation with Local Authorities, Public Health England, the Charity Commission and the National Education Union, the School:

- partially re-opened from 8 June 2020 following a 3-week temporary closure (due to a COVID-19 outbreak), subsequently fully re-opening the School for all pupils from September 2020
- remained open for all pupils from that date with the exception of a partial closure of one "bubble" in November 2020 for 9 days, and the full closure of the School in February 2021 for 2 days (both due to COVID-19 outbreaks).

The pupils and staff have benefited significantly from the School remaining open for the vast majority of the period from June 2020, as evidenced by the whole school assessment framework and the high level of overall pupil attendance despite the pandemic.

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The Life Communities – The Hatch and Orchard Leigh

The Hatch and Orchard Leigh provide supported living services and day placement opportunities to adults with additional support needs. The Hatch and Orchard Leigh are registered with and inspected by the CQC as Supported Living Services providing the regulated activity of personal care. The Hatch is situated in the town of Thornbury and Orchard Leigh in Eastington, Stroud. Due to their locations both communities are able to offer the convenience of town life along with a tranquil, therapeutic, rural environment where people can interact independently within a supportive community setting.

The Life Communities main achievement has been the continued provision of homes, supported living, and day placement activities for residents, all within the supportive and enabling environment provided by the two Camphill Communities.

Other achievements against short term objectives include:

- during the pandemic CQC has limited its inspections to providers it considers to be at risk. Their inspections have not included the Hatch or Orchard Leigh. In the meantime the Hatch retains its rating of "good" following CQC's inspection in July 2019 and Orchard Leigh retains its rating of "good" following CQC's inspection in November 2018 (both with extremely complimentary reports). CQC has also maintained informal telephone contact to provide support to the Life Communities during the pandemic.
- maintaining the continued high quality of support for our residents, commensurate with our target of achieving ratings of "good" or "outstanding" when CQC inspections resume;
- maintained a high quality of accommodation for residents by continuing a reduced programme of property maintenance and renovation, deferring major projects until they can be completed in a COVID-19 secure manner;
- the Hatch welcomed a new resident in June 2021.

The Hatch and Orchard Leigh have remained and remain open for all members, both residents and non-resident staff, continuing to provide a COVID-19 secure living and working environment. During the pandemic both communities have worked dynamically to use their assets for the benefit of their beneficiaries, with ongoing provision of meaningful and fulfilling activities, whilst following national guidance in addition to that from the Department of Health and Social Care, Public Health England and Local Authorities.

FINANCIAL REVIEW AND RESERVES POLICY

The charity made a surplus of £178,071 in 2020/21, compared with a surplus of £476,718 in 2019/20. This continuing and favourable financial outcome is mainly due to the maintenance of an appropriate number of pupils at the School and residents within the Life Communities. As in previous years most of the surplus in 2020/21 related to the School's activities. The surplus was lower in 2020/21 due to the net overall financial impact of the pandemic.

The charity's unrestricted funds are almost entirely represented by its fixed assets being the premises, fixtures, fittings, equipment and motor vehicles which it requires in order to operate. Included within unrestricted funds of £4,761,058 are designated reserves of £2,679,874 relating to the net book value of these premises and other fixed assets.

The unrestricted, free reserves of the charity were £2,081,184 at the year-end. This represented 32.2% of the charity's annual expenditure. The Trustees aim is to continue to maintain a low level of financial risk. In particular it is the charity's aim to maintain its free reserves at between 25% and 50% of operating expenditure, which amounts to between £1,614,559 and £3,229,118.

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In setting this target for free reserves the Trustees considered in particular the nature of the charity's responsibilities to its beneficiaries. For example, the charity provides homes and support to fifty-one highly vulnerable individuals – and this is in principle lifelong. In addition the social care sector nationally is facing unprecedented challenges. Similar pressures and risks are present in the education sector. The Trustees concluded that the charity must be able to sustain operations for at least three to six months in the event of a major disruption in income or expenses.

The charity's principal sources of funds are fees paid by Local Authorities in respect of School pupils and Life Communities residents, and rent received from Life Communities residents which is mostly met from their Housing Benefit. The other principal financial risk for the charity is the possibility of further reductions in the rates of Local Authorities' financial support for School pupils and/or Life Communities residents. The Trustees recognise this risk and are working with the CEOs to manage and, if possible, reduce this risk over time.

In the light of the COVID-19 pandemic the Trustees have re-assessed the charity's financial risks. Due to the government's policy that Local Authorities should maintain funding for the School's pupils and for the Life Communities residents through any lock-down and beyond, and due to the fact that the charity's reliance on fundraising is insignificant, the Trustees believe that the COVID-19 pandemic has not materially changed the charity's financial risks in the short to medium term. However the Trustees are continuing to monitor the emerging situation throughout, and after, the pandemic.

Games Room

In response to the "Planning the Future" consultation with the Hatch residents, the Trevethick Family very kindly raised funds for the development of a "games room" at the Hatch. The Trustees plan to incorporate new games facilities when the Main Hall is extended.

Camphill Benevolent Fund

The Camphill Benevolent Fund ("CBF") is a charity whose core purpose is to offer discretionary grants to those who have served in its member charities and are suffering financial hardship. As a member charity of the CBF, TCC pays contributions to the CBF from time to time. The Trustees review the level of TCC's financial support annually.

PLANS FOR FUTURE PERIODS

The charity's main objective for the coming year is to continue to fulfill its responsibilities as set out in its Memorandum of Association. The provision will continue to be delivered in a similar manner as previously.

However, we welcome the challenge of continually reviewing and improving the housing, care, education and other services provided for our beneficiaries. In 2019/20 the Trustees had planned to complete our long-term strategy review, to help the charity plan service provision over the next 3-10 years. This review was being carried out in partnership with residents, pupils, families, Local Authorities and other stakeholders. However, in the light of the COVID-19 pandemic, and the resulting uncertainties regarding the future environment and funding for schools and life communities, this strategy review has been temporarily suspended. In the short-term the Trustees overriding priority is to enable the beneficiaries, staff and the charity to continue to thrive through the pandemic.

Once the operations of all three communities are completely stable in the post-pandemic environment, the Trustees plan to recommence our long-term strategy review. We now plan to carry out this review separately for the School and the Life Communities, considering the results for the overall charity after the completion of these separate strategy reviews.

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TRUSTEES' ANNUAL REPORT

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RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also the directors of Thornleigh Camphill Communities for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with 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).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these 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 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
- 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of that information.

AUDITOR

The Trustees will submit a resolution to the next AGM that Burton Sweet be re-appointed under section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the Trustees

A Nowlan
Chair of Trustees

G Snell
Trustee and Treasurer

Dated: 8 December 2021

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 30 JUNE 2021

Opinion

We have audited the financial statements of Thornleigh Camphill Communities Limited (the "Charity") for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state in 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 Charity's members 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 Charity's affairs as at 30 June 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with international Standards in 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 Charity 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion

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INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 30 JUNE 2021

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 the fact.

We have nothing to report in this regard.

Opinions 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable law requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

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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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with directors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the operations of the charity, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance through the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the Charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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/apb/scope/private.cfm This description forms part of our auditor's report.

Joshua Kingston BSc (Hons), ACA (Senior Statutory Auditor)

For and on behalf of Burton Sweet Limited

Statutory Auditor

The Clock Tower

5 Farleigh Court

Old Weston Road

Flax Bourton

Bristol BS48 1UR

Date: 8 December 2021

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations	2	14,988	1,000	15,988	27,325
Charitable activities	3	6,483,416	134,911	6,618,327	6,835,709
Other trading activities	4	1,263	-	1,263	4,939
Investments	5	232	-	232	3,474
Other income		495	-	495	-
Total income		6,500,394	135,911	6,636,305	6,871,447
Expenditure on:					
Raising funds	6	10,227	-	10,227	10,876
Charitable activities	7	6,312,096	135,911	6,448,007	6,383,853
Total expenditure		6,322,323	135,911	6,458,234	6,394,729
Net income/(expenditure) for the year and net movement in funds	10	178,071	-	178,071	476,718
Reconciliation of funds					
Total funds brought forward	21	4,582,987	8,925	4,591,912	4,115,194
Total funds carried forward	21	4,761,058	8,925	4,769,983	4,591,912

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

See note 13 for the fund-accounting comparative figures
The notes on pages 16 to 26 form part of these financial statements

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

Company registration number: 00497029

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	14	2,679,874	2,712,224
Current assets			
Stock	15	1,000	1,000
Debtors	16	332,766	734,017
Cash at bank and in hand		2,929,869	2,274,202
		<u>3,263,635</u>	<u>3,009,219</u>
Creditors : amounts falling due within one year	17	<u>(1,173,526)</u>	<u>(1,129,531)</u>
Net current assets		2,090,109	1,879,688
Total asset less current liabilities		4,769,983	4,591,912
Net assets		<u><u>4,769,983</u></u>	<u><u>4,591,912</u></u>
FUNDS			
Unrestricted funds			
General funds	22	2,081,184	1,870,763
Fixed asset designated fund	22	2,679,874	2,712,224
Restricted funds	22	8,925	8,925
Total funds		<u><u>4,769,983</u></u>	<u><u>4,591,912</u></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102 (FRS102).

These financial statements were approved by the Trustees on 8 December 2021 and are signed on their behalf by:

.....
Anthony Nowlan
Chair of Trustees

The notes on pages 16 to 26 form part of these financial statements

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	19	800,230	463,958
Non-operational cash flows:			
Investing activities			
Proceeds from the sale of tangible fixed assets		495	-
Payments for tangible fixed assets		(145,290)	(206,159)
Investment income		232	3,474
Net cash inflow for the year		<u>655,667</u>	<u>261,273</u>

Cash flow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice this restriction has not had any effect on group cash flows for the year.

The notes on pages 16 to 26 form part of these financial statements

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with the Companies Act 2006, the Financial Reporting Standard 102 (FRS102) and the requirements of the Charities Statement of Recommended Practice (SORP FRS102) based thereon.

The charity is a public benefit entity as defined by FRS102.

In the opinion of the Trustees there are no material uncertainties affecting the ability of the charity to continue as a going concern. This has been considered in the context of the Covid-19 pandemic and its effect on the Charity and the wider sector, please read the Trustees' Report for more details.

Income

Income from donations is included in income when these are receivable, except as follows:

- I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
- II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.

Legacies are included on a receivable basis where the exact amount and certainty of receipt are known.

Investment income is included on a receivable basis.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Raising funds

Raising funds are those costs incurred in seeking donations and raising awareness of the charity's activities.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. Governance costs are included within charitable activity costs.

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

1 Accounting policies (*continued*)

Tangible fixed assets and depreciation

Fixed assets are stated at cost and capital purchases of £1,000 or greater are capitalised. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Freehold Property - Over 50 years

Fixtures & Fittings - Over 10 years

Fixtures & Fittings; Electrical wiring - Over 25 years

Computer equipment - Over 3 - 10 years

Vehicles, plant & machinery - Over 4 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid after taking account of any discounts due.

Cash and cash equivalents

Cash at bank and cash 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

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.

Stock

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the Trustees.

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.

Designated funds form part of unrestricted funds and have been identified as being for particular purposes by the Trustees. They are not restricted and can be undesignated at any time at the discretion of the Trustees.

Further explanation of the nature and purpose of each fund is included in note 21 of the financial statements.

Pension costs and other post-retirement benefits

The charity operates defined contribution stakeholder schemes in respect of employees and co-workers. The assets of these schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the fund.

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

2 Donations

	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	£	£	£	£
Donations and grants	14,988	1,000	15,988	27,325
	14,988	1,000	15,988	27,325

All income from donations in the 2020 year was unrestricted in nature.

3 Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	£	£	£	£
Life Communities	2,759,574	108,561	2,868,135	2,744,799
School	3,723,842	26,350	3,750,192	4,090,910
	6,483,416	134,911	6,618,327	6,835,709

All income from charitable activities in the 2020 year was unrestricted in nature.

4 Other trading activities

	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	£	£	£	£
Fundraising events	1,263	-	1,263	4,939
	1,263	-	1,263	4,939

All income from other trading activities in the 2020 year was unrestricted in nature.

5 Investment income

	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	£	£	£	£
Bank interest receivable	232	-	232	3,474
	232	-	232	3,474

All investment income in the 2020 year was unrestricted in nature.

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

6 Expenditure on raising funds

Current year	Activity costs £	Admin and management costs	Total funds 2021 £
		Note 8 £	
Advertising and publicity	8,001	2,226	10,227
	8,001	2,226	10,227

Prior year	Activity costs £	Admin and management costs	Total funds 2020 £
		Note 8 £	
Advertising and publicity	8,401	2,475	10,876
	8,401	2,475	10,876

7 Expenditure on charitable activities

Current year	Grant funded activities £	Direct activity costs £	Admin and management costs	Total funds 2021 £
			Note 8 £	
Life Communities	-	2,150,023	690,369	2,840,392
School	-	2,653,168	894,447	3,547,615
Camphill Benevolent Fund	60,000	-	-	60,000
	60,000	4,803,191	1,584,816	6,448,007

The Camphill Benevolent Fund is a registered charity, please see the Trustees' Report for more details.

Prior year	Grant funded activities £	Direct activity costs £	Admin and management costs	Total funds 2020 £
			Note 8 £	
Life Communities	-	1,884,715	752,711	2,637,426
School	-	2,810,727	875,700	3,686,427
Camphill Benevolent Fund	60,000	-	-	60,000
	60,000	4,695,442	1,628,411	6,383,853

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

8 Costs of administration and management

Administration and management costs are incurred in support of the activities undertaken. Such costs have been allocated directly to the activity to which they relate. A proportion of staff costs and office costs have been allocated to the cost of raising funds in proportion to direct costs. Governance costs have been allocated on a percentage basis between the charitable activities.

Administration and management costs, included in the above, are as follows:

Current year		Charitable activities			
	Note	Life Communities £	School £	Raising funds £	Total funds £
Staff costs		465,670	602,628	1,780	1,070,078
Motor expenses		24,101	15,400	-	39,501
Premises costs		51,299	139,373	-	190,672
Office costs		137,889	129,440	446	267,775
Governance	9	11,410	7,606	-	19,016
Total 2021		690,369	894,447	2,226	1,587,042

Prior year		Charitable activities			
	Note	Life Communities £	School £	Raising funds £	Total funds £
Staff costs		473,556	564,713	1,857	1,040,126
Motor expenses		23,340	16,859	-	40,199
Premises costs		52,456	129,826	-	182,282
Office costs		189,770	155,242	618	345,630
Governance	9	13,589	9,060	-	22,649
Total 2020		752,711	875,700	2,475	1,630,886

9 Governance costs

	Total funds 2021 £	Total funds 2020 £
Audit fees	12,983	13,746
Accountancy and other fees	3,513	3,090
Trustee indemnity insurance	2,520	4,625
Trustees travel and meeting costs	-	1,188
	19,016	22,649

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

10 Net income/(expenditure) for the year

This is stated after charging:

	2021	2020
	£	£
Depreciation	177,640	162,872
Auditor's remuneration - for audit services	13,290	12,721
- prior year (over)/under accrual	(307)	1,025
- for accounts preparation and other services	3,513	3,090
Reimbursement of Trustees' travel expenses	-	961

1 trustees (2020: 1) were reimbursed expenses as above during the year.

11 Staff costs and numbers

The aggregate payroll costs were:

	2021	2020
	£	£
Wages & salaries	4,239,252	3,945,663
Social security costs	324,163	304,767
Pension contributions	92,694	86,181
	4,656,109	4,336,611

Particulars of employees:

Two employees received benefits (excluding employer's national insurance contributions and employer pension costs) of between £60,000 and £70,000 (2020: two).

Employment benefits (inclusive of employer's national insurance contributions and employer pension costs) received by key management personnel and the spouses of key management personnel in the year totalled £206,938 (2020: £203,313).

The average number of employees during the year, calculated on the basis of average head count, was as follows:

	2021	2020
	No.	No.
Life Communities	99	95
School	121	120
	220	215

12 Taxation

No provision is made for corporation tax, as the charity is able to claim full statutory exemption subject to the proper application of all its charitable resources.

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

13 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from:			
Donations	27,325	-	27,325
Charitable activities	6,835,709	-	6,835,709
Other trading activities	4,939	-	4,939
Investments	3,474	-	3,474
Total income	6,871,447	-	6,871,447
Expenditure on:			
Raising funds	10,876	-	10,876
Charitable activities	6,383,853	-	6,383,853
Total expenditure	6,394,729	-	6,394,729
Net income/(expenditure) and net movement in funds	476,718	-	476,718
Reconciliation of funds			
Total funds brought forward	4,106,269	8,925	4,115,194
Total funds carried forward	4,582,987	8,925	4,591,912

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

14 Tangible fixed assets

	Land and buildings £	Fixtures & fittings £	Computer equipment £	Vehicles, plant & machinery £	Total £
Cost					
At 1 July 2020	5,023,167	661,170	60,326	194,388	5,939,051
Additions	20,858	71,795	40,157	12,480	145,290
Disposals	-	-	(556)	(6,250)	(6,806)
At 30 June 2021	5,044,025	732,965	99,927	200,618	6,077,535
Depreciation					
At 1 July 2020	2,790,956	243,571	27,039	165,261	3,226,827
Charge for the year	82,541	69,484	10,677	14,938	177,640
Disposals	-	-	(556)	(6,250)	(6,806)
At 30 June 2021	2,873,497	313,055	37,160	173,949	3,397,661
Net book value					
At 30 June 2021	2,170,528	419,910	62,767	26,669	2,679,874
At 30 June 2020	2,232,211	417,599	33,287	29,127	2,712,224

15 Stock

	2021 £	2020 £
Stock	1,000	1,000
	1,000	1,000

16 Debtors

	2021 £	2020 £
Trade debtors	126,521	486,121
Other debtors	3,963	6,546
Prepayments and accrued income	202,282	241,350
	332,766	734,017

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	186,811	147,377
PAYE and social security	103,029	105,514
Other creditors	80,709	21,166
Accruals and deferred income	802,977	855,474
	1,173,526	1,129,531

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

18 Operating lease commitments

At 30 June the charitable company had total minimum lease commitments under non-cancellable operating leases as follows:

	2021 £	2020 £
Due in:		
Less than 1 year	13,638	9,746
Between 2 and 5 years	20,294	14,468

19 Reconciliation of net movement in funds to net cash inflow from operating activities

	2021 £	2020 £
Statement of Financial Activities: Net movement in funds	178,071	476,718
Investment income	(232)	(3,474)
Depreciation	177,640	162,872
Increase in creditors: current liabilities	43,995	71,004
Decrease/ (increase) in debtors	401,251	(243,162)
Net cash inflow from operating activities	800,230	463,958

20 Analysis of changes in cash during the year

	2021 £	2020 £	Change £
Cash at bank and in hand	2,929,869	2,274,202	655,667

	2020 £	2019 £	Change £
Cash at bank and in hand	2,274,202	2,012,929	261,273

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

21 Movement in funds

For the year to 30 June 2021

	At 1 Jul 2020	Income	Expenditure	Transfers	At 30 Jun 2021
	£	£	£	£	£
Restricted funds					
Small projects	-	1,000	(1,000)	-	-
COVID -19 control fund	-	134,911	(134,911)	-	-
Games room	8,925	-	-	-	8,925
	8,925	135,911	(135,911)	-	8,925
Unrestricted funds					
Fixed asset designated fund	2,712,224	-	(177,640)	145,290	2,679,874
General funds	1,870,763	6,500,394	(6,144,683)	(145,290)	2,081,184
	4,582,987	6,500,394	(6,322,323)	-	4,761,058
Total funds	4,591,912	6,636,305	(6,458,234)	-	4,769,983

For the year to 30 June 2020

	At 1 Jul 2019	Income	Expenditure	Transfers	At 30 Jun 2020
	£	£	£	£	£
Restricted funds					
Games room	8,925	-	-	-	8,925
	8,925	-	-	-	8,925
Unrestricted funds					
Fixed asset designated fund	2,668,937	-	(162,872)	206,159	2,712,224
General funds	1,437,332	6,871,447	(6,231,857)	(206,159)	1,870,763
	4,106,269	6,871,447	(6,394,729)	-	4,582,987
Total funds	4,115,194	6,871,447	(6,394,729)	-	4,591,912

Small projects – During the year the Compson family donated £1000 towards garden furniture for use at Orchard Leigh House. The residents have benefited from this generous donation.

COVID -19 control fund - The purpose of the grant was to provide support to social care providers with additional funding to reduce the rate of Covid-19 transmissions within care settings.

Games room - In response to the “Planning the Future” consultation with The Hatch residents, the Trevethick Family very kindly raised funds for the development of a “games room” at The Hatch. The Trustees plan to utilise these restricted funds at a point when the Main Hall is extended by incorporating new games facilities.

The net book value of fixed assets is shown in a separate designated fund. Transfers between this and general funds represent fixed asset additions and disposals.

THORNLEIGH CAMPHILL COMMUNITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

22 Analysis of net assets between funds

As at 30 June 2021	Tangible fixed assets £	Net current assets £	Total 2021 £
Restricted funds	-	8,925	8,925
Unrestricted funds			
Fixed asset designated fund	2,679,874	-	2,679,874
General funds	-	2,081,184	2,081,184
	<u>2,679,874</u>	<u>2,090,109</u>	<u>4,769,983</u>
As at 30 June 2020			
	Tangible fixed assets £	Net current assets £	Total 2020 £
Restricted funds	-	8,925	8,925
Unrestricted funds			
Fixed asset designated fund	2,712,224	-	2,712,224
General funds	-	1,870,763	1,870,763
	<u>2,712,224</u>	<u>1,879,688</u>	<u>4,591,912</u>

23 Related party disclosures

HARC Housing Association Limited is a related party of the charity as the board of HARC has a majority of individuals that are also Trustees of Thornleigh Camphill Communities Limited.

In the year, invoices were raised by HARC charging Thornleigh Camphill Communities Limited totalling £44,184 (2020: £43,752) and recharges received from HARC totalling £Nil (2020: £199). Of this notes amounts, £11,046 (2020: £Nil) was still payable at the year end.

During the year the charity had a service occupancy agreement with each of C Bradshaw and N Sialelli, the Chief Executive Officers who comprise part of the key management personnel of the charity. The total rent charged in the year was £15,200 (2020: £15,200) and £nil (2020: £nil) was outstanding at the year-end.

24 Company limited by guarantee

The company is limited by guarantee. Members guarantee to contribute up to £1 each in the event of the winding up of the company.