

OCHIL TOWER SCHOOL LIMITED

Scottish Charity No. SC 006091

Company No. SC 051098

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 1 FEBRUARY 2009 TO 31 MARCH 2010**

**Report of the Directors
For the Period 1 February 2009 to 31 March 2010**

The directors present their report with the financial statements of the company for the period 1 February 2009 to 31 March 2010.

Reference and Administrative Details

<i>Company number:</i>	SC 051098
<i>Charity number:</i>	SC 006091
<i>Registered Office:</i>	140 High Street, Auchterarder, Perthshire, PH3 1AD
<i>Auditors</i>	James Anderson & Co, Pentland Estate, Straiton, Edinburgh, EH20 9QH.
<i>Bankers:</i>	Bank of Scotland
<i>Solicitors:</i>	Kippen Campbell, 48 Tay Street, Perth, PH1 5TR.
<i>Company secretary:</i>	John Cursitor
<i>Directors:</i>	The directors serving during the period and since the period-end were as follows: Very Rev H Farquharson (Chair, resigned 8/9/09) R J Scrimgeour (Chair from 8/9/09) Mrs A Delaney (appointed 15/3/10) C Findlay C Robertson (appointed 31/8/10) A Rhind (resigned 15/3/10) F R Shewan

Statement of Directors Responsibilities

The directors of Ochil Tower School Limited are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial period 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 these financial statements, the directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

**Report of the Directors
For the Period 1 February 2009 to 31 March 2010**

Statement of Directors Responsibilities (continued)

In so far as the directors are aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Structure Governance and Management

Governing Document

Ochil Tower School Limited is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 15 July 1972. The liability of each member is limited to £5. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

Director induction and training

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

R J Scrimgeour retires by rotation and, being eligible, offers himself for re-election.

Organisation

The Board of Directors appoints the manager and joint co-ordinators, carries out financial overview and is available to assist the staff on more complex issues. The joint co-ordinators are responsible for placement of pupils, the engagement and training of staff and the day to day running of the school. The Directors meet on average six occasions a year to receive reports from the manager and administrator and to carry out operational and financial reviews.

Risk Management

The directors are satisfied that the major risks to which the charity is exposed have been reviewed and procedures have been established to manage these risks.

Objectives and Activities

The purpose of the charity is to provide a residential co-educational school for children up to 18 years of age, who find it difficult to adapt themselves to the routine and educational demands of ordinary school life.

**Report of the Directors
For the Period 1 February 2009 to 31 March 2010****Achievements and Performance**

In April 2009 we started the process of identifying priorities for improvement in care, education, and across 24 hours. This was done through an initial day workshop in April followed by a 2 day workshop in August. From August 2009 onwards, we have been engaged in a series of workshops on curriculum development provided by Stirling University's School of Education. We have developed the curriculum to give young people better breadth, progression and relevance in a number of areas. These are:

Since August 2009, we have been delivering a range of Access 2 modules for the three senior classes. At the time of writing, the majority of pupils have completed at least one module whilst others have achieved as many as six.

We are currently engaged in restructuring the pupils' care and education plans, focusing initially on the areas of Health and Well being, Literacy, Numeracy and Communication and Language. To complement this, we have developed pupils' own personal aims in a more accessible child friendly format.

In Management and Teachers' Meetings, we have focused on the development of a more consistent support and supervision culture. Peer observation and support is now well established in the classroom setting and, although regular supervision has been a longstanding feature of life and work in the houses, this will be developed to include peer observation in the new school year.

We have made very good progress with our Eco School initiative, have achieved the bronze and silver awards, and are currently working towards the green award. Through this the pupils have had the opportunity to experience the positive impact on the environment of both their individual and group efforts, in school, in the local community, and globally.

A Care Commission Inspection in October 2009 gave us a grading of excellent for the quality of care and support we provide. To complement this, a recent survey undertaken with the parents has produced an extremely appreciative and supportive parents and carers' views booklet. As a school we are continuously aware that we have been entrusted with the care of other people's children, and that it is essential that we honour this trust with the highest degree of care and concern.

We want to thank all the parents for their continuing support, which is truly indispensable and much appreciated. We also want to thank our local community of Auchterarder for their friendship and interest.

Financial Review

The financial statements follow on pages 7 to 14. These statements are prepared in terms of the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities and the Companies Act 2006. A resolution was passed at the Annual General Meeting on 10 November 2009 to change the accounting reference date to 31 March and the current period is therefore fourteen months.

The directors are pleased to report that another small surplus has been achieved as a result of full occupancy during the period and this is a further step towards the target level of reserves. Staff costs rose as voluntary co-workers are being replaced by salaried employees.

Extended negotiations with one lead placing authority resulted in a major overhaul of contracting and funding arrangements of pupils placed at Ochil Tower. Fees, which in the past were negotiated annually, will now be agreed for a three year period, including increases for inflation and additional staffing. This arrangement has subsequently been adopted by all placing authorities and will create a more stable and predictable financial environment.

In addition there is further income and expenditure on the designated funds as shown in the Statement of Financial Activities on page 7 with an analysis provided by the notes on page 10.

Reserves policy

The directors aim to build up sufficient free reserves to cover the company's running costs for a six month period to ensure the continuity of service provision for the pupils. The current reserves amount to 16 weeks expenditure and will therefore need to be increased by making small surpluses over the coming years.

**Report of the Directors
For the Period 1 February 2009 to 31 March 2010**

Plans for Future Periods

We are continually working to improve our system for consistent and regular tracking and monitoring of young people's attainment and achievements. This will involve further use of Access modules and exploration of other routes to national accreditation. Ongoing professional workshops will assist with the implementation of the Curriculum for Excellence. We will further development of culture of support and supervision, to include peer observation and assessment across care and education.

Auditors

James Anderson & Co have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By Order of the Board



**J Cursitor
Company Secretary**

14 December 2010

This report is issued in respect of an audit carried out under section 235 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Ochil Tower School Limited for the period 1 February 2009 to 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made exclusively to the charity's members, as a body, in accordance with Section 235 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The responsibilities of the directors for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with UK Generally Accepted Accounting Practice, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements, if the charity has not kept proper accounting records, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed, or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and if whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion (Continued)...

Opinion (Continued/..)

Opinion (Continued/..)

In our opinion:

- the financial statements give a true and fair view in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended and
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice, the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulation 2006.
- the information given in the Directors' Report is consistent with the financial statements



James Anderson (Senior Statutory Auditor) for and behalf of
James Anderson & Co
Chartered Accountants
and Registered Auditors
Pentland Estate
Straiton
EDINBURGH
EH20 9QH

14 December 2010

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Period 1 February 2009 to 31 March 2010

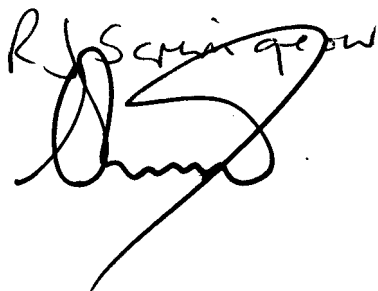
	Notes	Unrestricted Fund £	Designated Funds £	Total 2010 £	Total for Year to 31/1/09 £
Incoming resources from generated funds					
- Voluntary income	3	-	8,227	8,227	2,826
- Investment income	4	897	1,065	1,962	17,069
Incoming resources from charitable activities					
- Fees and allowances		1,471,744	5,922	1,477,666	1,181,426
Incoming Resources		<u>1,472,641</u>	<u>15,214</u>	<u>1,487,855</u>	<u>1,201,321</u>
Charitable expenditure					
- Costs of direct activities	5	1,361,021	28,022	1,389,043	1,195,108
- Support of direct activities	6	26,462	-	26,462	20,956
- Depreciation	10	-	19,291	19,291	20,104
Governance costs	7	<u>3,857</u>	<u>-</u>	<u>3,857</u>	<u>3,700</u>
Resources Expended		<u>1,391,340</u>	<u>47,313</u>	<u>1,438,653</u>	<u>1,239,868</u>
Net Incoming/(Outgoing)Resources	8	81,301	(32,099)	49,202	(38,547)
Transfers between funds	15	<u>(21,000)</u>	<u>21,000</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		60,301	(11,099)	49,202	(38,547)
Balances 31 January 2009		<u>80,779</u>	<u>308,596</u>	<u>389,375</u>	<u>427,922</u>
Balances 31 March 2010	15	<u>141,080</u>	<u>297,497</u>	<u>438,577</u>	<u>389,375</u>

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

Balance Sheet
As at 31 March 2010

	Notes	2010 £	31 January 2009 £
Fixed Assets			
Tangible assets	10	43,817	45,897
Current Assets			
Debtors	11	155,431	351,346
Cash at bank		314,407	245,592
		469,838	596,938
Creditors			
Amounts falling due within one year	12	54,378	253,460
Net Current Assets		415,460	343,478
Total Assets less Current Liabilities		459,277	389,375
Provision for liabilities	14	20,700	-
Net Assets	15	438,577	389,375
Capital and Reserves			
Unrestricted fund	15	141,080	80,779
Designated funds	15	297,497	308,596
Total Funds		438,577	389,375

The financial statements on pages 7 to 14 were approved by and signed on behalf of the Board of Directors on 14 December 2010.



R J Scrimgeour

Director

C Findlay

Director

Notes to the Financial Statements
For the Period 1 February 2009 to 31 March 2010

1. Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and in accordance with the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	12.5%, 16.67% and 25% straight line
Motor vehicles	25% reducing balance

c) Income

Revenue grants and all other income are stated at the amounts receivable in the period. The receipt in advance of income conditional on performance in a future accounting period is recognised in these accounts as deferred income.

d) Expenditure

All expenditure is included on the accruals basis and has been directly attributed to one of the financial categories of resources expended in the Income & Expenditure Account and Statement of Financial Activities. The expenditure also includes irrecoverable VAT.

e) Discretionary Benevolent Fund

The company makes provision for future discretionary benevolent payments to its co-workers. The contributions in the period are charged to the Income and Expenditure Account.

f) Pension Costs

The company operates a money purchase (defined contribution) scheme. The contributions payable for the period are charged to the Income and Expenditure account.

g) 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.

2. Income

The charity's income consists of residents' fees, donations and interest received. Income is attributable to the one continuing activity, which is the provision of residential education for children with difficulty adapting to ordinary school life.

Notes to the accounts
For the Period 1 February 2009 to 31 March 2010

	2010 £	Year to 31/01/09 £
3. Voluntary income		
Donations – General Fund	8,227	2,826
4. Investment income		
Bank interest	1,962	17,069
5. Cost of Direct Activities		
Unrestricted Fund		
Salaried staff	239,023	172,226
Co-workers costs	173,604	157,150
Training costs	34,416	30,246
Rent	212,100	177,000
Office and telephone	34,904	28,907
Camphill Scotland subscriptions	15,487	11,600
Provisions	127,847	113,202
Education & therapy	55,819	44,655
Medical	12,195	13,899
Heat and light	51,988	42,909
Household and laundry	59,430	52,881
Repairs and renewals	67,532	86,404
Motor and travel expenses	40,221	43,258
Insurance and local taxes	29,023	22,961
Garden and estate	11,070	7,604
Bank interest and charges	362	349
Co-worker discretionary benevolent fund	196,000	150,000
	<u>1,361,021</u>	<u>1,155,251</u>
Benevolent Fund (designated)		
Grants	15,060	3,000
White House Fund (designated)		
Maintenance costs	12,962	19,756
Scottish Government Fund (restricted)		
Repairs and renewals	-	17,101
	<u>1,389,043</u>	<u>1,195,108</u>

Notes to the accounts
For the Period 1 February 2009 to 31 March 2010

	2010 £	Year to 31/01/09 £
6. Support of direct activities		
Administration salaries	20,993	17,437
Accounting & secretarial services		
- current period	3,800	2,725
- previous year	995	-
Directors' travel	674	794
	<u>26,462</u>	<u>20,956</u>
7. Governance costs		
Audit fee	3,857	3,700
	<u>3,857</u>	<u>3,700</u>
8. Operating Surplus (net incoming resources)		
The operating surplus is stated after charging:		
Depreciation	19,291	20,104
Audit fee	3,857	3,700
	<u>19,291</u>	<u>20,104</u>
9. Staff Costs		
Wages & salaries	232,139	168,220
Social security costs	19,285	13,773
Pension costs	8,592	7,670
	<u>260,016</u>	<u>189,663</u>

The average weekly number of employees during the period was:

	Number	Number
Administration	1	1
Garden & estate	1	1
Maintenance	1	1
School	9	7
	<u>12</u>	<u>10</u>
Co-workers	30	38
	<u>42</u>	<u>48</u>

No staff member is remunerated at a level in excess of £60,000. Pension contributions are made in respect of 8 (2009: 9) members of staff. In addition to salaried members of staff Ochil Tower School attracts volunteer workers from all over the world who provide friendship and care to residents. These volunteers, who are known as Co-workers, live at Ochil Tower School and help foster a strong & distinctive community spirit. Payments to Co-workers are shown in note 5.

Notes to the accounts
For the Period 1 February 2009 to 31 March 2010

10. Tangible fixed assets	Furniture & Equipment £	Motor Vehicles £	Total £
Cost			
At 31 January 2009	41,296	117,898	159,194
Additions	5,795	13,116	18,911
Disposals	(25,640)	(32,060)	(57,700)
	<u>21,451</u>	<u>98,954</u>	<u>120,405</u>
Depreciation			
As at 31 January 2009	30,114	83,183	113,297
Charge for period	4,846	14,445	19,291
Written back on disposals	(25,640)	(30,360)	(56,000)
	<u>9,320</u>	<u>67,268</u>	<u>76,588</u>
Net book value			
At 31 March 2010	12,131	31,686	43,817
At 31 January 2009	11,182	34,715	45,897
		<u>2010</u>	<u>2009</u>
		£	£
11. Debtors			
Trade debtors		33,853	248,786
Prepayment		20,378	2,560
Loans		101,200	100,000
		<u>155,431</u>	<u>351,346</u>

Loans totalling £100,000 have been made to Camphill Central Scotland Trust Limited, the owners of the Ochil Tower property. The loans are repayable at three months notice and interest is charged at the average bank base rate during the period.

An interest free loan of £2,100 was made to C Ruprecht during the period and the balance of £1,200 is repayable within one year at £300 per month.

12. Creditors – Amounts falling due within one year

Trade creditors	29,827	26,017
Accruals	19,715	10,007
Other taxation and social security	4,836	5,106
Deferred income (note 13)	-	212,330
	<u>54,378</u>	<u>253,460</u>

Notes to the accounts

For the Period 1 February 2009 to 31 March 2010

	2010 £	2009 £
13. Deferred income		
Opening balance	212,330	186,660
Invoiced for Easter term	-	284,248
Recognised in Income and Expenditure Account	(212,330)	(258,578)
	<u> </u>	<u> </u>
Closing balance	<u> </u>	<u>212,330</u>

14. Provision for liabilities

Fire safety work	<u>20,700</u>	<u> </u>
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15. Statement of funds

	As at 31 Jan 2009 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2010 £
Unrestricted fund	<u>80,779</u>	<u>1,472,641</u>	<u>(1,391,340)</u>	<u>(21,000)</u>	<u>141,080</u>
Asset replacement fund	10,279	-	-	3,789	14,068
Benevolent fund	133,896	1,065	(15,060)	-	119,901
Capital fund	45,897	-	(19,291)	17,211	43,817
General fund	118,169	8,227	-	(7,000)	119,396
White House fund	355	5,922	(12,962)	7,000	315
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Designated funds	<u>308,596</u>	<u>15,214</u>	<u>(47,313)</u>	<u>21,000</u>	<u>297,497</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>389,375</u>	<u>1,487,855</u>	<u>(1,438,653)</u>	<u> </u>	<u>438,577</u>

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

The **Designated** funds are:

- Asset Replacement Fund represents funds set aside for the future purchase of fixed assets.
- Benevolent Fund represents funds set aside to provide for co-workers.
- Capital Fund represents expenditure on the tangible fixed assets less depreciation charged.
- General Fund represents donations and interest received less expenditure not normally met out of fee income.
- White House Fund represents the funds set aside for expenses of running a short stay property.

Notes to the accounts

For the Period 1 February 2009 to 31 March 2010

16. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Provision £	Total £
Unrestricted fund	-	161,780	(20,700)	141,080
Asset replacement fund	-	14,068	-	14,068
Benevolent fund	-	119,901	-	119,901
Capital fund	43,817	-	-	43,817
General fund	-	119,396	-	119,396
White House fund	-	315	-	315
Designated funds	43,817	253,680	-	297,497
Total	43,817	415,460	(20,700)	438,577

17. Co-Worker Discretionary Benevolent Fund

The company makes provision for future discretionary pension payments to its long term co-workers. The contributions are paid to a separate company which holds its assets in independently administered funds. The charge in the accounts represents contributions payable by the company during the period and amounted to £196,000 (2009: £150,000).

18. Pension Costs

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,592 (2009: £7,670).

19. Related Parties

During the previous year the company made the following payments to its directors during their terms of office for their services as co-workers. These directors retired on 3 September 2008. No payments were made in respect of services as directors.

	2010 £	2009 £
Mrs B Thom	-	996
J M Surkamp	-	2,476
Mrs J Surkamp	-	2,476

The amount reimbursed to directors for travel expenses during the period was £674 (2009: £794).

20. Capital Commitments

At 31 March 2010 the company had capital commitments contracted for but not provided for in these accounts of £3,050 (2009 – £5,151).