

OCHIL TOWER SCHOOL LIMITED

Scottish Charity No. SC 006091

Company No. SC 051098

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

**Reference and Administrative Details  
For the Year ended 31 March 2020**

<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>	Clydesdale Bank, 117 High Street, Auchterarder, PH3 1AA
<i>Solicitors:</i>	Kippen Campbell, 48 Tay Street, Perth, PH1 5TR.
<i>Company secretary:</i>	J Cursiter
<i>Trustees:</i>	The Trustees serving during the year and since the year end were as follows:  J Glass (Chair) B McDonough M Orr C Tester (resigned 4 May 2020) L Wray S Ward MBE L Alfred S Lorimer (appointed 11 November 2019)
<i>Chief Executive Officer</i>	S Provan (resigned 12 July 2020) A Gibson (interim - appointed 12 July 2020)
<i>Head of Care</i>	J Alexander
<i>Head of Education</i>	M Puccianti

**Report of the Trustees  
For the Year ended 31 March 2020**

The Trustees who are also the Directors present their annual report and financial statements of the charity for the year to 31 March 2020.

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**

As a Camphill Community our vision for Ochil Tower School is grounded in the ethos of the Camphill Movement which shows how people can live, learn and work together in healthy social relationships based on mutual care and respect. Central to this tenet is the valuing of each person as a unique being of intrinsic worth with potential for spiritual, moral, intellectual and physical development and change.

Ochil Tower offers day and 23 residential places for children and young people with complex additional support needs. In response to their high social and educational needs we have focused on creating imaginative and flexible approaches to developing self esteem, confidence and an interest in learning and achieving. This is facilitated by a flexible social pedagogical approach which combines care and education as mutually affecting arenas of lifelong learning.

**Achievements and Performance**

2019/20 was the second full financial year following the introduction of a new leadership structure for the school. In this significant transition from a more traditional Camphill model to a modernised structure, it was important to ensure the new model's viability. This year we have demonstrated that that new model with its associated higher salary costs can continue to be successful, whilst not compromising the specialist nature of the care and education at Ochil Tower School.

For many years, the School had offered a 38 week programme, but it became clear that we had to change in order to better meet the needs of the children and young people, families and our local authority partners. The year 2019/20 has enabled us to embed the enhanced care offering of 43 placement weeks and that it is now a central pillar of the service provided by the School. Of our four residential houses, two currently offer a 43 week provision. In response to increased demand from local authorities, a third 43 week house will be added during 2020/21.

These changes have been well-received and there is now potential to build on this increased demand for places. We are aware that we need to adapt once again in order to deliver 52 weeks of care for our young people. Over the past year we have been exploring workable models so that we are ready to introduce 52 weeks of care in 2021/22 and to develop this further in subsequent years. The building blocks have been established in 2019/20 and a solid platform has been created on which we can build a more diverse range of services.

We were delighted that John Swinney, Depute First Minister and Cabinet Secretary for Skills & Education, joined us to formally open the new Life Skills Centre in August 2019. The success of the Life Skills Centre, which has enabled us to increase the age range of our pupils up to 21 years, is also a welcomed development. There is scope to develop our young adult provision further given the shortage of places nationally for young adults with complex needs. Over this year we have built a new shed, complete with a wood burner. We plan to add a poly tunnel so that the Life Skills Centre, the shed and the tunnel will form one area where Life Skills and the community can come together. Developing such spaces will ensure that there is the potential for a child to come to Ochil Tower School and that the infrastructure is there to offer a continuum of consistent care and education into young adulthood. This minimises transitions and disruptions bringing significant, stabilising benefits to our young people.

During the current school year, we have continued to provide a broad range of activities and events including, importantly, those which celebrate our festivals. Creatively, we have embraced learning in the outdoors, exploring our local environment and beyond. Our Life Skills Centre has provided a variety of learning opportunities for the young people to develop their independent living and employability skills.

We are confident that these developments offer significant, and sustainable benefits to our children and young people, and also to their families, the community as a whole and indeed to our local authority partners.

**Report of the Trustees  
For the Year ended 31 March 2020****Achievements and Performance Continued**

We received positive recognition during our most recent inspection conducted by the Care Inspectorate in January 2019. Our evaluation grades were as follows:

Quality of care and support 4 – Good  
Quality of environment 5 - Very Good  
Quality of staffing 5 - Very Good  
Quality of management and leadership 5 - Very Good

In spite of the current Covid-19 pandemic, we have continued to provide high quality services for our young people including blended learning to support our young people who stayed at home during the lockdown period. We have received positive feedback from our parents, stakeholders and local authority partners regarding our flexible and creative approaches in continuing to meet the care, education and support needs of our young people. Our staff have demonstrated resilience, commitment and highly effective teamwork during this difficult period. The Board would like to commend our staff and thank them for their continued contribution to Ochil Tower School.

**Financial Review**

The financial statements follow on pages 9 to 20.

The charity achieved a good financial performance in the 2019/20 year. Fee income increased to £2,464,305 (2018/19: £2,337,760); expenditure also increased to £2,398,209 (2018/19: £2,152,276), resulting in a surplus on the Unrestricted fund of £88,879 (2018/19: £206,340). In addition there was further income and expenditure on the designated and restricted funds as shown in the Statement of Financial Activities on page 9.

We wish to note that the Covid- 19 pandemic did not have a significant impact on our financial position in 2019/20 and that our local authority placements have been maintained with new referrals continuing to be made. The financial impact of the pandemic will be monitored throughout 2020/21.

The Trustees maintain a Development Fund to assist in funding major development projects across the school campus. A transfer of £86,918 was made in the year to the Capital Fund to match expenditure on the refurbishment of Priory and expenditure on the new School Building project. Further details of transfers between funds are provided in note 14 on page 17.

**Reserves policy**

The Trustees 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; this is equivalent to £1,199,105. Excluding fixed assets and funds designated for essential purposes, the free reserves available at 31 March 2020 are £1,109,858, which the Trustees consider to be adequate.

The restricted Life Skills Centre Fund represents funds received for the construction of the Life Skills Centre and depreciation on the Centre will be charged to this fund.

**Plans for Future Periods**

The integrated School Improvement Plan provides detail on the areas for improvement, using Education Scotland quality indicators and Care Inspectorate quality statements. We will continue to work in partnership with Education Scotland and the Care Inspectorate to develop the quality of our care and education services.

During 2019/20 we celebrated the approval of a new school building and refurbishment of the Coach House. We now have detailed plans in place which will provide a modern school with workshops that will enhance our ability to provide excellent learning and development opportunities for our young people.

As a result of the Covid-19 pandemic, we were required to produce a Recovery and Renewal Plan to guide us through the phases in line with Scottish Government guidance. We will continue to review and adapt our procedures as necessary taking the latest guidance into account. Although the pandemic restrictions have delayed progress in taking forward our new school development and the 52 week service, we are in a good position to move forward when the situation improves.

**Report of the Trustees  
For the Year ended 31 March 2020**

**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 and amended 19 November 2012. The liability of each member is limited to £5. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

*Trustee induction and training*

As part of their induction, new Trustees 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. Trustees are encouraged to attend appropriate external training events that assist with the development of their skills and understanding of their role and responsibilities.

Under the Articles, B McDonough and M Orr will retire by rotation on 31 December 2020 and, being eligible, will offer themselves for re-election.

*Organisation*

The Board of Trustees appoints the Leadership Team, carries out financial overviews and supports staff in considering more complex issues. The Leadership Team is responsible for placement of pupils, the engagement and training of staff and the day to day running of the school. The Trustees meet on approximately six occasions a year to monitor the strategic and operational functioning of the organisation.

Our staff team and co-workers have continued to work hard and demonstrate creativity, innovative and flexible approaches to delivering high quality education and care services. We are committed to providing our staff and co-workers with training and development opportunities that continue to enhance their practice and the quality of our services. During 2019 / 20 our staff and co-workers participated in a range of training and development opportunities.

In March 2020 we were faced with the emergence of the Covid-19 pandemic. As an organisation, we had to respond quickly and effectively to a crisis situation when lockdown began just before the end of the financial year. As a Board, we have a high level of confidence in our leadership and management team to address the future challenges that this pandemic may present.

*Key Management Remuneration Policy*

From 1 April 2018, the key management of the charity comprises the Chief Executive Officer, Head of Care and Head of Education. Salaries are set each year with regard to equivalent positions in similar organisations.

Our Chief Executive Officer, Stuart Provan, left us in July 2020 after steering us through a complex transitional phase. We are grateful to Stuart for leading us through a difficult period and for putting in place a foundation for our planned future developments. Stuart has been replaced on an interim basis by Anne Gibson who has brought great energy and enthusiasm to the School. We look forward to meeting our new Chief Executive Officer, Judy Cromarty, who will join us in November 2020.

*Risk Management*

The Board has identified and addressed the principal risks and uncertainties facing our charity as follows:

**1. Failure to comply with legislation, regulations, standards & guidance for care and education of pupils.**

The school is led by an experienced leadership and management team and trustees, performs regular internal quality audits including care and health and safety and is subject to external inspection by regulatory bodies including the Care Inspectorate and Education Scotland.

**2. Poor practice resulting from insufficient and inadequately trained staff and volunteers to support pupils.**

The school has a policy of recruiting staff with the necessary skills and ensuring that skills are maintained. Volunteers are provided with training and development appropriate to their roles. The school has a development plan in place for the transition to employing senior staff.

**3. Financial loss arising from low occupancy or inadequate financial controls.**

The school provides high quality care and maintains good working relationships with families and local authorities. The Board approves the annual budget and receives quarterly updates on the school's financial position and they and the Leadership Team are supported by professional advisors.

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

**Report of the Trustees  
For the Year ended 31 March 2020  
Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the persons who are Trustees at the time when the Report of the Trustees is approved:

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

**Auditors**

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

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

By Order of the Board



J Glass  
Chairman

9 November 2020

### Opinion

We have audited the financial statements of Ochil Tower School Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, 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 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

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 Report of the Trustees, 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.

**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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the 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 Report of the Trustees.

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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Use of our report**

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

*James Anderson & Co*

Mark Ferguson (Senior Statutory Auditor)  
for and 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.

14 December 2020

**Statement of Financial Activities**  
**(Incorporating Income & Expenditure Account)**  
**For the Year ended 31 March 2020**

	Notes	Total Unrestricted Funds		Restricted Funds	Total 2020	Total 2019
		Unrestricted Fund	Designated Funds	Funds	£	£
		£	£	£		
<b>Income from:</b>						
Donations	3	6,236	2,697	-	8,933	270,164
Charitable activities						
- Fees and allowances	4	2,464,305	4,150	-	2,468,455	2,339,630
Investments	5	2,687	3,072	-	5,759	6,565
Other income	6	13,860	-	-	13,860	6,183
<b>Total income</b>		<b>2,487,088</b>	<b>9,919</b>	<b>-</b>	<b>2,497,007</b>	<b>2,622,542</b>
<b>Expenditure on:</b>						
Raising funds	7	1,530	-	-	1,530	10,406
Charitable activities						
- Cost of charitable activities	8	2,396,679	15,289	-	2,411,968	2,166,729
- Depreciation	11	-	51,302	30,965	82,267	56,782
<b>Total expenditure</b>		<b>2,398,209</b>	<b>66,591</b>	<b>30,965</b>	<b>2,495,765</b>	<b>2,233,917</b>
<b>Net income/(expenditure)</b>	9	<b>88,879</b>	<b>(56,672)</b>	<b>(30,965)</b>	<b>1,242</b>	<b>388,625</b>
Transfers between funds	14	(24,000)	24,000	-	-	-
<b>Net movement in funds</b>		<b>64,879</b>	<b>(32,672)</b>	<b>(30,965)</b>	<b>1,242</b>	<b>388,625</b>
<b>Reconciliation of funds</b>						
Balances 31 March 2019		453,420	1,426,209	623,560	2,503,189	2,114,564
<b>Balances 31 March 2020</b>	14	<b>518,299</b>	<b>1,393,537</b>	<b>592,595</b>	<b>2,504,431</b>	<b>2,503,189</b>

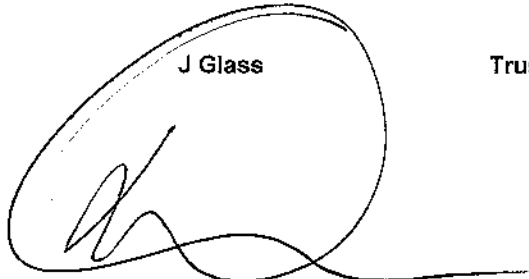
The results set out in the income and expenditure account above derive wholly from the continuing operations of the company.

Balance Sheet  
As at 31 March 2020

	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible assets	11	<u>1,195,009</u>	<u>1,135,160</u>
<b>Current Assets</b>			
Debtors	12	566,970	374,106
Cash at bank		<u>826,388</u>	<u>1,108,079</u>
		<u>1,393,358</u>	<u>1,482,185</u>
<b>Creditors</b>			
Amounts falling due within one year	13	<u>83,936</u>	<u>114,156</u>
<b>Net Current Assets</b>		<u>1,309,422</u>	<u>1,368,029</u>
<b>Net Assets</b>		<u>2,504,431</u>	<u>2,503,189</u>
<b>Capital and Reserves</b>			
Unrestricted Fund	14	518,299	453,420
Designated Funds	14	<u>1,393,537</u>	<u>1,426,209</u>
Total unrestricted funds		<u>1,911,836</u>	<u>1,879,629</u>
Restricted Funds	14	<u>592,595</u>	<u>623,560</u>
<b>Total Funds</b>		<u>2,504,431</u>	<u>2,503,189</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with Charities SoRP FRS102.

The financial statements on pages 9 to 20 were approved by and signed on behalf of the Board of Trustees on 9 November 2020.

 J Glass  
Trustee

**Statement of Cash Flows**  
**For the Year ended 31 March 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(145,334)	606,842
Net cash provided by operating activities		<u>(145,334)</u>	<u>606,842</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(143,616)	(386,217)
Sale of tangible assets		1,500	-
Investment income		5,759	6,565
Net cash used for investing activities		<u>(136,357)</u>	<u>(379,652)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		(281,691)	227,190
Cash and cash equivalents at 31 March 2019		<u>1,108,079</u>	<u>880,889</u>
<b>Cash and cash equivalents at 31 March 2020</b>		<u><b>826,388</b></u>	<u><b>1,108,079</b></u>

**Note to Cash Flow Statement**

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

Net income	1,242	388,625
Depreciation charges	82,574	60,660
Gain on disposal of fixed assets	(307)	-
Investment income	(5,759)	(6,565)
	<u>77,750</u>	<u>442,720</u>
(Increase) / decrease in debtors	(192,864)	187,133
(Decrease) in creditors	(30,220)	(23,011)
	<u>(145,334)</u>	<u>606,842</u>
Net cash provided by operating activities	<u>(145,334)</u>	<u>606,842</u>

**Notes to the Financial Statements  
For the Year ended 31 March 2020**

**1. Statutory information**

Ochil Tower School 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:

**a) Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

**b) Going concern**

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

**c) Fund accounting**

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

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

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

Further explanation of the nature and purpose of each fund is in note 14 to the financial statements.

**d) Income**

Income is attributable to the one continuing activity, which is the provision of education and residential care for young people with additional support needs.

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

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

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

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Interest receivable on loans is recognised as it becomes due under the terms of the loan agreement.

**e) Donated services**

In accordance with the Charities SoRP (FRS102) general volunteer time is not recognised in the accounts.

**Notes to the Financial Statements  
For the Year ended 31 March 2020**

**2. Accounting policies continued**

**f) Expenditure**

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

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

**g) Tangible fixed assets and depreciation**

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

Tenant's improvements	Over the remaining term of the lease which expires in 2038
Furniture & equipment	12.5% and 25% straight line
Motor vehicles	25% reducing balance

**h) 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.

**i) Debtors and creditors receivable / payable within one year**

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

**j) Cash in bank and in hand**

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.

**k) Pensions**

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

**l) Discretionary Benevolent Fund**

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

**m) 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.

**n) Operating leases**

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

Notes to the Financial Statements  
For the Year ended 31 March 2020

	2020 £	2019 £
<b>3. Donations and legacies</b>		
Donations		
Unrestricted Fund	6,236	9,608
General Fund (designated)	2,697	5,248
Restricted donations - Life Skills Centre Fund		
Camphill Central Scotland Trust Limited	-	45,000
Robertson Foundation	-	100,000
Gannochy Trust	-	50,000
Albert Hunt	-	25,000
The ACT Foundation	-	15,000
Hugh Fraser Foundation	-	10,000
Camphill Foundation UK & Ireland	-	6,308
Spifox	-	4,000
	-	255,308
Total donations	8,933	270,164
<b>4. Income from charitable activities</b>		
Fees – Unrestricted Fund	2,464,305	2,337,760
White House Fund (designated)	4,150	1,870
	2,468,455	2,339,630
<b>5. Income from investments</b>		
Interest receivable - Unrestricted Fund	2,187	3,872
Interest receivable - General Fund (designated)	3,072	1,500
Proceeds from sale of investments - Unrestricted Fund	500	1,193
	5,759	6,565
<b>6. Other income</b>		
Rental income – Unrestricted Fund	11,200	-
Sundry income – Unrestricted Fund	2,660	6,183
	13,860	6,183
	2020 £	2019 £
<b>7. Expenditure on raising funds</b>		
Website development costs – Unrestricted Fund	1,530	10,406

Notes to the Financial Statements  
For the Year ended 31 March 2020

	2020 £	2019 £
<b>8. Cost of Charitable Activities</b>		
<i>Unrestricted Fund</i>		
Salaried staff	1,371,879	1,138,167
Administration salaries	64,265	52,446
Agency costs	69,425	38,634
Co-worker costs	67,141	81,122
Training costs	16,881	24,399
Rent	334,100	331,328
Office and telephone	50,954	49,211
Camphill Scotland subscriptions	14,684	14,530
Provisions	94,816	98,105
Education & therapy	26,325	27,445
Medical	363	1,817
Heat and light	43,928	33,898
Household and laundry	62,043	61,662
Repairs and renewals	85,215	90,553
Motor and travel expenses	22,670	25,268
Insurance and local taxes	41,666	39,628
Garden and estate	12,547	17,489
Bank interest and charges	435	356
Audit fee	9,060	8,732
Accounting and secretarial services	6,631	7,080
Professional fees	1,500	-
Trustees' travel	151	-
	<u>2,396,679</u>	<u>2,141,870</u>
<i>Benevolent Fund (designated)</i>		
Payments for beneficiaries	10,000	10,000
<i>White House Fund (designated)</i>		
Maintenance costs	5,289	3,083
<i>Life Skills Centre Fund (restricted)</i>		
Equipment	-	11,776
	<u>15,289</u>	<u>24,859</u>
Total cost of charitable activities	<u>2,411,968</u>	<u>2,166,729</u>
<b>9. Operating Surplus (net income)</b>		
This operating surplus is stated after charging / (crediting):		
Depreciation - Designated	51,609	44,398
Gain on disposal of fixed assets - Designated	(307)	-
Depreciation - Restricted	30,965	12,384
Audit fee – Unrestricted Fund	9,060	8,732
	<u>90,327</u>	<u>65,514</u>



Notes to the Financial Statements  
For the Year ended 31 March 2020

	2020 £	2019 £
<b>10. Staff Costs</b>		
Wages & salaries	1,255,333	1,041,979
Social security costs	109,131	89,211
Pension costs	71,680	59,423
	<u>1,436,144</u>	<u>1,190,613</u>
The average weekly number of employees during the year was:		
	Number	Number
Administration	5	3
School	46	42
	<u>51</u>	<u>45</u>
Co-workers	14	15
	<u>65</u>	<u>60</u>

The number of employees whose total employee benefits (excluding employer pension costs) fell within the banding £60,000 to £70,000 was one (2019 - £nil). 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 8.

The key management personnel of the charity comprised the Chief Executive Officer, Head of Education, and Head of Care. Their total benefits were £181,950 (2019: £189,445).

11. Tangible fixed assets	Tenant's Improvements £	Furniture & Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 31 March 2019	1,177,562	50,122	88,468	1,316,152
Additions	95,461	10,202	37,953	143,616
Disposals	-	(21,289)	(11,926)	(33,215)
As at 31 March 2020	<u>1,273,023</u>	<u>39,035</u>	<u>114,495</u>	<u>1,426,553</u>
<b>Depreciation</b>				
As at 31 March 2019	65,919	40,236	74,837	180,992
Charge for year	60,687	9,289	12,598	82,574
Written back on disposals	-	(21,289)	(10,733)	(32,022)
As at 31 March 2020	<u>126,606</u>	<u>28,236</u>	<u>76,702</u>	<u>231,544</u>
<b>Net book value</b>				
At 31 March 2020	1,146,417	10,799	37,793	1,195,009
At 31 March 2019	<u>1,111,643</u>	<u>9,886</u>	<u>13,631</u>	<u>1,135,160</u>

Notes to the Financial Statements  
For the Year ended 31 March 2020

	2020 £	2019 £
<b>12. Debtors</b>		
Trade debtors	432,595	198,434
Prepayments	31,303	27,640
Loans	100,000	100,000
Other debtors	3,072	48,032
	<u>566,970</u>	<u>374,106</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 an agreed rate during the year.

**13. Creditors – Amounts falling due within one year**

Trade creditors	9,239	85,876
Accruals	44,082	28,280
Other taxation and social security	30,615	-
	<u>83,936</u>	<u>114,156</u>

**14. Statement of funds**

	As at 31 March 2019 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2020 £
<i>Current Year</i>					
Unrestricted Fund	453,420	2,487,088	(2,398,209)	(24,000)	518,299
<i>Designated Funds</i>					
Asset Replacement Fund	91,013	-	-	(22,655)	68,358
Benevolent Fund	80,910	-	(10,000)	-	70,910
Capital Fund	555,356	-	(51,302)	133,573	637,627
Development Fund	251,269	-	-	(86,918)	164,351
General Fund	190,452	5,769	-	-	196,221
Maintenance Fund	255,000	-	-	-	255,000
White House Fund	2,209	4,150	(5,289)	-	1,070
	<u>1,426,209</u>	<u>9,919</u>	<u>(66,591)</u>	<u>24,000</u>	<u>1,393,537</u>
Total unrestricted funds	<u>1,879,629</u>	<u>2,497,007</u>	<u>(2,464,800)</u>	<u>-</u>	<u>1,911,836</u>
<i>Restricted Funds</i>					
Life Skills Centre Fund	623,560	-	(30,965)	-	592,595
	<u>623,560</u>	<u>-</u>	<u>(30,965)</u>	<u>-</u>	<u>592,595</u>
<b>Total funds</b>	<u><b>2,503,189</b></u>	<u><b>2,497,007</b></u>	<u><b>(2,495,765)</b></u>	<u><b>-</b></u>	<u><b>2,504,431</b></u>

**Transfers between funds**

The following transfers were made during the year:

Unrestricted fund to Asset Replacement Fund - £24,000 to provide for future replacements.

Asset Replacement Fund to Capital Fund - £46,655 to match the net value of equipment and vehicle additions.

Development Fund to the Capital Fund - £32,870 to match the expenditure on the Priory refurbishment.

Development Fund to the Capital Fund - £54,048 to match the expenditure on the new School Building project.

Notes to the Financial Statements  
For the Year ended 31 March 2020

14. Statement of funds continued

<i>Previous Year</i>	As at 31 March 2018 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2019 £
Unrestricted Fund	385,480	2,358,616	(2,152,276)	(138,400)	453,420
<i>Designated Funds</i>					
Asset Replacement Fund	48,735	-	-	42,278	91,013
Benevolent Fund	90,910	-	(10,000)	-	80,910
Capital Fund	579,927	-	(44,398)	19,827	555,356
Development Fund	174,974	-	-	76,295	251,269
General Fund	183,704	6,748	-	-	190,452
Maintenance Fund	255,000	-	-	-	255,000
White House Fund	3,422	1,870	(3,083)	-	2,209
	<u>1,336,672</u>	<u>8,618</u>	<u>(57,481)</u>	<u>138,400</u>	<u>1,426,209</u>
Total unrestricted funds	<u>1,722,152</u>	<u>2,367,234</u>	<u>(2,209,757)</u>	<u>-</u>	<u>1,879,629</u>
<i>Restricted Funds</i>					
Life Skills Centre Fund	392,412	255,308	(24,160)	-	623,560
<b>Total funds</b>	<b><u>2,114,564</u></b>	<b><u>2,622,542</u></b>	<b><u>(2,233,917)</u></b>	<b><u>-</u></b>	<b><u>2,503,189</u></b>

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

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

- 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.
- Development Fund represents funds required for necessary upgrade work on the school properties.
- General Fund represents donations and interest received less expenditure not normally met out of fee income.
- Maintenance Fund represents funds set aside to provide for major property refurbishment expenditure.
- White House Fund represents the funds set aside for expenses of running a short stay property.

The **Restricted** Life Skills Centre Fund represents funds received towards the construction of the Life Skills Centre less depreciation charged.

Notes to the Financial Statements  
For the Year ended 31 March 2020

## 15. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
<b>Current Year</b>			
Unrestricted Fund	-	518,299	518,299
<i>Designated Funds</i>			
Asset Replacement Fund	-	68,358	68,358
Benevolent Fund	-	70,910	70,910
Capital Fund	659,999	(22,372)	637,627
Development Fund	-	164,351	164,351
General Fund	-	196,221	196,221
Maintenance Fund	-	255,000	255,000
White House Fund	-	1,070	1,070
	<u>659,999</u>	<u>733,538</u>	<u>1,393,537</u>
Total unrestricted funds	<u>659,999</u>	<u>1,251,837</u>	<u>1,911,836</u>
<i>Restricted Funds</i>			
Life Skills Centre Fund	535,010	57,585	592,595
<b>Total as at 31 March 2020</b>	<u><b>1,195,009</b></u>	<u><b>1,309,422</b></u>	<u><b>2,504,431</b></u>
	Tangible Fixed Assets £	Net Current Assets £	Total £
<b>Previous Year</b>			
Unrestricted Fund	-	453,420	453,420
<i>Designated Funds</i>			
Asset Replacement Fund	-	91,013	91,013
Benevolent Fund	-	80,910	80,910
Capital Fund	555,356	-	555,356
Development Fund	-	251,269	251,269
General Fund	-	190,452	190,452
Maintenance Fund	-	255,000	255,000
White House Fund	-	2,209	2,209
	<u>555,356</u>	<u>870,853</u>	<u>1,426,209</u>
Total unrestricted funds	<u>555,356</u>	<u>1,324,273</u>	<u>1,879,629</u>
<i>Restricted Funds</i>			
Life Skills Centre Fund	579,804	43,756	623,560
<b>Total as at 31 March 2019</b>	<u><b>1,135,160</b></u>	<u><b>1,368,029</b></u>	<u><b>2,503,189</b></u>

**Notes to the Financial Statements  
For the Year ended 31 March 2020**

**16. Pension Costs**

The charity operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £71,680 (2019: £59,423). Pension contributions were made in respect of 47 (2019: 42) members of staff.

**17. Leases**

	2020	2019
	£	£

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

	Property	
Within one year	342,450	334,100
In the second to fifth years inclusive	1,369,800	1,336,400
After five years	4,451,850	4,677,400
	6,164,100	6,347,900

The property is leased from Camphill Central Scotland Trust until 31 March 2038.

**18. Related Parties**

The amount reimbursed for travel expenses during the year was £151 (2019: £nil) in respect of one Trustee. No Trustee received any remuneration for their services as a Trustee during the year.

During the year the charity paid fees of £600 (2019: £2,144) on a normal commercial basis to Trustee Margaret Orr for staff mentoring services. The amount outstanding at 31 March 2020 was £nil (2019: £nil).

**19. Financial commitments**

At 31 March 2020 the charitable company had contractual commitments for the acquisition of tangible fixed assets but which have not been provided for in the financial statements of £nil (2019: £38,988).