

OCHIL TOWER SCHOOL LIMITED

Scottish Charity No. SC 006091

Company No. SC 051098

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

**Report of the Directors
For the Year ended 31 March 2011**

The directors present their report with the financial statements of the company for the year to 31 March 2011.

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 Cursiter
<i>Directors:</i>	The directors serving during the year and since the year end were as follows: R J Scrimgeour (Chair) Mrs A Delaney C Findlay C Robertson (appointed 31/8/10) F R Shewan

Statement of Directors Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 directors 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 directors 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.

**Report of the Directors
For the Year ended 31 March 2011****Statement of Directors Responsibilities (continued)**

In the case of each of the persons who are directors at the time when the directors report is approved:

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

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 which are currently being reviewed. 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.

C Findlay and F R Shewan retire by rotation and are not seeking re-election.

Organisation

The Board of Directors appoints the 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 Year ended 31 March 2011

Achievements and Performance

Our vision for our school is grounded in the ethos of the Camphill Movement, which creates communities where people can live and work together in healthy social relationships, based on mutual care and respect. Central to this is valuing each person as a unique being of intrinsic worth, with potential for spiritual, moral, intellectual and physical development and change.

Ochil Tower School is also committed to an ethos of intense self evaluation on both individual and organisational levels. The views of children and young people, their families, placing authorities and other relevant bodies are sought on an ongoing basis. There is a culture of support and supervision, and a commitment to continuous personal and professional development. From 2009 onwards there has been the development of a robust and ongoing audit which has taken account of both external and internal assessment and evaluation.

Ongoing development of the curriculum structure has been a key area this school year. We have provided a range of SQA courses for many more young people, which has resulted in 22 pupils achieving a total of 175 certified qualifications, with one pupil alone achieving 14 qualifications.

In addition the teachers have attended a number of training courses, enabling us to offer a more flexible suite of courses to meet a range of personal needs. As a result we are now able to offer ASDAN courses up to and including the Bronze and Silver Awards, and Core Skills at Access 2 Level in Literacy, Numeracy, Problem Solving, Information and Communication Technology and Working with Others.

We have made very good progress with our Eco School initiative, achieving Green flag status in December 2010. Our pupils so impressed the inspectors at the Green flag inspection that a group of delegates were invited to attend an Eco Schools Scotland Conference at the Scottish Parliament on January 28th 2011.

Ochil Tower was one of only 29 schools attending the conference, and one of our pupils was asked to be a panel member for the plenum. Feedback on his input was very positive. Eva Keepax, Policy Officer for Eco School Scotland said that he was *'such an excellent panel member in the conference debate. His responses were enjoyable, knowledgeable and well presented.'*

This has proved to be another exciting, challenging, and ultimately fulfilling year. Our pupils have gained in maturity and a sense of themselves as young people fully engaged in the business of learning, achieving and making a contribution to their school, to their local community and even globally. The Care Commission Inspection Report from December 2010 said that we are *"providing an excellent level of care, with the individual young people's needs being at the centre of the service provision."* We are however very aware that ongoing and rigorous self evaluation is essential to not only maintain a high quality of care and education, but also to ensure that we continue to develop and improve.

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, and our Board of Governors who provide us with continuing guidance, encouragement and support.

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 previous period was therefore fourteen months.

High occupancy levels and sound financial management have allowed Ochil Tower to generate a surplus this year. However lower occupancy levels and cost increases due to replacing volunteer workers with paid employees will be a serious challenge next year.

The directors have transferred £25,000 of the surplus to the Asset Replacement Fund for vehicle purchases and £75,000 to a new Maintenance Fund to provide for major refurbishment expenditure, both of which are required during the following year.

**Report of the Directors
For the Year ended 31 March 2011**

Financial Review (continued)

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 25 weeks expenditure and will therefore need to be increased by making small surpluses over the coming years.

Plans for Future Periods

The following plans are part of our Integrated School Improvement Plan:

- Further development of a system for consistent, regular tracking and monitoring of young people's attainment and achievements.
- Further development of Access and ASDAN modules to enable young people to develop skills and achieve national qualifications.
- Further development of Care and Education plans.
- Further development of CfE through ongoing professional workshops.
- Further development of culture of support and supervision, to include regular peer observation and assessment across care and education.
- Further development of assessment processes through continued collaborative practice with a focus on developing approaches to monitoring, self evaluation and improvement planning. (The teachers have already signed up to and made their first self evaluation on the AQL online – a self evaluation tool kit recommended by HMIE)
- Further development and refinement of a clear curriculum rationale and delivery across 24 hours. This will require ongoing evaluation and flexibility depending on individual needs.

Auditors

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

By Order of the Board



**J Cursiter
Company Secretary**

13 December 2011

We have audited the financial statements of Ochil Tower School Limited for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that 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 company and the company's members as a body, for our audit work, or the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under these acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2011 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 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

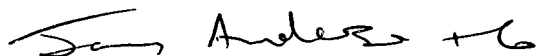
Opinion (Continued)...

Opinion (Continued/..)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit;



Kenneth Fairgrieve (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.

13 December 2011

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Year ended 31 March 2011

	Notes	Unrestricted Fund £	Designated Funds £	Total 2011 £	14 months to 31/3/10 £
Incoming resources from generated funds					
- Voluntary income	3	-	10,360	10,360	8,227
- Investment income	4	643	1,065	1,708	1,962
Incoming resources from charitable activities					
- Fees and allowances		1,436,036	6,110	1,442,146	1,477,666
Incoming Resources		1,436,679	17,535	1,454,214	1,487,855
Charitable expenditure					
- Costs of direct activities	5	1,194,688	5,659	1,200,347	1,389,043
- Support of direct activities	6	23,560	-	23,560	26,462
- Depreciation	10	-	12,846	12,846	19,291
Governance costs	7	4,320	-	4,320	3,857
Resources Expended		1,222,568	18,505	1,241,073	1,438,653
Net Incoming/(Outgoing)Resources	8	214,111	(970)	213,141	49,202
Transfers between funds	15	(119,008)	119,008	-	-
Net Movement in Funds		95,103	118,038	213,141	49,202
Balances 31 March 2010		141,080	297,497	438,577	389,375
Balances 31 March 2011	15	236,183	415,535	651,718	438,577

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 2011

	Notes	2011 £	2010 £
Fixed Assets			
Tangible assets	10	<u>37,128</u>	<u>43,817</u>
Current Assets			
Debtors	11	324,450	155,431
Cash at bank		<u>326,310</u>	<u>314,407</u>
		<u>650,760</u>	<u>469,838</u>
Creditors			
Amounts falling due within one year	12	<u>36,170</u>	<u>54,378</u>
Net Current Assets		<u>614,590</u>	<u>415,460</u>
Total Assets less Current Liabilities		<u>651,718</u>	<u>459,277</u>
Provision for liabilities	14	<u>-</u>	<u>20,700</u>
Net Assets	15	<u>651,718</u>	<u>438,577</u>
Capital and Reserves			
Unrestricted fund	15	236,183	141,080
Designated funds	15	<u>415,535</u>	<u>297,497</u>
Total Funds		<u>651,718</u>	<u>438,577</u>

The financial statements on pages 7 to 14 were approved by and signed on behalf of the Board of Directors on 13 December 2011.

R J Scrimgeour

R J Scrimgeour

Director

Mrs A Delaney

Mrs A Delaney

Director

**Notes to the Financial Statements
For the Year ended 31 March 2011****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 (as amended) 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% 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 year. 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 year 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 year 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 Year ended 31 March 2011

	2011 £	14 months to 31/3/10 £
3. Voluntary income		
Donations – General Fund	10,360	8,227
4. Investment income		
Bank interest	1,708	1,962
5. Cost of Direct Activities		
Unrestricted Fund		
Salaried staff	225,494	239,023
Agency costs	12,751	-
Co-workers costs	149,540	173,604
Training costs	21,296	34,416
Rent	185,000	212,100
Office and telephone	36,149	34,904
Camphill Scotland subscriptions	12,897	15,487
Provisions	115,315	127,847
Education & therapy	59,068	55,819
Medical	12,343	12,195
Heat and light	42,448	51,988
Household and laundry	46,359	59,430
Repairs and renewals	40,270	67,532
Motor and travel expenses	35,346	40,221
Insurance and local taxes	24,561	29,023
Garden and estate	3,526	11,070
Bank interest and charges	225	362
Co-worker discretionary benevolent fund	172,100	196,000
	1,194,688	1,361,021
Benevolent Fund (designated)		
Grants	-	15,060
White House Fund (designated)		
Maintenance costs	5,659	12,962
	1,200,347	1,389,043

Notes to the accounts
For the Year ended 31 March 2011

	2011 £	14 months to 31/3/10 £
6. Support of direct activities		
Administration salaries	18,431	20,993
Accounting & secretarial services		
- current period	4,290	3,800
- previous year	-	995
Directors' travel	839	674
	<u>23,560</u>	<u>26,462</u>
7. Governance costs		
Audit fee	<u>4,320</u>	<u>3,857</u>
8. Operating Surplus (net incoming resources)		
The operating surplus is stated after charging:		
Depreciation	12,846	19,291
Audit fee	<u>4,320</u>	<u>3,857</u>
9. Staff Costs		
Wages & salaries	218,474	232,139
Social security costs	18,480	19,285
Pension costs	6,971	8,592
	<u>243,925</u>	<u>260,016</u>
The average weekly number of employees during the year was:		
	Number	Number
Administration	1	1
Garden & estate	1	1
Maintenance	1	1
School	10	9
	<u>13</u>	<u>12</u>
Co-workers	30	30
	<u>43</u>	<u>42</u>

No staff member is remunerated at a level in excess of £60,000. Pension contributions are made in respect of 8 (2010: 8) 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 Year ended 31 March 2011

10. Tangible fixed assets	Furniture & Equipment £	Motor Vehicles £	Total £
Cost			
At 31 March 2010	21,451	98,954	120,405
Additions	6,157	-	6,157
	<hr/>	<hr/>	<hr/>
As at 31 March 2011	27,608	98,954	126,562
	<hr/>	<hr/>	<hr/>
Depreciation			
As at 31 March 2010	9,320	67,268	76,588
Charge for year	4,924	7,922	12,846
	<hr/>	<hr/>	<hr/>
As at 31 March 2011	14,244	75,190	89,434
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2011	13,364	23,764	37,128
At 31 March 2010	12,131	31,686	43,817
	<hr/>	<hr/>	<hr/>
		2011	2010
		£	£
11. Debtors			
Trade debtors		219,878	33,853
Prepayment		3,613	20,378
Loans		100,959	101,200
		<hr/>	<hr/>
		324,450	155,431
		<hr/>	<hr/>

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 year.

An interest free loan of £2,100 was made to C Ruprecht during the previous period and the balance of £1,200 was repaid during the current year.

12. Creditors – Amounts falling due within one year

Trade creditors	12,800	29,827
Accruals	17,909	19,715
Other taxation and social security	5,461	4,836
	<hr/>	<hr/>
	36,170	54,378
	<hr/>	<hr/>

Notes to the accounts
For the Year ended 31 March 2011

	2011 £	2010 £			
13. Deferred income					
Opening balance	-	212,330			
Recognised in Income and Expenditure Account	-	(212,330)			
	<hr/>	<hr/>			
Closing balance	-	-			
	<hr/>	<hr/>			
14. Provision for liabilities					
Fire safety work	-	20,700			
	<hr/>	<hr/>			
15. Statement of funds					
	As at 31 March 2010 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2011 £
Unrestricted fund	141,080	1,436,679	1,222,568	(119,008)	236,183
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Asset replacement fund	14,068	-	-	37,851	51,919
Benevolent fund	119,901	-	-	-	119,901
Capital fund	43,817	-	12,846	6,157	37,128
General fund	119,396	11,425	-	-	130,821
Maintenance fund	-	-	-	75,000	75,000
White House fund	315	6,110	5,659	-	766
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Designated funds	297,497	17,535	18,505	119,008	415,535
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	438,577	1,454,214	1,241,073	-	651,718
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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.
- 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.

Notes to the accounts
For the Year ended 31 March 2011

16. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted fund	-	236,183	236,183
Asset replacement fund	-	51,919	51,919
Benevolent fund	-	119,901	119,901
Capital fund	37,128	-	37,128
General fund	-	130,821	130,821
Maintenance fund	-	75,000	75,000
White House fund	-	766	766
Designated funds	37,128	378,407	415,535
Total	37,128	614,590	651,718

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 year and amounted to £172,100 (14 months to 31 March 2010: £196,000).

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 £6,971 (14 months to 31 March 2010: £8,592).

19. Related Parties

The amount reimbursed to directors for travel expenses during the year was £839 (14 months to 31 March 2010: £674). No director received any remuneration during the year.

20. Capital Commitments

At 31 March 2011 the company had capital commitments contracted for but not provided for in these accounts of £23,352 (2010 – £3,050).

