

**OCHIL TOWER SCHOOL LIMITED**

**Scottish Charity No. SC 006091**

**Company No. SC 051098**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Reference and Administrative Details  
For the Year ended 31 March 2016**

*Company number:* SC 051098

*Charity number:* SC 006091

*Registered Office:* 140 High Street, Auchterarder, Perthshire, PH3 1AD

*Auditors* James Anderson & Co, Pentland Estate, Straiton, Edinburgh, EH20 9QH.

*Bankers:* Clydesdale Bank, 117 High Street, Auchterarder, PH3 1AA

*Solicitors:* Kippen Campbell, 48 Tay Street, Perth, PH1 5TR.

*Company secretary:* John Cursiter

*Directors:* The directors serving during the year and since the year end were as follows:

W Nicol (Chair, resigned 16 November 2015)

J Glass (Chair, from 16 November 2015)

G Davies

Mrs B McDonough

Mrs M Orr (appointed 11 May 2015)

Mrs C Tester (appointed 11 May 2015)

Mrs S Williams

Mrs L Wray

**Report of the Directors  
For the Year ended 31 March 2016**

The trustees who are also the directors present their annual report and financial statements of the charity for the year to 31 March 2016.

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 for Smaller Entities.

**Objectives and Activities**

As a Camphill Community our vision for Ochil Tower School is grounded in the ethos of the Camphill Movement where people can live, learn 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 offers 12 day and 28 residential places for young people with additional support needs. In response to the pupils' 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.

This document should be read in conjunction with the Integrated School Improvement Plan for 2015 and the accompanying Review of the Plan.

All three documents are available on our website: <http://www.ochiltowerschool.org.uk/>

**Activities and Special Events:**

As always the pupils have been very engaged in our interactive school assemblies. A number of themes have been explored throughout the year and this was done through a range of topic related activities during the assemblies and in the classes. The main topics have been improving the school grounds, sustaining our world, cultures and living spaces. Activities have included tidying the oak area, building bird boxes and flower boxes, making leaf mould and compost, harvesting, preserving soft fruit, making apple juice, and visiting a wide range of different living spaces from castles to tepees.

The eco school team have been very active litter picking as well as reducing, reusing and recycling, and conducting an environmental review. Rachel from Gaur class made a beautiful wooden sign for the school Eco code. To make this Rachel reused the top of an old table, sanded the wood and burned the letters and decoration into the wood using a pyrographic pen. It was then varnished and put up next to our Green Flag. The sign, which is a real work of art, was revealed at one of the assemblies.

The end of term festivals have again provided a wonderful opportunity for the pupils and teachers to show their parents and friends how hard they have worked and how much they have learned. These have included class performances related to termly themes such as Improving the School Grounds and Cultures, a whole school Nativity pageant at Christmas and the end of year festival where we had to say goodbye to so many people and wish them well for the future.

The Michaelmas celebration, harvesting, creating a beautiful altar in the Hall and celebrating with our common Michaelmas meal.

The Halloween party and St Martin's celebration.

The Hindu workshop.

The Advent Garden and Advent and Christmas celebrations.

**Report of the Directors  
For the Year ended 31 March 2016****Activities and Special Events: Continued**

The Nativity Pageant at the end of the Christmas term and the variety concert in the Easter term, both of which raised money for the Scottish Refugee Council.

Pancake Races and a wonderful Carnival party on Shrove Tuesday.

Five beautiful performances of Peter and the Wolf from Earn class at the end of the Easter term and throughout the summer term. These were seen and appreciated by hundreds of people from the local community.

Image Theatre's performance of 'The Sword in the Stone'.

Fairtrade fortnight which culminated in a Fairtrade breakfast on 10th March. The hall was beautifully decorated for this occasion and most of the delicious food was prepared by the classes, using Fairtrade ingredients. We had strawberry jam, chocolate spread, fruit salad, smoothies, pancakes, muffins, bircher muesli and freshly baked bread. So much hard work and effort went into making this a really special occasion.

Easter celebrations: special assemblies each morning of Easter week with music and singing.

The co-workers' play of The Giant with the Three Golden Hairs.

Family Day on 5th June: barbecue, ice cream, scrumptious food cooked by our chef David and exquisite cakes baked by his wife Karen, games, a fairy tale, relaxing on the lawn, and chatting to friends and family.

Camping Weeks: two of our five classes enjoyed the annual trip to the White House at Killin, sleeping in tents, canoeing, orienteering, visiting the Crannog Centre, going for long walks and sitting around the camp-fire. One class went for one night and two others enjoyed outdoor weeks going for day trips.

**Achievements and Performance:**

The children and young people have continued to work very hard this year on developing new skills and gaining new knowledge across a wide range of topics and activities. This year pupils have achieved the following:

17 pupils have worked towards ASDAN qualifications: New Horizons, Transition Challenge and Towards Independence, 27 pupils have worked towards SQA National qualifications; 192 National 1 courses, 10 National 2, 4 National 3 and 10 National 4.

1 pupil gained his Royal Caledonian Horticultural Society's Grow and Learn Award, and as a result was invited to give gardening and bee keeping demonstrations at the Gardening Scotland event in Edinburgh in June.

The Achievement Celebration for all pupils and the Leaving Presentations for the school leavers which all took place at the end of June were valuable and memorable occasions, giving the pupils and co-workers a real sense of accomplishment.

We had one Care inspection this year in March. We were delighted to be graded as excellent for the quality of our care and support, excellent for the quality of environment, and very good for the quality of our staffing, management and leadership.

**Report of the Directors  
For the Year ended 31 March 2016****Achievements and Performance: Continued**

Here are a few examples of the very positive feedback we received.

*The school continues to provide a wide range of opportunities for young people, parents and relatives to make comment on the quality of the service. This enhances the ethos of mutual respect and active engagement.*

*Activities are planned to suit everyone's interests and the young people were engaged in a range of community activities and events.*

*The staff work very well as a team supporting each other and providing consistent care to the young people.*

*Young people and parents views were supported by a strong commitment within the school to ensure participation was embedded in all areas of service delivery.*

*During the inspection, we saw evidence of staff listening to and observing pupils and acting on their comments and suggestions.*

*Overall, the involvement of pupils, parents and relatives continues to be an integral part of the day-to-day operation of the school. Participation within Ochil Tower School is embedded in daily life.*

**Summary**

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 also globally.

We are confident that the future plans including the capital investment to modernise and expand our school buildings and facilities over the next 3 years, will secure the long term future of Ochil Tower School and enhance the life and educational experience for our pupils.

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

**Financial Review**

The financial statements follow on pages 10 to 18.

There was a surplus for the year of £533,894 (2015 - £284,226) on the Unrestricted Fund which arose from all of the available pupil places being occupied. The directors have decided to transfer £438,000 of the surplus together with £245,547 from the Maintenance Fund to a new designated Development Fund. This will be used initially for the renovation of the Priory building which will commence during the next year. The balance will assist towards other necessary works as detailed in the Plans for Future Periods below.

In addition there is further income and expenditure on the designated funds as shown in the Statement of Financial Activities on page 10 with an analysis provided by the notes on pages 13 and 14.

**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 are therefore considered satisfactory.

**Report of the Directors  
For the Year ended 31 March 2016****Plans for Future Periods***Looking to the future and planning for Improvement*

The Integrated School Improvement Plan provides further detail on the areas for improvement, using Education Scotland quality indicators and Care Inspectorate quality statements, but our broad improvement plans are as follows:

We will continue to work in partnership with Education Scotland and the Care Inspectorate to reflect on what we have done to date, and look at what we need to do now and in the future to improve and develop the care and education we offer to children and young people.

Looking ahead and conscious of the planned retirement of the four Joint Coordinators in 2019, the Directors are actively working in partnership with other stakeholders to refine an organisational structure that will secure the schools future. We are very confident that our plans are robust for this transition in the life of our school, with changes to the organisational structure continuing to be underpinned and inspired by the ethos which has served the pupils and our school community so well to date.

*Physical Development*

The changing needs of the young people demands an ongoing review of the suitability of our buildings. We have planned the following developments which will not only upgrade an existing facility but also enable us to make even better use of our estate, providing additional learning and social opportunities for our school community.

*Priory House:*

Priory House, the oldest building in Ochil Tower will be closed for most of the next school year and will undergo a complete refurbishment, funded from our designated Development Fund. This is a £500,000 project and will be completed by June 2017, providing modern accommodation to meet the needs of our pupils and the requirements of our school community.

*Estate Development: Phase 1*

A purpose built 'Life Skills Centre' will be a particular focus for the Senior Phase pupils. This bespoke phase of our development will provide new facilities for our pupils where they can grow and develop in an active, engaging, creative, enterprising and challenging environment. It will be of great assistance in preparing them for their transition to adult life where the prospects of employment and maintaining a reasonable quality of life are challenging to say the least.

The Directors are planning an Appeal to raise the funds for these building works, with the aim of completing the Life Skills Centre by late 2017.

The Life Skills Centre will contain:

- 2 Common Rooms for tuition; small group work, meetings
- Home Economics and Food Processing area
- External covered work space
- Freezer storage
- Maintenance workshop
- Entry space with toilets
- An additional storage building for estate equipment

We are grateful to the Camphill Central Scotland Trust for agreeing to underwrite the project so that we can continue planning whilst raising funds from Grant Making Trusts.

*Estate Development: Phase 2*

We also plan to redevelop the Coach House / Courtyard area, by renovating the existing buildings and creating new classrooms and craft and therapy rooms. We expect the work on this phase to start in 2018.



**Report of the Directors  
For the Year ended 31 March 2016****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.

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 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).

*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.

Under the Articles, J Glass and Mrs L Wray will retire by rotation on 31 December 2016 and, being eligible, will offer themselves for re-election.

**Report of the Directors  
For the Year ended 31 March 2016**

**Structure Governance and Management Continued**

*Organisation*

The Board of Directors appoints the 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 joint co-ordinators and to carry out operational and financial reviews.

*Key Management Remuneration Policy*

Ochil Tower School is a Camphill community which is led by long term volunteer co-workers. They are not paid a salary for their contribution to the school but instead each is entitled to receive their normal living expenses which are substantially less than the salaries paid for equivalent employed positions in similar organisations. The level of the living expenses is monitored by the Board.

*Risk Management*

The Board have identified and addressed the main risk areas facing the charity as follows

1. The requirement to comply with legislation, regulations, standards & guidance for care and education of pupils. The school is led by an experienced management team and trustees, performs regular internal quality audits (eg care, health & safety) and is subject to external inspection by regulatory bodies (eg Care Inspectorate, Education Scotland).
2. The need to have appropriate staff and volunteers to support the pupils. The school has a policy of recruiting staff with the necessary skills and ensuring that skills are maintained. Volunteers are provided with training appropriate to their roles. The school has a development plan in place for the transition to employing senior staff.
3. Financial risks arising from low occupancy or inadequate financial controls. The school provides high quality care and maintains good working relationships with parents and local authorities. The Board receive regular updates on the school's financial position and is supported by professional advisors.

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

**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**

**14 November 2016**



We have audited the financial statements of Ochil Tower School Limited for the year ended 31 March 2016 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 the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 charitable 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 Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31 March 2016 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 applicable to smaller entities; 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 (Continued)...**

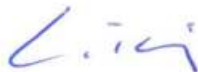
**Opinion on other matter prescribed by the Companies Act 2006**

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

**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 charitable 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;



Christopher Spalding (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.

7 December 2016

**Statement of Financial Activities**  
**(Incorporating Income & Expenditure Account)**  
**For the Year ended 31 March 2016**

	Notes	Total Unrestricted Funds Unrestricted Fund £	Designated Funds Funds £	Total 2016 £	Total 2015 £
<b>Income from :</b>					
Donations	3	8,774	6,376	15,150	31,900
Charitable activities					
- Fees and allowances		2,364,255	4,890	2,369,145	1,943,279
Income from investments	4	3,637	1,065	4,702	3,920
<b>Total income</b>		<u>2,376,666</u>	<u>12,331</u>	<u>2,388,997</u>	<u>1,979,099</u>
<b>Expenditure on :</b>					
Charitable activities					
- Cost of direct activities	5	1,842,772	5,560	1,848,332	1,726,511
- Depreciation	8	-	38,766	38,766	34,427
<b>Total expenditure</b>		<u>1,842,772</u>	<u>44,326</u>	<u>1,887,098</u>	<u>1,760,938</u>
<b>Net income/(expenditure)</b>	6	533,894	( 31,995)	501,899	218,161
Transfers between funds	11	( 475,200)	475,200	-	-
<b>Net movement in Funds</b>		58,694	443,205	501,899	218,161
<b>Reconciliation of Funds</b>					
Balances 31 March 2015		<u>359,381</u>	<u>694,379</u>	<u>1,053,760</u>	<u>835,599</u>
<b>Balances 31 March 2016</b>	11	<u><b>418,075</b></u>	<u><b>1,137,584</b></u>	<u><b>1,555,659</b></u>	<u><b>1,053,760</b></u>

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

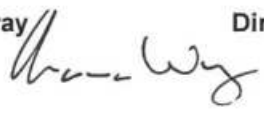
**Balance Sheet**  
**As at 31 March 2016**

	Notes	2016 £	2015 £
<b>Fixed Assets</b>			
Tangible assets	8	<u>135,885</u>	<u>140,648</u>
<b>Current Assets</b>			
Debtors	9	441,945	409,758
Cash at bank		<u>1,040,098</u>	<u>581,502</u>
		<u>1,482,043</u>	<u>991,260</u>
<b>Creditors</b>			
Amounts falling due within one year	10	<u>62,269</u>	<u>78,148</u>
<b>Net Current Assets</b>		<u>1,419,774</u>	<u>913,112</u>
<b>Net Assets</b>		<u>1,555,659</u>	<u>1,053,760</u>
<b>Capital and Reserves</b>			
Unrestricted fund	11	418,075	359,381
Designated funds	11	<u>1,137,584</u>	<u>694,379</u>
<b>Total Funds</b>		<u>1,555,659</u>	<u>1,053,760</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 the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 10 to 18 were approved by and signed on behalf of the Board of Directors on 14 November 2016.

  
 J Glass Director

  
 L Wray Director

**Notes to the Financial Statements  
For the Year ended 31 March 2016**

**1. 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 for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Ochil Tower School Limited meets the definition of a public benefit entity under FRSSE 2015. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**c) 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. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. The expenditure also includes irrecoverable VAT.

**d) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activity of providing education and have been charged to charitable activities.

**e) 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.

Further explanation of the nature and purpose of each fund is in note 11 to the financial statements.

**f) 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 the designated Capital Fund in order to write off each asset over its expected useful life less estimated residual value.

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

Tenant's improvements are written off on a straight line basis from the year in which the asset is brought into use over the remaining term of the lease with Camphill Central Scotland Trust Limited which expires in March 2038.

**Notes to the Financial Statements**  
**For the Year ended 31 March 2016**

**g) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**h) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**i) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**j) Pensions**

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

**k) 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.

**l) 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.

**m) Leasing**

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

**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.

	2016 £	2015 £
<b>3. Donations</b>		
<i>Unrestricted Fund</i>		
Donation for co-worker costs	8,774	18,024
	<hr/>	<hr/>
<i>General Fund (designated)</i>		
Donations	6,376	13,876
	<hr/>	<hr/>



**Notes to the Financial Statements**  
**For the Year ended 31 March 2016**

	2016 £	2015 £
<b>4. Income from investments</b>		
Bank interest - Unrestricted Fund	3,637	2,855
- General Fund (designated)	1,065	1,065
	<u>4,702</u>	<u>3,920</u>
<b>5. Cost of Direct Activities</b>		
<i>Unrestricted Fund</i>		
Salaried staff	545,889	484,927
Administration salaries	23,060	21,086
Agency costs	27,188	8,421
Co-worker costs	207,476	189,311
Training costs	18,364	25,312
Rent	277,000	262,900
Office and telephone	33,608	32,590
Camphill Scotland subscriptions	14,551	13,375
Provisions	132,578	127,246
Education & therapy	41,590	39,645
Medical	13,900	15,722
Heat and light	45,342	40,456
Household and laundry	65,687	58,861
Repairs and renewals	94,373	47,792
Motor and travel expenses	27,361	36,480
Insurance and local taxes	33,876	36,275
Garden and estate	12,181	18,673
Bank interest and charges	793	690
Audit fee	7,200	6,600
Accounting and secretarial services	4,680	4,680
Directors' travel	75	880
Co-worker discretionary benevolent fund	216,000	206,000
	<u>1,842,772</u>	<u>1,677,922</u>
<i>General Fund (designated)</i>		
Sundries	-	1,195
<i>Maintenance Fund (designated)</i>		
Maintenance expenditure	-	44,781
<i>White House Fund (designated)</i>		
Maintenance costs	5,560	2,613
	<u>1,848,332</u>	<u>1,726,511</u>

Notes to the Financial Statements  
For the Year ended 31 March 2016

	2016 £	2015 £
<b>6. Net income/(expenditure)</b>		
This is stated after charging:		
Depreciation	38,766	34,427
Audit fee	7,200	6,600

**7. Staff Costs**

Wages & salaries	507,162	455,885
Social security costs	43,250	35,815
Pension costs	18,537	14,313
	<u>568,949</u>	<u>506,013</u>

The average weekly number of employees during the year was:

	Number	Number
Administration	1	1
School	25	23
	<u>26</u>	<u>24</u>
Co-workers	25	26
	<u>51</u>	<u>50</u>

No staff member is remunerated at a level in excess of £60,000. Pension contributions are made in respect of 15 (2015: 11) 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.

The key management personnel of the charity comprise the four joint co-ordinators who are long term co-workers. Their total benefits were:

	£	£
Total benefits	<u>30,547</u>	<u>30,989</u>

Notes to the Financial Statements  
For the Year ended 31 March 2016

8. Tangible fixed assets	Tenant's Improvements £	Furniture & Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 31 March 2015	73,225	79,787	116,569	269,581
Additions	4,281	17,629	13,723	35,633
Disposals	-	-	( 21,911)	( 21,911)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 March 2016	<u>77,506</u>	<u>97,416</u>	<u>108,381</u>	<u>283,303</u>
<b>Depreciation</b>				
As at 31 March 2015	4,684	48,554	75,695	128,933
Charge for year	2,909	21,832	14,025	38,766
Written back on disposals	-	-	( 20,281)	( 20,281)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 March 2016	<u>7,593</u>	<u>70,386</u>	<u>69,439</u>	<u>147,418</u>
<b>Net book value</b>				
At 31 March 2016	69,913	27,030	38,942	135,885
At 31 March 2015	<u>68,541</u>	<u>31,233</u>	<u>40,874</u>	<u>140,648</u>

	2016 £	2015 £
<b>9. Debtors</b>		
Trade debtors	341,945	309,758
Loans	<u>100,000</u>	<u>100,000</u>
	<u>441,945</u>	<u>409,758</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.

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

Trade creditors	17,131	17,670
Accruals	31,231	49,467
Other taxation and social security	<u>13,907</u>	<u>11,011</u>
	<u>62,269</u>	<u>78,148</u>

Notes to the Financial Statements  
For the Year ended 31 March 2016

## 11. Statement of funds

	As at 31 March 2015 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2016 £
<b>Unrestricted fund</b>	359,381	2,376,666	( 1,842,772)	( 475,200)	418,075
<i>Designated funds</i>					
Asset replacement fund	-	-	-	3,197	3,197
Benevolent fund	94,695	-	-	-	94,695
Capital fund	140,648	-	( 38,766)	34,003	135,885
Development fund	-	-	-	683,547	683,547
General fund	160,810	7,441	-	-	168,251
Maintenance fund	295,547	-	-	( 245,547)	50,000
White House fund	2,679	4,890	( 5,560)	-	2,009
<b>Total unrestricted funds</b>	<b>1,053,760</b>	<b>2,388,997</b>	<b>( 1,887,098)</b>	<b>-</b>	<b>1,555,659</b>

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

The **Designated** funds are unrestricted funds set aside by the directors 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 renovation 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.

## 12. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted fund	-	418,075	418,075
<i>Designated funds</i>			
Asset replacement fund	-	3,197	3,197
Benevolent fund	-	94,695	94,695
Capital fund	135,885	-	135,885
Development fund	-	683,547	683,547
General fund	-	168,251	168,251
Maintenance fund	-	50,000	50,000
White House fund	-	2,009	2,009
<b>Total unrestricted funds</b>	<b>135,885</b>	<b>1,419,774</b>	<b>1,555,659</b>

**Notes to the Financial Statements**  
**For the Year ended 31 March 2016**

**13. 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 £216,000 (2015: £206,000).

**14. 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 £18,537 (2015: £14,313).

**15. Other financial commitments**

	2016 £	2015 £
The total minimum future lease payments under non-cancellable operating leases are as follows:		
	<b>Property</b>	
Within one year	252,250	251,450
In the second to fifth years inclusive	998,400	998,400
After five years	4,243,200	4,492,800
	<u>5,493,850</u>	<u>5,742,650</u>

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

**16. Related Parties**

The amount reimbursed to one director for travel expenses during the year was £75 (2015: two - £880). No director received any remuneration during the year.

