

OCHIL TOWER SCHOOL LIMITED

Scottish Charity No. SC 006091

Company No. SC 051098

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

**Reference and Administrative Details
For the Year ended 31 March 2019**

<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>	John Cursiter
<i>Directors:</i>	The directors serving during the year and since the year end were as follows: J Glass (Chair) Mrs B McDonough Mrs M Orr Mrs C Tester Mrs L Wray Ms S Ward MBE (appointed 22 August 2019) L Alfred (appointed 22 August 2019)
<i>Chief Executive Officer</i>	S Provan
<i>Head of Care</i>	J Alexander
<i>Head of Education</i>	Mrs M Puccianti
<i>Joint co-ordinators:</i>	Mrs H Ruprecht (retired 30 June 2018) U Ruprecht (retired 30 June 2018) Mrs M Snellgrove (retired 30 June 2018) N Snellgrove (retired 30 June 2018)

**Report of the Directors
For the Year ended 31 March 2019**

The trustees who are also the directors present their annual report and financial statements of the charity for the year to 31 March 2019.

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 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 25 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:

This past year has continued on the theme of transition and how the school has continued its journey of evolution, with the new Senior Leadership Team now in post for over 12 months. In the past year we have seen the opening of the Life Skills Centre for our 18-21 year olds and also the first full year of our 43 week programme for around half of our residential young people.

The school has continued to deliver its creative teaching within our school and residential settings and the children, young people and now our young adults have continued to enjoy the experience and opportunities the school provides them with.

There have been numerous successes and achievements; those key to our ongoing growth and development are noted:

Key themes this year were around Ochil Tower being an eco-school: energy, waste minimisation and plastic brought focus to our work across the school - reduce, re-use and re-cycle became the mantra for everyone at Ochil Tower School. Our end of term festivals were again a great vehicle for parents and friends to see our young people perform poems, plays or songs based around the termly themes.

The opening of the Life Skills Centre in October 2018 and a formal opening by John Swinney (Depute First Minister and Cabinet Secretary for Education and Skills) organised for August 2019 is hugely significant for the school. It marked our great progress in supporting transitions for young people at such a crucial stage in their lives into their young adulthood. The variety of workshops is growing all of the time and now includes baking, felting and garden workshops. Pizzas made to order is a firm favourite in the residential houses.

We have a new garden shed that sits next to the Life Skills Centre for our outdoor group to have a snug space in those colder winter months. It will be great to see how this new space can link in with the Life Skills Centre and help to enable some young people to expand their use of spaces and widen the range of activities that they can enjoy. Camphill celebrations continue with great enthusiasm, marking Harvest time, Hallowe'en, Advent and Christmas and many more besides. These celebrations help to maintain the rhythm of the year at a period of change for Ochil Tower.

Music, dance and culture have been present this past year and we have had guest performers throughout the year from plays to a full Orchestra from the Nevis Ensemble; a highlight was Dochart Class performing "The Town Musicians of Bremen." The love of the outdoors is high on the agenda at Ochil Tower and the young people loved their Camping Week(s) at the Whitehouse in Killin once again. Some stayed for longer than others but everyone had an outdoor experience of either camping out, canoeing or long walks and a camp-fire and a sing song.

We have had a variety of fund raisers for very important causes. We had a bake sale in October with all proceeds going to the Marine Conservation Society. Red nose day and Fair Trade Fortnight were great fun helping to instil in the children and young people a wider sense of community responsibility and helping others within society. A great example of this was Isla class raising money for a homeless day centre in Perth, CATH.

**Report of the Directors
For the Year ended 31 March 2019**

Achievements, Training and Performance:

Our young people have again this year enjoyed success, with the following qualifications achieved:

41 ASDAN: 36 Towards Independence, 1 New Horizon and 4 Transition Challenge Awards. 68 SQA National 1, 2 Personal Achievement Awards - 1 bronze and 1 silver.

The Achievement Celebration for all pupils and the Leaving Presentations for the school leavers at the end of June were valuable and memorable occasions, providing pupils & students with a real sense of accomplishment.

We had whole school training for Child and Adult Protection delivered by our host authority Perth and Kinross. Two of our staff have become MAPA trainers so we can be more effective and responsive at equipping our employees and volunteers to de-escalate situations. All of our teachers are registered with The General Teaching Council and this year we engaged with the Professional Review and Development process for our teachers.

We were very pleased to have our Care Inspectorate grades improve from 4 x 4's to 3 x 5's and a 4 on our Quality Themes:

- 4 Care & Support
- 5 Environment
- 5 Staffing
- 5 Leadership & Management

With 3 new residential pupils joining our school community during the year and the move towards a 43 week model of care and support, we have continued to meet the needs of our growing school community as planned with the recruitment of additional employees. Learning, development and support is central to our success and provides the platform for continuous improvement in our school community for all.

Looking to the future and planning for Improvement

This past year has seen the new leadership model of CEO and Heads of Care and Education working in practice, providing a firm foundation to further enhance and develop our school and residential care service.

The quality of education and care has always been central to Ochil Tower School's identity. It has been important to ensure that there has been a strong evidence base to support this. It has been rewarding to see recognition by the Care Inspectorate of the work that has been carried out.

The level of interest from Commissioners and parents for the new 43 week service exceeded expectations. This past year has been one of consolidating the new enhanced offering and creating cohesive teams to deliver a high quality service across the two offerings of 38 and 43 weeks. We have increasing demand for us to consider extending our services further to offer 52 weeks of care and the possibility of expanding our age group up to age 25. We are considering the feasibility of potential changes and are mindful that we should be measured and considered in how we introduce further changes to the school.

The opening of the Life Skills Centre has demonstrated what can be achieved through constructing spaces that are designed to meet with the needs of our young people. To diversify in the future will require further enhancement to our physical spaces. We aim to refurbish our coach house building to the highest standard, before building a purpose built two storey educational space so that these spaces can be flexible in meeting with current and future needs. We have been granted planning permission and have finalised a fund-raising strategy. Our aim is to start the project with the coach-house in June of 2020 with a completion date for both phases, refurbishment and the new building, by the summer of 2022.

Financial Review

The financial statements follow on pages 10 to 21.

The charity enjoyed another good financial performance in the 2018/19 year. Fee income increased to £2,337,760 (2017/18: £2,207,191); expenditure also increased to £2,152,276 (2017/18: £2,094,974), resulting in a surplus on the Unrestricted fund of £206,340 (2017/18: £124,527). In addition there was further income and expenditure on the designated funds as shown in the Statement of Financial Activities on page 10. In the light of the new school development, £100,000 was allocated to the designated Development Fund.

The trustees maintain a Development Fund to assist in funding major development projects across the school campus. A transfer of £23,705 was made in the year to the Capital Fund to match expenditure on the refurbishment of Priory.

**Report of the Directors
For the Year ended 31 March 2019****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; this is equivalent to £1,076,138. Excluding fixed assets and funds designated for essential purposes, the free reserves available at 31 March 2019 are £1,073,004, which the directors consider to be satisfactory.

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 reflect on what we have achieved to date, consider where we are currently and look to the future so as to improve and develop the care and education we offer to children and young people.

As noted above, with the construction of the new Life Skills Centre completed in September 2018, our attention is now on the refurbishment and extension to our education facilities.

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 2019 and, being eligible, will offer themselves for re-election.

Organisation

The Board of Directors appoints the Leadership Team, carries out financial overview and is available to assist the staff on more complex issues. The Leadership Team 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 Leadership Team and to carry out operational and financial reviews.

Key Management Remuneration Policy

Ochil Tower School is a Camphill community which was led by long term volunteer co-workers until 1 April 2018. They were not paid a salary for their contribution to the school but instead each was entitled to receive their normal living expenses which were substantially less than the salaries paid for equivalent employed positions in similar organisations. The level of the living expenses was monitored by the Board.

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

Report of the Directors
For the Year ended 31 March 2019

Structure Governance and Management Continued

Risk Management

The Board have 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 management team and trustees, performs regular internal quality audits (e.g. care, health & safety) and is subject to external inspection by regulatory bodies (e.g. Care Inspectorate, Education Scotland).

2. Poor practice resulting from insufficient and inadequately 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 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 parents and local authorities. The Board approve the annual budget and receive quarterly updates on the school's financial position and they and the Leadership Team are 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.

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.

**Report of the Directors
For the Year ended 31 March 2019**

Statement of Directors Responsibilities Continued

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.

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 Cursiter
Company Secretary**

12 November 2019

Opinion

We have audited the financial statements of Ochil Tower School Limited (the 'charitable company') for the year ended 31 March 2019 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 2019, 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 Directors, 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 Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Directors.

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 directors' 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 Directors' Responsibilities set out on page 6, 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. 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.

12 November 2019

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Year ended 31 March 2019

	Notes	Total Unrestricted Funds		Restricted Funds	Total 2019	Total 2018
		Unrestricted Fund £	Designated Funds £	Funds £	£	£
Income from:						
Donations	3	9,608	5,248	255,308	270,164	376,389
Charitable activities						
- Fees and allowances	4	2,337,760	1,870	-	2,339,630	2,210,646
Investments	5	5,065	1,500	-	6,565	4,421
Other income		6,183	-	-	6,183	2,740
Total income		2,358,616	8,618	255,308	2,622,542	2,594,196
Expenditure on:						
Raising funds	6	10,406	-	-	10,406	-
Charitable activities						
- Cost of charitable activities	7	2,141,870	13,083	11,776	2,166,729	2,135,367
- Depreciation	10	-	44,398	12,384	56,782	38,044
Total expenditure		2,152,276	57,481	24,160	2,233,917	2,173,411
Net income/(expenditure)	8	206,340	(48,863)	231,148	388,625	420,785
Transfers between funds	13	(138,400)	138,400	-	-	-
Net movement in funds		67,940	89,537	231,148	388,625	420,785
Reconciliation of funds						
Balances 31 March 2018		385,480	1,336,672	392,412	2,114,564	1,693,779
Balances 31 March 2019	13	453,420	1,426,209	623,560	2,503,189	2,114,564

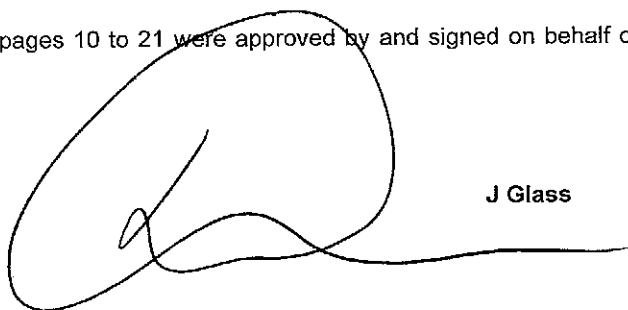
The results set out in the income and expenditure account above derive wholly from the continuing operations of the company.

Balance Sheet
As at 31 March 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	10	<u>1,135,160</u>	<u>809,603</u>
Current Assets			
Debtors	11	374,106	561,239
Cash at bank		<u>1,108,079</u>	<u>880,889</u>
		<u>1,482,185</u>	<u>1,442,128</u>
Creditors			
Amounts falling due within one year	12	<u>114,156</u>	<u>137,167</u>
Net Current Assets		<u>1,368,029</u>	<u>1,304,961</u>
Net Assets		<u>2,503,189</u>	<u>2,114,564</u>
Capital and Reserves			
Unrestricted Fund	13	453,420	385,480
Designated Funds	13	<u>1,426,209</u>	<u>1,336,672</u>
Total unrestricted funds		1,879,629	1,722,152
Restricted Funds	13	<u>623,560</u>	<u>392,412</u>
Total Funds		<u>2,503,189</u>	<u>2,114,564</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 10 to 21 were approved by and signed on behalf of the Board of Directors on 12 November 2019.



J Glass

Director

Statement of Cash Flows
For the Year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	606,842	433,473
Net cash provided by operating activities		<u>606,842</u>	<u>433,473</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(386,217)	(593,930)
Sale of tangible assets		-	2,800
Investment income		6,565	4,421
Net cash used for investing activities		<u>(379,652)</u>	<u>(586,709)</u>
Net increase / (decrease) in cash and cash equivalents		227,190	(153,236)
Cash and cash equivalents at 31 March 2018		<u>880,889</u>	<u>1,034,125</u>
Cash and cash equivalents at 31 March 2019		<u>1,108,079</u>	<u>880,889</u>

Note to Cash Flow Statement

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

Net income	388,625	420,785
Depreciation charges	60,660	38,044
Investment income	(6,565)	(4,421)
	<u>442,720</u>	<u>454,408</u>
Decrease / (increase) in debtors	187,133	(85,375)
(Decrease) / Increase in creditors	(23,011)	64,440
Net cash provided by operating activities	<u>606,842</u>	<u>433,473</u>

**Notes to the Financial Statements
For the Year ended 31 March 2019**

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 (Charities SoRP FRS102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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 13 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. Information regarding the contribution of volunteers is provided in the Report of the Directors and in note 7.

**Notes to the Financial Statements
For the Year ended 31 March 2019**

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
Fixtures and fittings	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.

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 2019

	2019 £	2018 £
3. Donations and legacies		
Donations Unrestricted Fund	9,608	6,214
General Fund (designated)	5,248	10,173
Restricted donations - Life Skills Centre Fund		
Alexander Moncur Trust	-	2,000
Auchterarder & District Community Trust	-	5,000
Beatrice Laing Trust	-	2,000
Boshier Hinton Foundation	-	3,800
Camphill Central Scotland Trust Limited	45,000	255,000
Garfield Weston Foundation	-	25,000
Silverhill Trust	-	7,000
The RS MacDonald Charitable Trust	-	30,000
Trustees of FB Baily Thomas	-	20,000
Walter Craig Charitable Trust	-	2,000
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	-
Others	-	8,202
	255,308	360,002
Total donations	270,164	376,389
4. Income from charitable activities		
Fees	2,337,760	2,207,191
White House Fund (designated)	1,870	3,455
	2,339,630	2,210,646
5. Income from investments		
Interest receivable - Unrestricted Fund	3,872	3,356
Proceeds from sale of investments – Unrestricted Fund	1,193	-
Interest receivable - General Fund (designated)	1,500	1,065
	6,565	4,421

Notes to the Financial Statements
For the Year ended 31 March 2019

	2019 £	2018 £
6. Expenditure on raising funds		
Website development costs	10,406	-
7. Cost of Charitable Activities		
<i>Unrestricted Fund</i>		
Salaried staff	1,138,167	762,823
Administration salaries	52,446	34,068
Agency costs	38,634	38,966
Co-worker costs	81,122	212,203
Training costs	24,399	19,377
Rent	331,328	338,910
Office and telephone	49,211	41,443
Camphill Scotland subscriptions	14,530	14,021
Provisions	98,105	113,981
Education & therapy	27,445	27,412
Medical	1,817	4,778
Heat and light	33,898	46,029
Household and laundry	61,662	55,623
Repairs and renewals	90,553	43,826
Motor and travel expenses	25,268	32,547
Insurance and local taxes	39,628	42,130
Garden and estate	17,489	10,765
Bank interest and charges	356	267
Audit fee	8,732	8,316
Accounting and secretarial services	7,080	4,980
Professional fees	-	18,000
Directors' travel	-	109
Co-worker discretionary benevolent fund	-	224,400
	<u>2,141,870</u>	<u>2,094,974</u>
<i>Maintenance Fund (designated)</i>		
Maintenance costs	-	33,000
<i>Benevolent Fund (designated)</i>		
Payments for beneficiaries	10,000	-
<i>General Fund (designated)</i>		
Sundries	-	3,184
<i>White House Fund (designated)</i>		
Maintenance costs	3,083	4,209
<i>Life Skills Centre Fund (restricted)</i>		
Equipment	11,776	-
	<u>24,859</u>	<u>40,393</u>
Total cost of charitable activities	<u>2,166,729</u>	<u>2,135,367</u>
8. Operating Surplus (net income)		
This operating surplus is stated after charging:		
Depreciation	56,782	38,044
Audit fee	8,732	8,316

Notes to the Financial Statements
For the Year ended 31 March 2019

	2019 £	2018 £
9. Staff Costs		
Wages & salaries	1,041,979	696,214
Social security costs	89,211	59,238
Pension costs	59,423	41,439
	<u>1,190,613</u>	<u>796,891</u>
The average weekly number of employees during the year was:		
	Number	Number
Administration	3	3
School	42	28
	<u>45</u>	<u>31</u>
Co-workers	15	21
	<u>60</u>	<u>52</u>

No staff member is remunerated at a level in excess of £60,000. Pension contributions were made in respect of 42 (2018: 40) 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 7.

The key management personnel of the charity comprised the Chief Executive Officer, Head of Education, and Head of Care who were appointed in December 2017, January 2018 and February 2018 respectively. Their total benefits were £189,445 (2018: £109,352).

10. Tangible fixed assets	Tenant's Improvements £	Furniture & Equipment £	Motor Vehicles £	Total £
Cost				
At 31 March 2018	791,345	70,348	104,993	966,686
Additions	386,217	-	-	386,217
Disposals	-	(20,226)	(16,525)	(36,751)
As at 31 March 2019	<u>1,177,562</u>	<u>50,122</u>	<u>88,468</u>	<u>1,316,152</u>
Depreciation				
As at 31 March 2018	25,543	48,858	82,682	157,083
Charge for year	40,376	11,604	4,802	56,782
Written back on disposals	-	(20,226)	(12,647)	(32,873)
As at 31 March 2019	<u>65,919</u>	<u>40,236</u>	<u>74,837</u>	<u>180,992</u>
Net book value				
At 31 March 2019	<u>1,111,643</u>	<u>9,886</u>	<u>13,631</u>	<u>1,135,160</u>
At 31 March 2018	<u>765,802</u>	<u>21,490</u>	<u>22,311</u>	<u>809,603</u>

Notes to the Financial Statements
For the Year ended 31 March 2019

	2019 £	2018 £
11. Debtors		
Trade debtors	201,466	190,200
Prepayments	27,640	16,039
Loans	100,000	100,000
Other debtors	45,000	255,000
	<u>374,106</u>	<u>561,239</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.

12. Creditors – Amounts falling due within one year

Trade creditors	85,876	29,062
Accruals	28,280	88,114
Other taxation and social security	-	19,991
	<u>114,156</u>	<u>137,167</u>

13. Statement of funds

	As at 31 March 2018 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2019 £
Current Year					
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
	<u>392,412</u>	<u>255,308</u>	<u>(24,160)</u>	<u>-</u>	<u>623,560</u>
Total	<u>2,114,564</u>	<u>2,622,542</u>	<u>(2,233,917)</u>	<u>-</u>	<u>2,503,189</u>

Notes to the Financial Statements
For the Year ended 31 March 2019

13. Statement of funds continued

	As at 31 March 2017 £	Incoming resources £	Resources expended £	Transfers between funds £	As at 31 March 2018 £
<i>Previous Year</i>					
Unrestricted Fund	<u>399,353</u>	<u>2,219,501</u>	<u>(2,094,974)</u>	<u>(138,400)</u>	<u>385,480</u>
<i>Designated Funds</i>					
Asset Replacement Fund	16,407	-	-	32,328	48,735
Benevolent Fund	90,910	-	-	-	90,910
Capital Fund	232,107	-	(38,044)	385,864	579,927
Development Fund	554,766	-	-	(379,792)	174,974
General Fund	175,650	11,238	(3,184)	-	183,704
Maintenance Fund	188,000	-	(33,000)	100,000	255,000
White House Fund	4,176	3,455	(4,209)	-	3,422
	<u>1,262,016</u>	<u>14,693</u>	<u>(78,437)</u>	<u>138,400</u>	<u>1,336,672</u>
Total unrestricted funds	1,661,369	2,234,194	(2,173,411)	-	1,722,152
<i>Restricted Funds</i>					
Life Skills Centre Fund	32,410	360,002	-	-	392,412
Total	<u>1,693,779</u>	<u>2,594,196</u>	<u>(2,173,411)</u>	<u>-</u>	<u>2,114,564</u>

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

The **Designated** funds are 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 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.

Transfers between funds

The following transfers were made during the year:

Unrestricted fund to Development Fund - £100,000 to provide for necessary upgrade work on the school properties.

Unrestricted fund to Asset Replacement Fund - £38,400 to provide for future vehicle replacements.

Capital Fund to Asset Replacement Fund - £3,878 to match the net book value of vehicle disposals.

Development Fund to the Capital Fund - £23,705 to match the expenditure on the Priory refurbishment.

Notes to the Financial Statements
For the Year ended 31 March 2019

14. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Current Year			
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
	555,356	870,853	1,426,209
Total unrestricted funds	555,356	1,324,273	1,879,629
<i>Restricted Funds</i>			
Life Skills Centre Fund	579,804	43,756	623,560
Total as at 31 March 2019	1,135,160	1,368,029	2,503,189
	Tangible Fixed Assets £	Net Current Assets £	Total £
Previous Year			
Unrestricted Fund	-	385,480	385,480
<i>Designated Funds</i>			
Asset Replacement Fund	-	48,735	48,735
Benevolent Fund	-	90,910	90,910
Capital Fund	579,927	-	579,927
Development Fund	-	174,974	174,974
General Fund	-	183,704	183,704
Maintenance Fund	-	255,000	255,000
White House Fund	-	3,422	3,422
	579,927	756,745	1,336,672
Total unrestricted funds	579,927	1,142,225	1,722,152
<i>Restricted Funds</i>			
Life Skills Centre Fund	229,676	162,736	392,412
Total as at 31 March 2018	809,603	1,304,961	2,114,564

Notes to the Financial Statements
For the Year ended 31 March 2019

15. 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 £nil (2018: £224,000).

16. 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 £59,423 (2018: £41,439).

17. Leases

2019 **2018**
£ **£**

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

	Property	
Within one year	334,100	325,950
In the second to fifth years inclusive	1,336,400	1,303,800
After five years	4,677,400	4,889,250
	<u>6,347,900</u>	<u>6,519,000</u>

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 £nil (2018: £109 in respect of one director). No director received any remuneration for their services as a director during the year.

During the year the charitable company paid fees of £2,144 (2018: £2,400) on a normal commercial basis to director Margaret Orr for staff mentoring services. The amount outstanding at 31 March 2019 was £nil (2018: £nil).

19. Financial commitments

At 31 March 2019 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 £38,988 (2018: £349,944).