

OCHIL TOWER SCHOOL LIMITED

Scottish Charity No. SCO06091

Company No. SCO 51098

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2007**

**Report of the Directors
For the Year ended 31 January 2007**

The directors present their report with the financial statements of the company for the year ended 31 January 2007.

Reference and Administrative Details

<i>Company number:</i>	SCO 51098
<i>Charity number:</i>	SCO006091
<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>	U Ruprecht
<i>Directors:</i>	The directors serving during the year and since the year-end were as follows: Mrs L Graham, chairman Very Rev H Farquharson C Findlay W Frew (resigned 4 April 2006) Mrs J McDonald (resigned 12 September 2006) J Reed F R Shewan Mrs J Stewart J M Surkamp Mrs J Surkamp Mrs B Thom

Statement of Directors responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 (s.234ZA (2)).

**Report of the Directors
For the Year ended 31 January 2007****Structure Governance and Management***Governing Document*

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

Director induction and training

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

Mrs L Graham, F Shewan and J Reed retire by rotation and, being eligible, offer themselves for re-election.

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 four 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.

Achievements and Performance

Ochil Tower School continues to enjoy a high occupancy level, meeting the needs of young people with a broad range of additional support needs.

Low staff turnover at house parent, teacher and senior management level, combined with a detailed training programme, has allowed the school to build on the already high standard of provision.

This is reflected in the positive feedback by parents, Care Commission, professionals and other stakeholders.

Financial Review

The financial statements follow on pages 6 to 13. These statements are prepared in terms of the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities and the Companies Act 1985.

**Report of the Directors
For the Year ended 31 January 2007**

Financial Review Continued.

Ochil Tower School has continued to make effective use of its financial resources. The co-operative relationship with Local Authority funding bodies allows for fee levels to be dynamically adjusted to meet expenditure without undue concerns for changing pupil profiles or vacancies in the future.

Reserves policy

The directors aim to build up sufficient free reserves to cover the company's running costs for a three month period. The current reserves amount to 14 weeks expenditure and are therefore satisfactory.

Plans for Future Periods

Training will continue to play an important part in the ongoing service development to meet the changing needs of young people.

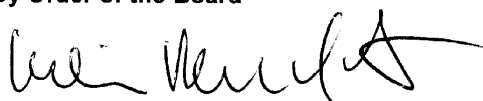
Substantial funding to improve Residential Units and Residential Schools from the Scottish Executive will be used to upgrade the hall and classroom buildings, improving the educational environment.

In addition the replacement of the felt roofs of the Hall and Classroom buildings has been planned.

Auditors

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

By Order of the Board



**U Ruprecht
Company Secretary**

21 August 2007

We have audited the financial statements of Ochil Tower School Limited for the year ended 31 January 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, information given in the Directors' Annual Report is consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

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

Basis of Audit Opinion

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

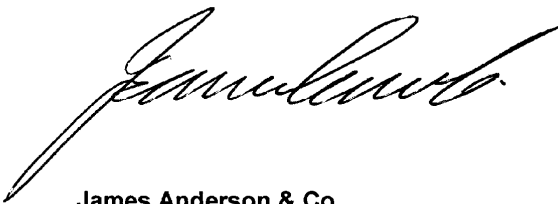
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion (Continued)...

Opinion (Continued/..)

In our opinion:

- the financial statements give a true and fair view in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 January 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and
- the financial statements have been properly prepared in accordance with the Companies Act 1985



**James Anderson & Co
Chartered Accountants
and Registered Auditors
Pentland Estate
Straiton
EDINBURGH
EH20 9QH**

21 August 2007

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Year ended 31 January 2007

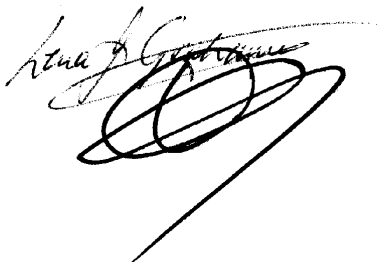
	Notes	Unrestricted Fund	Designated Funds	Total 2007	Total 2006
Incoming resources from generated funds					
- Voluntary income	3	15,467	-	15,467	4,806
- Investment income	4	9,280	7,338	16,618	13,405
Incoming resources from charitable activities					
- Fees and allowances		1,050,837	4,193	1,055,030	1,014,762
Incoming Resources		<u>1,075,584</u>	<u>11,531</u>	<u>1,087,115</u>	<u>1,032,973</u>
Charitable expenditure					
- Costs of direct activities	5	1,007,236	17,633	1,024,869	1,025,944
- Support of direct activities	6	18,648	-	18,648	15,426
- Depreciation	10	-	24,043	24,043	24,932
Governance costs	7	<u>4,111</u>	<u>-</u>	<u>4,111</u>	<u>5,080</u>
Resources Expended		<u>1,029,995</u>	<u>41,676</u>	<u>1,071,671</u>	<u>1,071,382</u>
Net Incoming/(Outgoing)Resources	8	45,589	(30,145)	15,444	(38,409)
Transfers between funds	14	(15,020)	15,020	-	-
Net Movement in Funds		<u>30,569</u>	<u>(15,125)</u>	<u>15,444</u>	<u>(38,409)</u>
Balances 31 January 2006		<u>14,845</u>	<u>315,064</u>	<u>329,909</u>	<u>368,318</u>
Balances 31 January 2007	14	<u>45,414</u>	<u>299,939</u>	<u>345,353</u>	<u>329,909</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 January 2007

	Notes	2007 £	2006 £
Fixed Assets			
Tangible assets	10	58,068	71,325
Current Assets			
Debtors	11	117,461	117,693
Cash at bank		285,659	253,455
		403,120	371,148
Creditors			
Amounts falling due within one year	12	115,835	112,564
Net Current Assets		287,285	258,584
Total Assets less Current Liabilities		345,353	329,909
Capital and Reserves			
Unrestricted fund	14	45,414	14,845
Designated funds	14	299,939	315,064
Total Funds		345,353	329,909

The financial statements on pages 6 to 13 were approved by and signed on behalf of the Board of Directors on 21 August 2007.



Mrs L Graham

Director

C Findlay

Director

**Notes to the Financial Statements
For the Year ended 31 January 2007****1. Accounting Policies****a) Basis of Accounting**

The company prepares its financial statements on the historical cost basis and in accordance with applicable accounting standards and the Statement of Recommended Practice (revised 2005) Accounting and Reporting of Charities.

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	at varying rates on cost
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
Year Ended 31 January 2007

	2007 £	2006 £
3. Voluntary income		
Donations	536	4,806
Grant – Scottish Executive (for property upgrades)	14,931	-
	<u>15,467</u>	<u>4,806</u>
4. Investment income		
Bank interest	16,618	13,405
	<u>16,618</u>	<u>13,405</u>
5. Cost of Direct Activities		
Unrestricted Fund		
Salaried staff	151,201	150,880
Co-workers costs	138,433	127,466
Training costs	22,674	13,380
Rent	156,000	140,000
Office and telephone	28,547	25,067
Camphill Scotland subscriptions	9,440	9,288
Provisions	93,359	85,581
Education & therapy	52,774	60,887
Medical	10,277	11,152
Heat and light	37,601	28,252
Household and laundry	52,351	36,883
Repairs and renewals	65,117	119,411
Motor and travel expenses	39,269	42,057
Insurance and local taxes	33,420	34,292
Garden and estate	6,200	3,282
Bank interest and charges	173	534
Co-worker discretionary benevolent fund	110,400	109,000
	<u>1,007,236</u>	<u>997,412</u>
Benevolent Fund		
Grants	15,000	3,300
White House Fund		
Maintenance costs	2,633	4,472
General Reserve		
Rowan House furnishings	-	20,760
	<u>1,024,869</u>	<u>1,025,944</u>

Notes to the accounts
Year Ended 31 January 2007

	2007 £	2006 £
6. Support of direct activities		
Administration salaries	16,298	12,985
Accountancy fees	2,350	2,441
	<u>18,648</u>	<u>15,426</u>
7. Governance costs		
Audit fee	3,349	3,172
Audit fee – previous agent	-	372
Other accounting services	-	587
Reimbursement of directors' expenses	762	949
	<u>4,111</u>	<u>5,080</u>
8. Operating Surplus (net incoming resources)		
The operating surplus is stated after charging:		
Depreciation	24,043	27,982
Audit fee	3,349	3,172
Audit fee - previous agent	-	372
Other accounting services	-	587
	<u>27,392</u>	<u>32,113</u>
9. Staff Costs		
Wages & salaries	149,881	146,821
Social security costs	11,807	11,617
Pension costs	5,811	5,427
	<u>167,499</u>	<u>163,865</u>
The average weekly number of employees during the year was:		
	Number	Number
Administration	1	1
Maintenance	1	1
School	10	10
	<u>12</u>	<u>12</u>

No staff member is remunerated at a level in excess of £60,000. Pension contributions are made in respect of 9 (2006: 9) members of staff.

In addition the company benefited from the assistance of 38 co-workers (2006: 38) during the year. Payments to co-workers and to the discretionary benevolent fund are shown in note 5.

Notes to the accounts
Year Ended 31 January 2007

10. Tangible fixed assets	Furniture & Equipment £	Motor Vehicles £	Total £
Cost			
At 31 January 2006	76,523	110,066	186,589
Additions	4,491	8,795	13,286
Disposals	(8,639)	(8,663)	(17,302)
	<hr/>	<hr/>	<hr/>
As at 31 January 2007	72,375	110,198	182,573
	<hr/>	<hr/>	<hr/>
Depreciation			
As at 31 January 2006	53,502	61,762	115,264
Charge for year	10,212	13,831	24,043
Written back on disposals	(8,639)	(6,163)	(14,802)
	<hr/>	<hr/>	<hr/>
As at 31 January 2007	55,075	69,430	124,505
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 January 2007	17,300	40,768	58,068
At 31 January 2006	23,021	48,304	71,325
	<hr/>	<hr/>	<hr/>
		2007	2006
		£	£
11. Debtors			
Trade debtors		2,530	17,693
Loans		100,000	100,000
Other debtor		14,931	-
		<hr/>	<hr/>
		117,461	117,693
		<hr/>	<hr/>

Loans totalling £100,000 have been made to Camphill Central Scotland Trust Limited, which owns the property from which Ochil Tower operates. The loans are repayable at three months notice.

Notes to the accounts
Year Ended 31 January 2007

	2007 £	2006 £
12. Creditors – Amounts falling due within one year		
Trade creditors	14,263	15,135
Accruals	17,745	18,200
Other taxation and social security	4,938	5,094
Deferred income	78,889	74,135
	<u>115,835</u>	<u>112,564</u>
13. Deferred income		
Opening balance	74,135	-
Received in year	101,389	93,635
Transferred to Income and Expenditure Account	(96,635)	(19,500)
	<u>78,889</u>	<u>74,135</u>

14. Statement of funds

	As at 31 January 2006 £	Incoming Resources £	Resources Expended £	Transfers Between Funds £	As at 31 January 2007 £
Unrestricted fund	14,845	1,075,584	(1,029,995)	(15,020)	45,414
Capital fund	71,325	-	(24,043)	10,786	58,068
Benevolent fund	140,082	2,635	(15,000)	-	127,717
Asset replacement fund	-	-	-	4,234	4,234
White House fund	1,521	4,193	(2,633)	-	3,081
General fund	102,136	4,703	-	-	106,839
	<u>315,064</u>	<u>11,531</u>	<u>(41,676)</u>	<u>15,020</u>	<u>299,939</u>
Designated funds					
Total	329,909	1,087,115	(1,071,671)	-	345,353

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

The **Designated** funds are:

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

Notes to the accounts
Year Ended 31 January 2007

15. Analysis of Net Assets between Funds

	Unrestricted Fund £	Capital Fund £	Benevolent Fund £	Asset Replacement Fund £	White House Fund £	General Fund £	Total £
Tangible fixed assets	-	58,068	-	-	-	-	58,068
Net current assets	45,414	-	127,717	4,234	3,081	106,839	287,285
	<u>45,414</u>	<u>58,068</u>	<u>127,717</u>	<u>4,234</u>	<u>3,081</u>	<u>106,839</u>	<u>345,353</u>

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 £110,400 (2006: £109,000).

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 £ 5,811 (2006: £5,427).