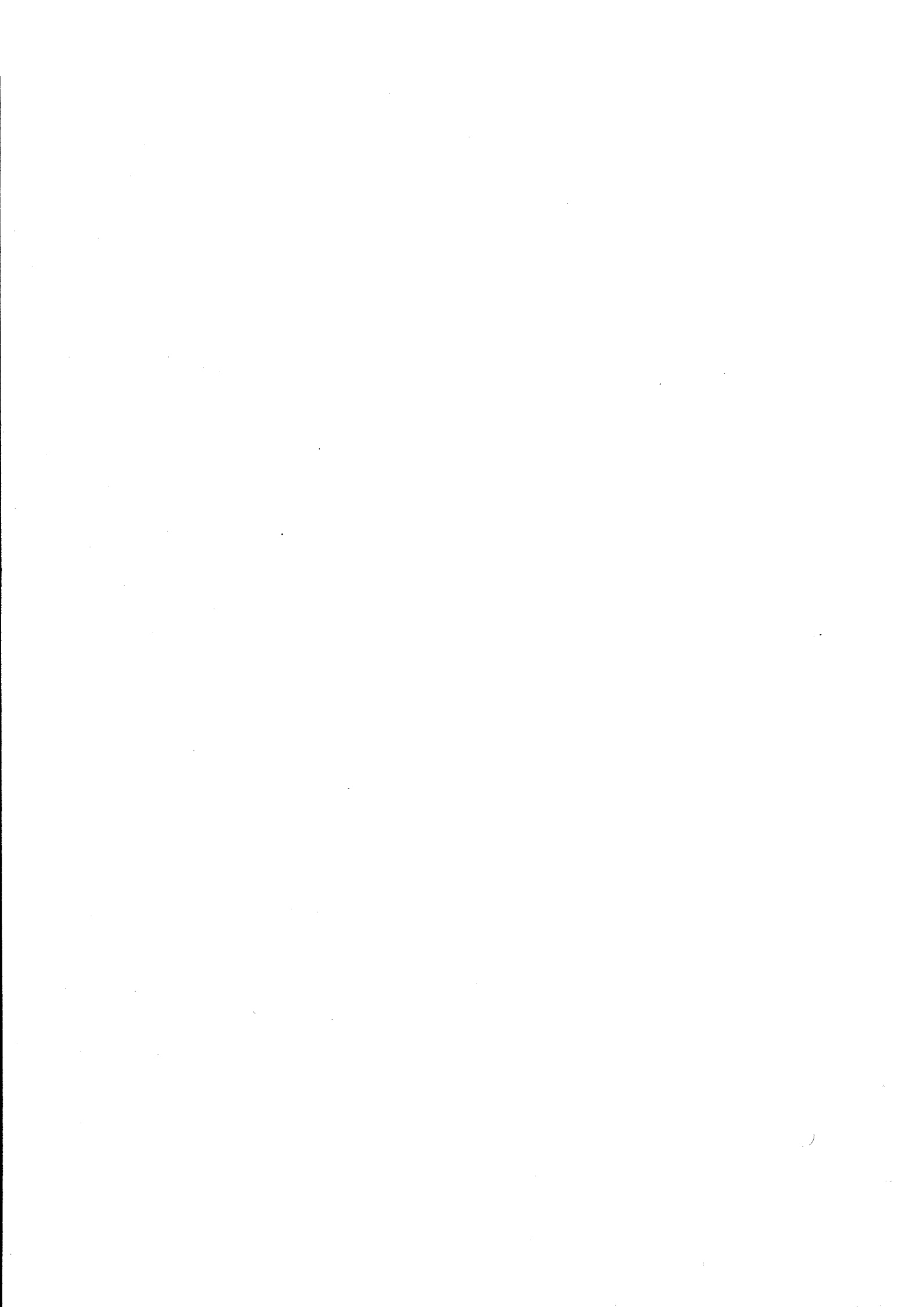


OCHIL TOWER SCHOOL LIMITED

Scottish Charity No. SCO06091

Company No. SCO 51098

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2009**



**Report of the Directors
For the Year ended 31 January 2009**

The directors present their report with the financial statements of the company for the year ended 31 January 2009.

Reference and Administrative Details

<i>Company number:</i>	SCO 51098
<i>Charity number:</i>	SCO06091
<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 (resigned 1/1/09) John Cursitor (appointed 1/1/09)
<i>Directors:</i>	The directors serving during the year and since the year-end were as follows:

Mrs L Graham, Chair (resigned 26/1/09)
Very Rev H Farquharson (resigned 8/9/09, Chair from 26/1/09)
R J Scrimgeour (appointed 23/6/08, Chair from 8/9/09)
C Findlay
A Rhind (appointed 28/4/08)
F R Shewan
Mrs J Stewart (resigned 13/5/08)
J M Surkamp (resigned 3/9/08)
Mrs J Surkamp (resigned 3/9/08)
Mrs B Thom (resigned 3/9/08)

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 2009****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.

A Rhind retires by rotation and, being eligible, offers himself for re-election.

Organisation

The Board of Directors appoints the manager and 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 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

This has proved to be another exciting, challenging, but ultimately fulfilling year. In June 2008 we said goodbye to 4 pupils, and in August, along with another group of young co workers, we welcomed 7 new pupils.

Developing the Curriculum for Excellence has been and will continue to be a central feature for all Scottish schools and we feel increasingly confident that this is something we can work with and learn from. The four capacities of the CfE, namely that we should provide an education which ensures that our children will become successful learners, confident individuals, effective contributors and responsible citizens, have always been absolutely fundamental to Ochil Tower's ethos, and we look forward to continuing to provide the pupils with an educationally rich environment which will enable them to flourish and unfold their potential as unique individuals.

We do feel that the new curriculum, with its emphasis on creativity, flexibility and innovation, is ideally suited for our pupils, and if we keep their needs central to any approach we take their experience and learning can only be enhanced. They will certainly let us know if we're getting it wrong!

We of course want to thank all the parents who have been so particularly supportive this year. This ongoing support and confidence in us has been truly indispensable and very much appreciated. We also want to thank our local community of Auchterarder for their friendship and interest, and of course our Board of Governors who provide us with continuing guidance, encouragement and back up.

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 2009**

Financial Review Continued.

The directors are pleased to report a small surplus on the Unrestricted Fund for the year. The high level of occupancy and substantial number of skilled volunteer workers has allowed Ochil Tower to continue to provide an exemplary service to young people with additional support needs at a very reasonable cost, a fact which is fully appreciated by the majority of Local Authorities.

In addition there is further income and expenditure on the designated and restricted funds as shown in the Statement of Financial Activities on page 6 with an analysis provided by the notes on page 9.

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

Plans for Future Periods

We will be continuing to ensure pupils' progress by extending opportunities to achieve National Qualifications through the Access framework which covers care and education and is particularly suited to young people with additional support needs. We also plan to develop a more detailed curriculum rationale for 24 hours, and the teachers will be using the CfE outcomes and experiences in English, Maths and Health and Well Being to plan and develop programmes.

An internal fire safety risk assessment has highlighted a number of areas for development in the three older residential units. These will be the focus of the maintenance programme in the coming year.

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



**J Cursitor
Company Secretary**

10 November 2009

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Ochil Tower School Limited for the year ended 31 January 2009 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 exclusively to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985, and to the charity's directors, 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. Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charity, its members as a body and its directors 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 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements, if the charity has not kept proper accounting records, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed, or if we have not received all the information and explanations we require for our audit.

We read the Directors' 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 Auditing Standards (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 if whether the accounting policies are appropriate to the 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 2009 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulation 2006;
- the information given in the Directors' Report is consistent with the financial statements.



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

10 November 2009

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Year ended 31 January 2009

	Notes	Unrestricted Fund	Designated Funds	Restricted Fund	Total 2009	Total 2008
Incoming resources from generated funds						
- Voluntary income	3	-	2,826	-	2,826	7,538
- Investment income	4	6,136	10,933	-	17,069	23,214
Incoming resources from charitable activities						
- Fees and allowances		1,177,400	4,026	-	1,181,426	1,166,950
- Grants receivable	5	-	-	-	-	102,877
Incoming Resources		<u>1,183,536</u>	<u>17,785</u>	<u>-</u>	<u>1,201,321</u>	<u>1,300,579</u>
Charitable expenditure						
- Costs of direct activities	6	1,155,251	22,756	17,101	1,195,108	1,172,277
- Support of direct activities	7	20,956	-	-	20,956	21,590
- Depreciation	11	-	20,104	-	20,104	20,618
Governance costs	8	<u>3,700</u>	<u>-</u>	<u>-</u>	<u>3,700</u>	<u>3,525</u>
Resources Expended		<u>1,179,907</u>	<u>42,860</u>	<u>17,101</u>	<u>1,239,868</u>	<u>1,218,010</u>
Net Incoming/(Outgoing)Resources	9	3,629	(25,075)	(17,101)	(38,547)	82,569
Transfers between funds	15	<u>(18,000)</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		<u>(14,371)</u>	<u>(7,075)</u>	<u>(17,101)</u>	<u>(38,547)</u>	<u>82,569</u>
Balances 31 January 2008		<u>95,150</u>	<u>315,671</u>	<u>17,101</u>	<u>427,922</u>	<u>345,353</u>
Balances 31 January 2009	15	<u>80,779</u>	<u>308,596</u>	<u>-</u>	<u>389,375</u>	<u>427,922</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 2009

	Notes	2009 £	2008 £
Fixed Assets			
Tangible assets	11	45,897	41,704
Current Assets			
Debtors	12	351,346	344,818
Cash at bank		245,592	268,356
		596,938	613,174
Creditors			
Amounts falling due within one year	13	253,460	226,956
Net Current Assets		343,478	386,218
Total Assets less Current Liabilities		389,375	427,922
Capital and Reserves			
Unrestricted fund	15	80,779	95,150
Designated funds	15	308,596	315,671
Restricted fund	15	-	17,101
Total Funds		389,375	427,922

The financial statements on pages 6 to 13 were approved by and signed on behalf of the Board of Directors on 10 November 2009.

R J Scrimgeour
C Findlay

R J Scrimgeour

C Findlay

Director

Director

**Notes to the Financial Statements
For the Year ended 31 January 2009**

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	12.5%, 16.67% and 25% straight line
Motor vehicles	25% reducing balance

c) Income

Revenue grants and all other income are stated at the amounts receivable in the year. The receipt in advance of income conditional on performance in a future accounting period is recognised in these accounts as deferred income.

d) Expenditure

All expenditure is included on the accruals basis and has been directly attributed to one of the financial categories of resources expended in the Income & Expenditure Account and Statement of Financial Activities. The expenditure also includes irrecoverable VAT.

e) Discretionary Benevolent Fund

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

f) Pension Costs

The company operates a money purchase (defined contribution) scheme. The contributions payable for the year are charged to the Income and Expenditure account.

g) Taxation

No provision for corporation tax is necessary as the company has charitable status and does not trade. The company suffers input VAT on some of its expenditure which it does not recover.

2. Income

The charity's income consists of residents' fees, donations and interest received. Income is attributable to the one continuing activity, which is the provision of residential education for children with difficulty adapting to ordinary school life.

Notes to the accounts
Year Ended 31 January 2009

	2009 £	2008 £
3. Voluntary income		
Donations	2,826	7,538
	<u> </u>	<u> </u>
4. Investment income		
Bank interest	17,069	23,214
	<u> </u>	<u> </u>
5. Grant receivable		
Scottish Government (restricted fund)	-	102,877
	<u> </u>	<u> </u>
6. Cost of Direct Activities		
Unrestricted Fund		
Salaried staff	172,226	166,971
Co-workers costs	157,150	155,217
Training costs	30,246	28,813
Rent	177,000	170,000
Office and telephone	28,907	29,642
Camphill Scotland subscriptions	11,600	9,819
Provisions	113,202	100,652
Education & therapy	44,655	44,002
Medical	13,899	12,046
Heat and light	42,909	38,435
Household and laundry	52,881	48,866
Repairs and renewals	86,404	77,829
Motor and travel expenses	43,258	37,541
Insurance and local taxes	22,961	19,723
Garden and estate	7,604	9,423
Bank interest and charges	349	441
Co-worker discretionary benevolent fund	150,000	130,000
	<u> </u>	<u> </u>
	1,155,251	1,079,420
Benevolent Fund (designated)		
Grants	3,000	2,528
White House Fund (designated)		
Maintenance costs	19,756	4,553
Scottish Government Fund (restricted)		
Repairs and renewals	17,101	85,776
	<u> </u>	<u> </u>
	1,195,108	1,172,277
	<u> </u>	<u> </u>

Notes to the accounts
Year Ended 31 January 2009

	2009 £	2008 £
7. Support of direct activities		
Administration salaries	17,437	18,143
Accountancy fees	2,725	2,350
Directors' travel	794	1,097
	<u>20,956</u>	<u>21,590</u>
8. Governance costs		
Audit fee	<u>3,700</u>	<u>3,525</u>
9. Operating Surplus (net incoming resources)		
The operating surplus is stated after charging:		
Depreciation	20,104	20,618
Audit fee	<u>3,700</u>	<u>3,525</u>
10. Staff Costs		
Wages & salaries	168,220	165,643
Social security costs	13,773	13,049
Pension costs	7,670	6,422
	<u>189,663</u>	<u>185,114</u>

The average weekly number of employees during the year was:

	Number	Number
Administration	1	1
Garden & estate	1	1
Maintenance	1	1
School	9	9
	<u>12</u>	<u>12</u>
Co-workers	38	38
	<u>50</u>	<u>50</u>

No staff member is remunerated at a level in excess of £60,000. Pension contributions are made in respect of 9 (2008: 9) 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 6.

Notes to the accounts
Year Ended 31 January 2009

11. Tangible fixed assets	Furniture & Equipment £	Motor Vehicles £	Total £
Cost			
At 31 January 2008	75,814	104,783	180,597
Additions	5,987	18,310	24,297
Disposals	(40,505)	(5,195)	(45,700)
	<u> </u>	<u> </u>	<u> </u>
As at 31 January 2009	41,296	117,898	159,194
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
As at 31 January 2008	63,762	75,131	138,893
Charge for year	6,857	13,247	20,104
Written back on disposals	(40,505)	(5,195)	(45,700)
	<u> </u>	<u> </u>	<u> </u>
As at 31 January 2009	30,114	83,183	113,297
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 January 2009	11,182	34,715	45,897
At 31 January 2008	12,052	29,652	41,704
	<u> </u>	<u> </u>	<u> </u>
		2009	2008
		£	£
12. Debtors			
Trade debtors		248,786	243,236
Loans		100,000	100,000
Other debtor		-	1,582
Prepayment		2,560	-
		<u> </u>	<u> </u>
		351,346	344,818
		<u> </u>	<u> </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 the average bank base rate during the period.

13. Creditors – Amounts falling due within one year

Trade creditors	26,017	22,105
Accruals	10,007	12,750
Other taxation and social security	5,106	5,441
Deferred income	212,330	186,660
	<u> </u>	<u> </u>
	253,460	226,956
	<u> </u>	<u> </u>

Notes to the accounts
Year Ended 31 January 2009

	2009 £	2008 £
14. Deferred income		
Opening balance	186,660	78,889
Invoiced for Easter term	284,248	259,039
Recognised in Income and Expenditure Account	(258,578)	(151,268)
Closing balance	<u>212,330</u>	<u>186,660</u>

15. Statement of funds

	As at 31 January 2008 £	Incoming Resources £	Resources Expended £	Transfers Between Funds £	As at 31 January 2009 £
Unrestricted fund	<u>95,150</u>	<u>1,183,536</u>	<u>(1,179,907)</u>	<u>(18,000)</u>	<u>80,779</u>
Asset replacement fund	16,576	-	-	(6,297)	10,279
Benevolent fund	132,064	4,832	(3,000)	-	133,896
Capital fund	41,704	-	(20,104)	24,297	45,897
General fund	121,242	8,927	-	(12,000)	118,169
White House fund	<u>4,085</u>	<u>4,026</u>	<u>(19,756)</u>	<u>12,000</u>	<u>355</u>
Designated funds	<u>315,671</u>	<u>17,785</u>	<u>(42,860)</u>	<u>18,000</u>	<u>308,596</u>
Restricted fund	<u>17,101</u>	<u>-</u>	<u>(17,101)</u>	<u>-</u>	<u>-</u>
Total	<u>427,922</u>	<u>1,201,321</u>	<u>(1,239,868)</u>	<u>-</u>	<u>389,375</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:

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

The **restricted** fund represented a grant received from the Scottish Government for maintenance and upgrading of the property and equipment used for educational purposes.

Notes to the accounts
Year Ended 31 January 2009

16. Analysis of Net Assets between Funds

	Unrestricted Fund £	Asset Replacement Fund £	Benevolent Fund £	Capital Fund £	General Fund £	White House Fund £	Total £
Tangible fixed assets	-	-	-	45,897	-	-	45,897
Net current assets	80,779	10,279	133,896	-	118,169	355	343,478
	<u>80,779</u>	<u>10,279</u>	<u>133,896</u>	<u>45,897</u>	<u>118,169</u>	<u>355</u>	<u>389,375</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 £150,000 (2008: £130,000).

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 £7,670 (2008: £6,422).

19. Related Parties

During the year the company made the following payments to its directors during their terms of office for their services as co-workers. These directors retired on 3 September 2008. No payments were made in respect of services as directors.

	2009 £	2008 £
Mrs B Thom	996	1,637
J M Surkamp	2,476	4,447
Mrs J Surkamp	2,476	4,447
	<u> </u>	<u> </u>

The amount reimbursed to directors for travel expenses during the year was £794 (2008: £1,097).

20. Capital Commitments

At 31 January 2009 the company had capital commitments contracted for but not provided for in these accounts of £5,151 (2008 – nil).