

Company Registration No. 733644 (England and Wales)
Charity Registration No. 307328

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2005
FOR
BALLARD SCHOOL LIMITED
(Limited by Guarantee)



BALLARD SCHOOL LIMITED
(Limited by Guarantee)

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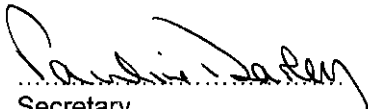
BALLARD SCHOOL LIMITED
(Limited by Guarantee)

Company Registration No. 733644
Charity Registration No. 307328

NOTICE IS HEREBY GIVEN that the tenth Annual General Meeting of the Company will be held at The Ballard School, New Milton, Hampshire, on 9th March 2006 at 12.30pm for the following purposes:

1. To receive and consider the financial statements for the year ended 31 August 2005, together with the reports of the Council of Management and the Auditors thereon.
2. To elect Members to the Council of Management.
3. To appoint Nexia Audit Limited as Auditors and to authorise The Council of Management to fix their remuneration.
4. To receive reports from the Headmaster.
5. To transact any other business which, under the company's Articles of Association, may be transacted at an ordinary general meeting.

Dated the 14th February 2006


Secretary

New Milton
Hampshire
BH25 5SU

A Member entitled to attend and vote at Meeting may appoint a proxy to attend and vote for him, and such proxy need not be a Member of the Company. Such notice of appointment of proxy must be lodged at Ballard School, New Milton, Hampshire, BH25 5SU, not later than 48 hours before the meeting.

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

COMPANY INFORMATION

Council of Management:	Mr W Howard (Chairman) Mr G L Alexander Mr P Rogers Mrs M Stevenson (resigned 7 July 2005) Mrs A Trask Mr W Hood Mr C Ford Mrs W Roberts Rev J McDowall Mr N Hall (resigned 28 April 2005) Mr C Kean Mr P Bujak (resigned 10 November 2005) Mr T Thurston Mr R C Blake (appointed 23 February 2005)
Secretary	Mrs P Darley
Registered Office:	Fernhill Lane New Milton Hampshire BH25 5SU
Registered Charity Number:	307328
Company Number:	733644
Auditors:	Nexia Audit Limited Imperial House 18 – 21 Kings Park Road Southampton Hampshire SO15 2AT
Bankers:	HSBC Bank plc 59 Old Christchurch Road Bournemouth Dorset BH1 1EH
Solicitors:	Derek T Wilkinson & Co 4 Durley Chine Road Bournemouth Dorset BH2 5QT

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

The council of management submit their report and financial statements for the year ended 31 August 2005.

These financial statements have been prepared in accordance with the Companies Act 1985 and Charities SORP 2000 (Statement of Recommended Practice – "Accounting by Charities").

LEGAL AND ADMINISTRATIVE INFORMATION

Details of the following may be found on page 1 of these financial statements:

Members of the Council of Management
Registered Office
Bankers
Solicitors
Auditors
Company registration number
Charity registration number

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Trustees (also referred to as Council Members) are elected at a meeting of the Governing Council. Their appointment is then ratified or they are re-elected at the following Annual General Meeting.

Any Council Member can nominate appointees, but appointment can only take place via a majority vote.

STATUS AND ADMINISTRATION

The Charity is constituted by a 1962 Trust Deed and registered with the Charity Commission under charity number 307328. The Trust Deed has been amended in subsequent years; the latest amendment being in 2004.

CHARITABLE OBJECTS

The Object of the Charity is to provide first-class education for children, infants or students combined with sound religious training on Protestant and Evangelical principles founded on the Holy Bible. The Charity also seeks to promote its educational and Christian ethos by offering Exhibitions, Scholarships and Bursaries as appropriate. A large proportion of these awards are made to pupils who otherwise would not be able to attend Ballard School.

BOARD POLICY

The Charity provides education in New Milton to boys and girls from the ages of 18 months to 16 years. We are continuing to expand the teaching of Information Communication Technology, Music and Art.

It is Ballard School's policy to strive for the highest academic levels achievable by the pupils as well as providing an extra-curricular programme which aims to develop life-long leisure interests and help build self-confidence and a desire to contribute to the community.

RESERVES POLICY

The school's policy is to maintain reserves sufficient to enable the school to meet its Objects. Contingency funds have been set aside in a long term deposit account to enable the school to continue to operate should any unforeseen circumstances occur. At the year end reserves were £3,702,313 (2004:£3,414,216).

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Ballard School is pleased to report a further growth in pupil numbers to over 500 pupils for the first time. Many classes are operating at full capacity and registrations for the future extend to 2012. Ballard School prides itself on being a vibrant school where pupils come first and they are taught in a happy and caring environment.

The teaching skills are excellent, as evidenced by the exceptional GCSE results in 2005. 93% of pupils gained 5 or more A* to C grades. These results are outstanding for the non-selective pupil intake. Pupils excelled in sporting activities, music and art. School trips were arranged to France, Italy and the USA and cultural trips to theatres, museums and art galleries. Pupils took part in the Duke of Edinburgh award scheme and in the numerous after-school activities offered.

The school encourages the continuing professional development of its staff and has created a safe and secure environment for both its pupils and staff.

DEVELOPMENTS

The Spring Term 2005 saw the completion of a long awaited new building for the Nursery Department. The building was officially opened by Mrs Moira Swayne, wife of a local MP, in June 2005. The Nursery children celebrated by releasing over 50 balloons into the air and they enjoyed cake made for the occasion.

The school is committed to investment in information technology and has updated its I.T. infrastructure, purchased new PCs and interactive whiteboards for use throughout the school. Further expansion and new development is planned in the near future.

FINANCIAL ACTIVITIES AND RESULTS

Ballard School recorded a net surplus for the year of £288,097 (2004: £198,134). Fee income increased by 18%. Awards in the form of scholarships, bursaries and other discounts increased by 18%.

INVESTMENT POWERS, POLICY AND PERFORMANCE

The Trustee investment powers are governed by the Trust Deed. The Board's policy is to maximise income from assets not immediately required for its main purposes. Accordingly, the Charity's investments have been managed in conformity with our policy and the Trust Deed, and their performance for the year has been in accordance with expectations.

GRANT MAKING POLICY

We awarded £436,572 (2004: £371,074) in fee discounts, scholarships, bursaries and grants to pupils through our general funds. These awards help us to maintain our educational standards.

The Governors' policy, in line with that of other Independent Schools, is to make these awards on the basis of the individual's educational ability.

PUBLIC BENEFIT

Bursary awards are made on a means tested basis. They enable pupils (who may not otherwise be able to do so) to continue their education at Ballard School. In addition Ballard School supports the local community by encouraging access to its facilities for sporting, theatrical and musical events. The school supports other charitable organisations with regular collections and contributes towards the cost of educating two Kenyan school boys in a children's home.

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

RISK MANAGEMENT

The Board has examined the principal areas of the School's operations and considered the major risks faced in each of these areas.

In the opinion of the Governors, the Charity has established resources and reviewed systems, which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

DISABLED STAFF

The charity's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training is given. Once employed, a career plan is developed so as to ensure suitable opportunities are available for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

AUDITORS

The auditors, Nexia Audit Limited, have indicated their willingness to continue in office in accordance with Section 385 of the Companies Act 1985.

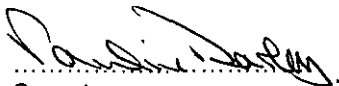
STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Company law requires the Council Members 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 surplus or deficit of the Company for that period. In preparing those financial statements, the Council Members 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 in business.

The Council Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Companies Act 1985, the SORP 2000, and the Memorandum and Articles of Association. 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.

ON BEHALF OF THE COUNCIL


Secretary

Dated: 9th March 2006

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALLARD SCHOOL LIMITED
(Limited by Guarantee)

We have audited the financial statements of Ballard School Limited which includes the statement of financial activities, statement of changes in resources applied for fixed assets for charity use, balance sheet, cash flow statement and the related notes 1 to 19 for the year ended 31 August 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the 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 Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Council Members and Auditors

As described in the Statement of Council Members' Responsibilities, the Council Members' (who are also the directors of Ballard School Limited for the purposes of company law) are responsible for the preparation of the accounts in accordance with applicable law, United Kingdom Accounting Standards and the Statement of Recommended Practice for Charities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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, the Council Members' Report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding Council Members' remuneration and transactions with the Company is not disclosed.

We read the Council Members' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council Members' in the preparation of the accounts, and of 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 August 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice for Charities.

Nexia Audit Limited

NEXIA AUDIT LIMITED

Chartered Accountants
Registered Auditors
Imperial House
18-21 Kings Park Road
Southampton
Hampshire SO15 2AT

Dated: 14TH March 2006

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 2005

	Notes	Unrestricted Funds School £	Other £	2005 Total £	2004 Total £
INCOMING RESOURCES					
Charitable activities					
School fees – gross		3,617,717	-	3,617,717	3,057,563
Extras		-	49,155	49,155	45,883
		<hr/>	<hr/>	<hr/>	<hr/>
		3,617,717	49,155	3,666,872	3,103,446
Less: Grants, scholarships bursaries and other allowances 4		(436,572)	-	(436,572)	(371,074)
		<hr/>	<hr/>	<hr/>	<hr/>
		3,181,145	49,155	3,230,300	2,732,372
Entrance fees		11,950	-	11,950	8,865
Holiday and other lettings		-	23,076	23,076	17,231
Rent received		-	30,000	30,000	30,000
Investment income		-	46,516	46,516	31,432
Wayleave		-	2,040	2,040	2,040
Insurance commission		-	5,480	5,480	4,831
Loss on sale of assets		-	(3,446)	(3,446)	(2,347)
Other income		-	5,547	5,547	13,593
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources		3,193,095	158,368	3,351,463	2,838,017
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Charitable expenditure					
Education	6	2,035,501	-	2,035,501	1,689,842
Housekeeping	6	333,589	-	333,589	301,145
Establishment	6	493,548	-	493,548	426,684
Administration	6	67,117	-	67,117	76,640
Publicity	6	20,465	-	20,465	19,293
Bank interest payable and other charges	6	1,718	-	1,718	1,026
		<hr/>	<hr/>	<hr/>	<hr/>
		2,951,938	-	2,951,938	2,514,630
		<hr/>	<hr/>	<hr/>	<hr/>
Other Expenditure					
Management and administration of the school	7	111,428	-	111,428	125,253
		<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended		3,063,366	-	3,063,366	2,639,883
		<hr/>	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

BALLARD SCHOOL LIMITED

(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 August 2005

	Unrestricted Funds		2005	2004
	School	Other	Total	Total
	£	£	£	£
Net incoming/(outgoing) resources before transfers and revaluations	129,729	158,368	288,097	198,134
Transfers between funds	158,368	(158,368)	-	-
Net income for the year	<u>288,097</u>	<u>-</u>	<u>288,097</u>	<u>198,134</u>
Balances brought forward at 1 September 2004	3,414,216	-	3,414,216	3,216,082
Balances carried forward at 31 August 2005	<u>3,702,313</u>	<u>-</u>	<u>3,702,313</u>	<u>3,414,216</u>

There were no other recognised gains or losses other than the surplus for the year. All operations are classed as continuing.

This Statement of Financial Activities incorporates the income and expenditure account for the year.

The notes form part of these financial statements

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

**STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR
CHARITY USE
for the Year Ended 31 August 2005**

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Net movement in funds for the year	288,097	-	288,097	198,134
Resources used for net acquisitions of tangible fixed assets	167,995	-	(167,995)	(574,904)
	<hr/>	<hr/>	<hr/>	<hr/>
Net movements in funds available for future activities	120,102	-	120,102	(376,770)
	<hr/>	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

BALANCE SHEET
As at 31 August 2005

	Note	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		3,239,281		3,249,442
CURRENT ASSETS					
Stocks	11	5,681		3,385	
Debtors	12	73,561		77,666	
Cash at bank and in hand		908,155		559,907	
		<u>987,397</u>		<u>640,958</u>	
CREDITORS: Amounts falling due within one year	13	(524,365)		(476,184)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			463,032		164,774
			<u></u>		<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,702,313		3,414,216
			<u></u>		<u></u>
RESERVES					
Unrestricted income fund	16		3,702,313		3,414,216
			<u></u>		<u></u>

Approved by the Council of Management on 09/03/06 and signed on their behalf by:

Chairman

The notes form part of these financial statements

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

CASH FLOW STATEMENT
for the Year Ended 31 August 2005

	Notes	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	469,727	223,940
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	B	46,516	31,432
CAPITAL EXPENDITURE	C	(167,995)	(574,904)
FINANCING		-	-
		<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH		348,248	(319,532)
		<hr/>	<hr/>
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS			
Increase/(Decrease) in cash in the year		348,248	(319,532)
Cash used to repay finance lease hire purchase liabilities		-	-
		<hr/>	<hr/>
Net funds at 1 September 2004		348,248 559,907	(319,532) 879,439
		<hr/>	<hr/>
Net funds at 31 August 2005	D	908,155	559,907
		<hr/>	<hr/>

These notes form part of these financial statements

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 August 2005

**A RECONCILIATION OF NET INCOMING
RESOURCES TO NET CASH INFLOW
FROM OPERATING ACTIVITIES**

	2005 £	2004 £
Net incoming resources	288,097	198,134
Interest receivable	(46,516)	(31,432)
Interest payable	-	-
Depreciation and amortisation charges	174,710	92,163
Loss on fixed asset disposal	3,446	2,347
(Increase)/decrease in stocks	(2,296)	82
Decrease/(increase) in debtors	4,105	(11,731)
Increase/(decrease) in creditors	48,181	(25,623)
	<u>469,727</u>	<u>223,940</u>

**B RETURNS ON INVESTMENT AND
SERVICING OF FINANCE**

	2005 £	2004 £
Interest received	46,516	31,432
	<u>46,516</u>	<u>31,432</u>

C CAPITAL EXPENDITURE

	2005 £	2004 £
Receipts from disposal of tangible fixed assets	350	-
Payments to acquire tangible fixed assets	(168,345)	(574,904)
	<u>(167,995)</u>	<u>(574,904)</u>

D ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2004 £	Cashflows £	At 31 August 2005 £
Cash in hand	559,907	348,248	908,155
	<u>559,907</u>	<u>348,248</u>	<u>908,155</u>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost accounting convention and in accordance with applicable United Kingdom accounting standards, the Charities SORP 2000 (Statement of Recommended Practice 'Accounting by Charities'), and the Companies Act 1985.

(b) Depreciation

Depreciation is provided on tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Freehold land and buildings	- 2% straight line basis
Furniture, fittings and equipment	- 20% straight line basis
Improvements	- 10% straight line basis
Swimming pool	- 10% straight line basis
Computer and equipment	- 20%/25% straight line basis

(c) Stocks

Stocks are goods held for resale. These are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less selling costs.

(d) Leasing commitments

Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on the straight line basis over the lease term.

(e) Pensions

Ballard School Limited operates a defined contribution pension scheme for non-teaching staff.

A separate scheme is operated for teaching staff whereby contributions are paid to the Department for Education and Skills, under the Teachers' Pension Scheme ("TPS") which is a multi-employer scheme. Under FRS17 paragraph 9(a) this is accounted for as a defined contribution scheme.

Contributions payable for the year for both schemes are charged in the Statement of Financial Activities (note 3). There were no accrued or prepaid contributions at the year end.

(f) Incoming resources

All incoming resources are included on an accruals basis.

(g) Deferred income

Deferred income consists of fees invoiced and paid in advance that relate to terms subsequent to the year end.

(h) Voluntary income

Voluntary income is received by way of donations, gifts and fund raising activities. The income is all credited to the Statement of Financial Activities on a receipts basis.

(i) Resources expended

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories on the estimated amount attributable to that category in the year. The irrecoverable element of VAT is included within the item of expenses to which it relates.

(j) Fixed assets

Fixed assets are stated at the original cost, or if donated, the estimated market value at the date of receipt.

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

(k) Allocation of costs

The administration staff cost and various other support costs were allocated between 'administration' and 'management and administration' on the proportion of time the administration team spend on these two types of works; with the result being approximately 40% administration and 60% management and administration.

(l) Unrestricted funds

The Charity operates an unrestricted school fund for fees and costs. Another unrestricted fund is operated for other income and is transferred to the school fund at the year end.

(m) Restricted funds

The Charity's restricted funds are those where the donor has imposed restrictions on the use of funds. At the end of the current and previous year, no such funds existed.

2. FEES AND EXTRAS

Fees and extras represent charges made for school fees in respect of the year and include chargeable extras relating to that year.

The fees, extras and surplus are attributable to the principal activity of the company.

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the year was as follows:

	2005 No	2004 No
Administration	8	6
Educational	83	76
Establishment	10	8
Housekeeping	24	29
	<hr/>	<hr/>
	125	119
	<hr/>	<hr/>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	1,827,416	1,646,479
Social security costs	130,904	116,110
Other pension costs	187,322	166,316
Compensation costs	109	25,452
Long service awards	250	500
	<hr/>	<hr/>
	2,146,001	1,954,857
	<hr/>	<hr/>

There was 1 employee with emoluments between £50,000 and £60,000. There were no other employees with emoluments above £50,000.

During the year trustees expenses totaling £775 (2004: £1,205) were reimbursed. These related to travelling and telephone expenses for the trustees. There were no amounts outstanding at the year end.

4. GRANTS, SCHOLARSHIPS, BURSARIES AND OTHER ALLOWANCES

	2005 £	2004 £
Fee discounts	254,104	227,564
Scholarships	140,064	110,152
Bursaries	42,404	33,358
	<hr/>	<hr/>
	436,572	371,074
	<hr/>	<hr/>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Auditors' remuneration £	Operating leases £	Other £	Total £
Education	1,741,551	87,321	-	56,836	149,793	2,035,501
Housekeeping	195,497	5,534	-	-	132,558	333,589
Establishment	81,434	81,185	-	36,862	294,067	493,548
Administration	51,953	268	-	1,612	13,284	67,117
Finance charges	-	-	-	-	1,718	1,718
Management and administration	77,929	402	5,736	2,419	24,942	111,428
Fundraising and publicity	-	-	-	-	20,465	20,465
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,148,364	174,710	5,736	97,729	636,827	3,063,366
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

The other management and administration expenses can be analysed as follows:

	2005 £	2004 £
Telephone	3,904	3,379
Printing, postage and stationery	6,729	6,417
Professional fees	4,453	7,559
Computer costs	5,016	4,951
Other	496	1,518
Travelling	4,211	1,742
Staff advertising	133	103
	<hr/> 24,942	<hr/> 25,669
	<hr/>	<hr/>

6. CHARITABLE EXPENDITURE

Costs of activities in furtherance of the School objects are as follows:

EDUCATION

	2005 £	2004 £
Teaching salaries	1,741,551	1,538,423
Teaching books and materials	132,368	110,687
Depreciation	87,321	12,157
Legal and professional fees	1,048	1,054
Leasing charges	56,836	10,009
Bad debts	16,377	17,512
	<hr/> 2,035,501	<hr/> 1,689,842
	<hr/>	<hr/>

HOUSEKEEPING

	2005 £	2004 £
Matron and domestic staff salaries and wages	195,497	190,369
Provisions	87,566	84,077
Cleaning	12,957	11,750
Consumables	7,343	5,975
Equipment	6,600	5,705
Depreciation	5,534	2,179
Staff advertising	19	82
Surgery	1,124	1,008
Contract cleaning	16,949	-
	<hr/> 333,589	<hr/> 301,145
	<hr/>	<hr/>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

ESTABLISHMENT

	2005 £	2004 £
Maintenance and grounds salaries and wages	81,434	71,663
Rent payable	40,942	39,950
Rates and water	23,678	21,157
Light and heat	24,696	26,184
Insurances	23,368	19,502
Repairs and renewals	46,259	42,158
Swimming pool	12,373	1,022
Minibuses	20,361	18,528
Depreciation	81,185	78,093
Minibus leasing charges	36,862	33,514
Grounds	18,841	13,892
Additional small works	51,640	61,021
Health and Safety	31,909	-
	<hr/> 493,548	<hr/> 426,684

ADMINISTRATION

	2005 £	2004 £
Office and administration salaries	51,953	61,757
Professional, legal and consultancy	2,969	5,039
Telephone	2,602	2,252
Travelling and training	2,807	1,161
Sundry	72	107
Equipment leasing	1,612	1,178
Depreciation	268	(106)
Stationery and printing	2,070	1,754
Postage	2,416	2,525
Staff advertising	89	68
Equipment	259	905
	<hr/> 67,117	<hr/> 76,640

PUBLICITY

	2005 £	2004 £
Advertising	20,465	19,293
	<hr/>	<hr/>

BANK INTEREST PAYABLE AND OTHER CHARGES

	2005 £	2004 £
Finance charges and interest	1,718	1,026
	<hr/>	<hr/>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

7. MANAGEMENT AND ADMINISTRATION

	2005 £	2004 £
Office and administration salaries	77,929	92,635
Professional legal and consultancy	4,453	7,559
Telephone	3,904	3,379
Travelling and training	4,211	1,742
Sundry	107	161
Depreciation	402	(160)
Audit	5,736	5,341
Computer costs	5,016	4,951
Stationery and printing	3,105	2,630
Postage	3,624	3,787
Equipment leasing	2,419	1,768
Equipment	389	1,357
Staff advertising	133	103
	<hr/> 111,428 <hr/>	<hr/> 125,253 <hr/>

8. SURPLUS FOR THE YEAR

	2005 £	2004 £
The surplus for the year is stated after charging:		
Auditors' remuneration	5,736	5,341
Amount paid to related company of auditors for taxation and other financial advice	-	5,470
Operating leases: hire of equipment	67,911	52,474
Depreciation – owned assets	174,464	92,081
Depreciation – leased assets	246	82
Loss on disposal of fixed assets	3,446	2,347
and after crediting:		
Interest receivable	<hr/> 46,516 <hr/>	<hr/> 31,432 <hr/>

9. TAXATION

The Company is registered with the Charity Commission as an educational charity and, in accordance with Section 505 of the Income and Corporation Taxes Act 1988, is exempt from taxation insofar as income is applied to charitable purposes only.

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

10. TANGIBLE FIXED ASSETS

	Total £	Freehold land and buildings £	Assets under the course of construction £	Improvements £	Furniture fittings and equipment £	Minibus £	Swimming Pool £	Computers & equipment £
COST								
1 September 2004	3,776,951	3,242,954	960	60,998	386,005	20,856	23,941	41,237
Additions	168,345	18,566	103,249	5,198	21,300	-	-	20,032
Disposals	(24,970)	-	-	-	(4,114)	(20,856)	-	-
Transfers	-	104,209	(104,209)	-	-	-	-	-
31 August 2005	<u>3,920,326</u>	<u>3,365,729</u>	<u>-</u>	<u>66,196</u>	<u>403,191</u>	<u>-</u>	<u>23,941</u>	<u>61,269</u>
DEPRECIATION								
1 September 2004	527,509	276,125	-	9,288	174,187	17,060	12,000	38,849
Charge for the year	174,710	67,315	-	6,619	92,225	-	2,394	6,157
Eliminated on disposal	(21,174)	-	-	-	(4,114)	(17,060)	-	-
31 August 2005	<u>681,045</u>	<u>343,440</u>	<u>-</u>	<u>15,907</u>	<u>262,298</u>	<u>-</u>	<u>14,394</u>	<u>45,006</u>
NET BOOK VALUE								
31 August 2005	3,239,281	3,022,289	-	50,289	140,893	-	9,547	16,263
31 August 2004	<u>3,249,442</u>	<u>2,966,829</u>	<u>960</u>	<u>51,710</u>	<u>211,818</u>	<u>3,796</u>	<u>11,941</u>	<u>2,388</u>

BALLARD SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

11. STOCKS

	2005 £	2004 £
Consumables	5,681	3,385
	<u> </u>	<u> </u>

12. DEBTORS

	2005 £	2004 £
Fees and extras	13,812	8,691
Other debtors	15,158	14,250
Prepayments	44,591	54,725
	<u> </u>	<u> </u>
	73,561	77,666
	<u> </u>	<u> </u>

13. CREDITORS: amounts falling due within one year

	2005 £	2004 £
Fees received in advance	297,144	275,998
Deposit received in advance	55,055	45,455
Other creditors	73,012	85,692
Accruals	53,789	29,951
Other tax and social security	45,365	39,088
	<u> </u>	<u> </u>
	524,365	476,184
	<u> </u>	<u> </u>

14. CONSTITUTION OF THE COMPANY

The company is limited by guarantee, and each member is under covenant to contribute a sum not exceeding one pound sterling in certain circumstances as set out in clause 6 to the Memorandum of Association. The number of members is 12. (2004: 13).

15. OBLIGATIONS UNDER OPERATING LEASES

For operating leases, payments committed to be made during the next year are as follows:

	2005 £	2004 £
Operating leases expiring:		
Within one year	6,052	-
Within two to five years	58,407	57,499
	<u> </u>	<u> </u>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005

16. RESERVES

	2005 £	2004 £
General unrestricted income fund	3,702,313	3,414,216

These funds are held for the current and future operation of the school. They are obtained through fees, gifts and donations. The assets and liabilities representing this fund are shown on the balance sheet.

All funds held are unrestricted and at the year end were transferred to the general fund. Sufficient resources are held within this fund for the continued operation of the school. All movements in this fund are detailed in the Statement of Financial Activities and represent the surplus from the operation of the school in furtherance of the objects of the charity.

17. CAPITAL COMMITMENTS

At the year end the Company had committed to £18,000 (2004: £98,775) of capital expenditure.

18. CONTROLLING PARTY

The Company is controlled by the Council of Management.

19. PENSION SCHEME ARRANGEMENTS

The majority of teaching staff are members of the Teachers' Pension Scheme ("TPS") which is a multi-employer defined benefits scheme administered on behalf of the Department of Education and Skills. Contributions to the scheme are set by the Department on the recommendations of the Government Actuary (GA), but it is not possible to determine the extent to which the surplus or deficit in the scheme relates to individual employers. The School's contributions to the scheme are therefore charged to the Statement of Financial Activities at the current rate set by the Department which has been 13.5% (2004 – 13.5%) of the salaries on which they are payable from April 2003.

The last valuation of the TPS was for the period 1 April 1996 – 31 March 2001. The GA's report of March 2003 revealed that the total liabilities of the scheme (pensions currently in payment and estimated cost of future benefits) amounted to £142,880 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £142,880 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 7%.

In addition, the School operates a defined contribution pension scheme for non-teaching staff.