

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006
FOR
BALLARD SCHOOL LIMITED
(Limited by Guarantee)

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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 eleventh Annual General Meeting of the Company will be held at The Ballard School, New Milton, Hampshire, on 8th March 2007 at 12.30pm for the following purposes:

1. To receive and consider the financial statements for the year ended 31 August 2006, 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 Smith & Williamson 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 20th February 2007


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 G L Alexander Mr R C Blake Mr P Bujak (resigned 10 November 2005) Mr C Ford Mr P Goodfellow (appointed 12 November 2005) Mr W Hood Mr W Howard (Chairman) Mrs S James (appointed 12 November 2005) Mr C Kean Rev J McDowall Mrs W Roberts Mr P Rogers Mr T Thurston Mrs A Trask
Secretary	Mrs P Darley
Registered Office:	Fernhill Lane New Milton Hampshire BH25 5SU
Registered Charity Number:	307328
Company Number:	733644
Auditors:	Nexia Smith & Williamson 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 2006.

These financial statements have been prepared in accordance with the Companies Act 1985 and Charities SORP 2005 (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 £4,124,637 (2005: £3,702,313).

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Ballard School is pleased to report that pupil numbers remained strong at over 500. Many classes continue to operate 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.

In October 2005, the school received an excellent report from the Independent Schools' Inspectorate and the Headmaster was commended for his outstanding leadership.

The teaching skills are excellent and GCSE results in 2006 showed that 79% of pupils gained 5 or more A* to C grades. Pupils excelled in sporting activities, music and art. School trips were arranged to France, Italy and Germany 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. Six school productions supported the excellent expressive arts programme.

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

A number of building projects aimed at improving facilities were undertaken during the year. Extended changing rooms in the Prep Department were completed with 3 new classrooms above. Major alterations to the Art Department created a more spacious and brighter area for the whole school to use. In the Senior Department changing rooms were altered and improved. The old senior art room was altered to create a new science room and additional office space for teaching staff. Additional toilet facilities and storage space were created upstairs in the Main House.

Investment in information technology continued and the number of PCs and interactive whiteboards was increased. The whole school is networked and pupils and staff have access to e-mail and the internet. Communication has improved throughout the school.

In 2006/2007 major improvements to the catering and dining facilities are proposed. Planning has been approved and it is anticipated that work will commence at the end of March 2007.

FINANCIAL ACTIVITIES AND RESULTS

Ballard School recorded a net surplus for the year of £422,324 (2005: £288,097). Fee income increased by 14%. Awards in the form of scholarships, bursaries and other discounts increased by 6%.

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.

AWARDS POLICY

In keeping with our policy to support pupils who benefit from the specific education we provide, £462,238 (2005: £436,572) in fee discounts, scholarships and bursaries was made available through the general funds. The school also provides some financial support to pupils with Special Education needs so that they may access the experience of staff in the Learning Support Unit and thus enhance their educational opportunities.

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 schoolboys 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

During the year our auditors Nexia Audit Limited changed their name to Nexia Smith & Williamson Audit Limited and now trade as Nexia Smith & Williamson. Nexia Smith & Williamson 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:

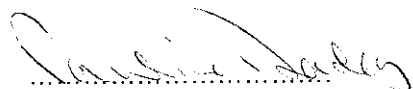
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 2005, 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.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and that each director has taken all the steps that a director ought to have taken in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE COUNCIL


Secretary

Dated:

8th March 2007

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 2006. 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 International Standards on Auditing (UK and Ireland).

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 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 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 2006 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice for Charities; and
- the information given in the Report of the Council of Management is consistent with the accounts.

Nexia Smith & Williamson

NEXIA SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

Imperial House
18-21 Kings Park Road
Southampton
Hampshire
SO15 2AT

Dated: 14th March 2007

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 2006

		Unrestricted Funds		2006	2005
		School	Other	Total	Total
		£	£	£	£
	Notes				
INCOMING RESOURCES					
Charitable activities					
School fees – gross		4,136,832	-	4,136,832	3,617,717
Extras		-	45,500	45,500	49,155
		<hr/>	<hr/>	<hr/>	<hr/>
		4,136,832	45,500	4,182,332	3,666,872
Less: Scholarships					
bursaries and other allowances 4		(462,238)	-	(462,238)	(436,572)
		<hr/>	<hr/>	<hr/>	<hr/>
		3,674,594	45,500	3,720,094	3,230,300
Entrance fees		8,150	-	8,150	11,950
Holiday and other lettings		-	22,240	22,240	23,076
Rent received		-	30,000	30,000	30,000
Investment income		-	66,897	66,897	46,516
Insurance commission		-	6,098	6,098	5,480
Loss on sale of assets		-	-	-	(3,446)
Other income		-	2,441	2,441	7,587
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources		3,682,744	173,176	3,855,920	3,351,463
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Charitable expenditure					
Education	6	2,182,578	-	2,182,578	2,035,501
Housekeeping	6	402,864	-	402,864	333,589
Establishment	6	619,836	-	619,836	493,548
Administration	6	77,604	-	77,604	67,117
Publicity	6	21,634	-	21,634	20,465
Bank interest payable and other charges	6	2,208	-	2,208	1,718
		<hr/>	<hr/>	<hr/>	<hr/>
		3,306,724	-	3,306,724	2,951,938
		<hr/>	<hr/>	<hr/>	<hr/>
Other Expenditure					
Management and administration of the school	7	126,872	-	126,872	111,428
		<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended		3,433,596	-	3,433,596	3,063,366
		<hr/>	<hr/>	<hr/>	<hr/>
Net Income		249,148	173,176	422,324	288,097
		<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 2006

	Unrestricted Funds		2006	2005
	School	Other	Total	Total
	£	£	£	£
Net incoming resources before transfers and revaluations	249,148	173,176	422,324	288,097
Transfers between funds	173,176	(173,176)	-	-
Net income for the year	<u>422,324</u>	<u>-</u>	<u>422,324</u>	<u>288,097</u>
Balances brought forward at 1 September 2005	3,702,313	-	3,702,313	3,414,216
Balances carried forward at 31 August 2006	<u>4,124,637</u>	<u>-</u>	<u>4,124,637</u>	<u>3,702,313</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 2006**

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Net movement in funds for the year	422,324	-	422,324	288,097
Resources used for net acquisitions of tangible fixed assets	(475,214)	-	(475,214)	(167,995)
	<hr/>	<hr/>	<hr/>	<hr/>
Net movements in (deficit)/funds available for future activities	(52,890)	-	(52,890)	120,102
	<hr/>	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

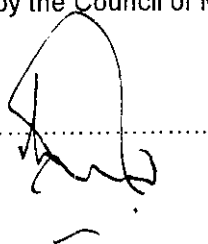
BALLARD SCHOOL LIMITED
(Limited by Guarantee)

BALANCE SHEET
As at 31 August 2006

	Note	2006		2005	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		3,576,656		3,239,281
CURRENT ASSETS					
Stocks	11	4,118		5,681	
Debtors	12	102,448		73,561	
Cash at bank and in hand		1,117,562		908,155	
		<u>1,224,128</u>		<u>987,397</u>	
CREDITORS: Amounts falling due within one year	13	(676,147)		(524,365)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			547,981		463,032
			<u></u>		<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,124,637		3,702,313
			<u></u>		<u></u>
RESERVES					
Unrestricted income fund	16		4,124,637		3,702,313
			<u></u>		<u></u>

Approved by the Council of Management on 6th March 2007 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 2006

	Notes	2006 £	2005 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	617,724	469,727
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	B	66,897	46,516
CAPITAL EXPENDITURE	C	(475,214)	(167,995)
FINANCING		-	-
INCREASE IN CASH		<u>209,407</u>	<u>348,248</u>
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year		209,407	348,248
		<u>209,407</u>	<u>348,248</u>
Net funds at 1 September 2005		908,155	559,907
		<u>908,155</u>	<u>559,907</u>
Net funds at 31 August 2006	D	<u>1,117,562</u>	<u>908,155</u>

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 2006

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

	2006 £	2005 £
Net incoming resources	422,324	288,097
Interest receivable	(66,897)	(46,516)
Interest payable	-	-
Depreciation and amortisation charges	137,839	174,710
Loss on fixed asset disposal	-	3,446
Decrease/(increase) in stocks	1,563	(2,296)
(Decrease)/increase in debtors	(28,887)	4,105
Increase in creditors	151,782	48,181
	<u>617,724</u>	<u>469,727</u>

B RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2006 £	2005 £
Interest received	66,897	46,516
	<u>66,897</u>	<u>46,516</u>

C CAPITAL EXPENDITURE

	2006 £	2005 £
Receipts from disposal of tangible fixed assets	-	350
Payments to acquire tangible fixed assets	(475,214)	(168,345)
	<u>(475,214)</u>	<u>(167,995)</u>

D ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2005 £	Cashflows £	At 31 August 2006 £
Cash in hand	908,155	209,407	1,117,562
	<u>908,155</u>	<u>209,407</u>	<u>1,117,562</u>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2006

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 2005 (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% 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) 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 2006

(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:

	2006 No	2005 No
Administration	9	8
Educational	92	83
Establishment	10	10
Housekeeping	24	24
	<hr/>	<hr/>
	135	125
	<hr/>	<hr/>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2006

The aggregate payroll costs of these persons were as follows:

	2006 £	2005 £
Wages and salaries	2,057,878	1,827,416
Social security costs	150,831	130,904
Other pension costs	205,582	187,322
Compensation costs	109	109
Long service awards	-	250
	<u>2,414,400</u>	<u>2,146,001</u>

There was 1 employee with emoluments between £60,000 and £70,000. There were no other employees with emoluments above £50,000.

During the year trustees expenses totalling £546 (2005: £775) were reimbursed. These related to travelling and telephone expenses for the trustees. There were no amounts outstanding at the year end.

4. SCHOLARSHIPS, BURSARIES AND OTHER ALLOWANCES

	2006 £	2005 £
Fee discounts	260,118	254,104
Scholarships	158,831	140,064
Bursaries	43,289	42,404
	<u>462,238</u>	<u>436,572</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Auditors' remuneration £	Operating leases £	Other £	Total £
Education	1,956,735	32,165	-	33,200	160,478	2,182,578
Housekeeping	206,522	3,459	-	-	192,883	402,864
Establishment	88,463	101,420	-	39,718	390,235	619,836
Administration	65,072	318	-	1,689	10,525	77,604
Finance charges	-	-	-	-	2,208	2,208
Management and administration	97,608	477	5,791	2,534	20,462	126,872
Fundraising and publicity	-	-	-	-	21,634	21,634
	<u>2,414,400</u>	<u>137,839</u>	<u>5,791</u>	<u>77,141</u>	<u>798,425</u>	<u>3,433,596</u>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2006

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

	2006 £	2005 £
Telephone	3,121	3,904
Printing, postage and stationery	6,033	6,729
Professional fees	3,167	4,453
Computer costs	4,675	5,016
Other	888	496
Travelling	1,953	4,211
Staff advertising	625	133
	<hr/>	<hr/>
	20,462	24,942
	<hr/>	<hr/>

6. CHARITABLE EXPENDITURE

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

EDUCATION

	2006 £	2005 £
Teaching salaries	1,956,735	1,741,551
Teaching books and materials	136,140	132,368
Depreciation	32,165	87,321
Legal and professional fees	502	1,048
Leasing charges	33,220	56,836
Bad debts	4,523	16,377
School inspection	19,293	-
	<hr/>	<hr/>
	2,182,578	2,035,501
	<hr/>	<hr/>

HOUSEKEEPING

	2006 £	2005 £
Matron and domestic staff salaries and wages	206,522	195,497
Provisions	111,260	87,566
Cleaning	13,477	12,957
Consumables	8,437	7,343
Equipment	4,044	6,600
Depreciation	3,459	5,534
Staff advertising	215	19
Surgery	1,034	1,124
Contract cleaning	54,416	16,949
	<hr/>	<hr/>
	402,864	333,589
	<hr/>	<hr/>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2006

ESTABLISHMENT

	2006 £	2005 £
Maintenance and grounds salaries and wages	88,463	81,434
Rent payable	39,950	40,942
Rates and water	27,083	23,678
Light and heat	35,125	24,696
Insurances	27,459	23,368
Repairs and renewals	129,462	46,259
Swimming pool	3,503	12,373
Minibuses	21,341	20,361
Depreciation	101,420	81,185
Minibus leasing charges	39,718	36,862
Grounds	17,043	18,841
Additional small works	48,133	51,640
Health and Safety	26,136	31,909
Redundancy	15,000	-
	<hr/> 619,836	<hr/> 493,548
	<hr/> <hr/>	<hr/> <hr/>

ADMINISTRATION

	2006 £	2005 £
Office and administration salaries	65,072	51,953
Professional, legal and consultancy	2,112	2,969
Telephone	2,080	2,602
Travelling and training	1,302	2,807
Sundry	108	72
Equipment leasing	1,689	1,612
Depreciation	318	268
Stationery and printing	1,734	2,070
Postage	2,288	2,416
Staff advertising	416	89
Equipment	485	259
	<hr/> 77,604	<hr/> 67,117
	<hr/> <hr/>	<hr/> <hr/>

PUBLICITY

	2006 £	2005 £
Advertising	21,634	20,465
	<hr/>	<hr/>

BANK INTEREST PAYABLE AND OTHER CHARGES

	2006 £	2005 £
Finance charges and interest	2,208	1,718
	<hr/>	<hr/>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2006

7. MANAGEMENT AND ADMINISTRATION

	2006 £	2005 £
Office and administration salaries	97,608	77,929
Professional legal and consultancy	3,167	4,453
Telephone	3,121	3,904
Travelling and training	1,953	4,211
Sundry	161	107
Depreciation	477	402
Audit	5,791	5,736
Computer costs	4,675	5,016
Stationery and printing	2,601	3,105
Postage	3,432	3,624
Equipment leasing	2,534	2,419
Equipment	727	389
Staff advertising	625	133
	<hr/> 126,872	<hr/> 111,428
	<hr/>	<hr/>

8. SURPLUS FOR THE YEAR

	2006 £	2005 £
The surplus for the year is stated after charging:		
Auditors' remuneration	5,791	5,736
Amount paid to related company of auditors for taxation and other financial advice	-	-
Operating leases: hire of equipment	77,141	67,911
Depreciation – owned assets	137,839	174,464
Depreciation – leased assets	-	246
Loss on disposal of fixed assets	-	3,446
	<hr/>	<hr/>
and after crediting:		
Interest receivable	66,897	46,516
	<hr/>	<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 2006

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 2005	3,920,326	3,365,729	-	66,196	403,191	-	23,941	61,269
Additions	475,214	-	373,904	70,198	8,432	-	-	22,680
Disposals	(13,765)	-	-	-	(1,469)	-	-	(12,296)
31 August 2006	<u>4,381,775</u>	<u>3,365,729</u>	<u>373,904</u>	<u>136,394</u>	<u>410,154</u>	<u>-</u>	<u>23,941</u>	<u>71,653</u>
DEPRECIATION								
1 September 2005	681,045	343,440	-	15,907	262,298	-	14,394	45,006
Charge for the year	137,839	67,315	-	6,997	49,427	-	2,394	11,706
Eliminated on disposal	(13,765)	-	-	-	(1,469)	-	-	(12,296)
31 August 2006	<u>805,119</u>	<u>410,755</u>	<u>-</u>	<u>22,904</u>	<u>310,256</u>	<u>-</u>	<u>16,788</u>	<u>44,416</u>
NET BOOK VALUE								
31 August 2006	3,576,656	2,954,974	373,904	113,490	99,898	-	7,153	27,237
31 August 2005	<u>3,239,281</u>	<u>3,022,289</u>	<u>-</u>	<u>50,289</u>	<u>140,893</u>	<u>-</u>	<u>9,547</u>	<u>16,263</u>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2006

11. STOCKS

	2006 £	2005 £
Consumables	4,118	5,681
	<u> </u>	<u> </u>

12. DEBTORS

	2006 £	2005 £
Fees and extras	17,396	13,812
Other debtors	19,963	15,158
Prepayments	65,089	44,591
	<u> </u>	<u> </u>
	102,448	73,561
	<u> </u>	<u> </u>

13. CREDITORS: amounts falling due within one year

	2006 £	2005 £
Fees received in advance	278,937	297,144
Deposit received in advance	71,905	55,055
Other creditors	43,344	73,012
Accruals	231,199	53,789
Other tax and social security	50,762	45,365
	<u> </u>	<u> </u>
	676,147	524,365
	<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 13 (2005: 12).

15. OBLIGATIONS UNDER OPERATING LEASES

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

	2006 £	2005 £
Operating leases expiring:		
Within one year	17,718	6,052
Within two to five years	57,510	58,407
	<u> </u>	<u> </u>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2006

16. RESERVES

	2006 £	2005 £
General unrestricted income fund	4,124,637	3,702,313

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 £141,682 (2005: £18,000) 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% 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.