

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012
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 twelfth Annual General Meeting of the Company will be held at The Ballard School, New Milton, Hampshire, on 12th March 2013 at noon for the following purposes

- 1 To receive and consider the financial statements for the year ended 31 August 2012, 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

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
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COMPANY INFORMATION

GOVERNORS

The Governors are also directors of Ballard School Limited. New Governors are appointed by the existing Board of Governors. All Governors served throughout the year except where indicated.

Governors	Education Committee	Finance & General Purpose Committee
Mr R C Blake (Chair of Governors)	✓	✓
Mr G L Alexander		
Mrs M G Billington	✓	
Mr J Clifton		
Mr C Ford (Chair of Education)	✓	✓
Mr P Goodfellow		✓
Miss E Halliwell (appointed 6 th March 2012)		
Mr C Kean		✓
Mr D Leighton		✓
Mrs K Lewis		
Rev J McDowall	✓	
Mrs S Nutbeam	✓	
Mrs W Roberts	✓	
Mrs A Trask (Chair of Finance)		✓
Mrs Anne Watson-Lee (appointed 6 th March 2012)		✓

Secretary Mr M A R Smith ACA

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: Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

BALLARD SCHOOL LIMITED
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REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management of Ballard School present their annual report and audited accounts for the year ended 31 August 2012 and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities SORP 2005 and the School's Memorandum & Articles of Association

THE COUNCIL OF MANAGEMENT

Trustees (also referred to as Council Members) are appointed by the existing Council of Management. 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. New Trustees are inducted into the workings of the Charity and the School, including Board Policy and Procedures. Training needs are also assessed and are provided as necessary.

Membership of the Council of Management, executive officers and principal addresses of the Charity, together with those of the Charity's professional advisers, are listed on page 1.

OUR AIMS

The School operates under a Declaration of Trust dated 28 August 1962 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. The object of the School 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.

Our mission statement is to provide a supportive and caring environment for learning, based on Christian values and good teaching, designed to help all pupils achieve their personal best. High academic standards, together with thorough preparation for future education and the world of work, are underpinned by an ethos of concern for others, unselfish attitudes and an awareness of the rights and duties of a good citizen. The diverse range of activities and broad curriculum nurture the self-confidence of all our pupils, and help the development of their personality, engendering also lifelong interests and stimulating a desire to serve the community.

Our aims may be summarised as follows,

- To help each individual pupil reach their potential within a secure, caring community and to equip our young people with the skills they will need to move into our ever-changing, modern society
- To produce 'complete' people, equipped not only for their working careers but also for life
- To aim for academic excellence, so that each individual pupil may achieve his or her personal best. However, we believe all our pupils are entitled to an education that extends beyond the purely academic. Therefore pupils are actively encouraged to take part in a wide range of artistic, creative, cultural, musical, sporting and other extra-curricular activities
- To recognise the worth, dignity and contribution of each member of the school community and to foster self-discipline, self-esteem, mutual respect and co-operation
- To offer scope for spiritual, moral and personal development within an environment which affirms Christian values
- To assimilate and constructively manage change in the interests of the development and progress of the school and the future careers of our pupils and staff
- To promote behaviour and discipline that allows all individuals to succeed in a mutually supportive atmosphere
- To promote an atmosphere of friendship and trust in which emotional needs are recognised and met
- To expect high standards of achievement by developing in pupils the ability to think and research independently and communicate confidently and effectively
- To respond to the wider needs of society
- To increase links between the school and the community we serve

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School. This objective is, however, set in the context of the broader goals we set for the School and its pupils.

BALLARD SCHOOL LIMITED
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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

In setting our objectives and planning our activities, the Council of Management have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission, and in particular to its supplementary guidance on advancing education and on fee-charging

Our key objectives for the year included:

- Maintain the present low pupil/teacher ratios, which we believe give our pupils the individual attention needed to help them realise their academic and cultural potential to the full,
- Continue access to our School by way of our means tested bursary programme,
- Optimise the curriculum to ensure our School offers the most appropriate range of subjects,
- Maintain the high standards of academic achievement demonstrated in recent years' examination results and to ensure that each individual pupil achieves his/her best results,
- Balance academic achievement through a curriculum allowing full scope for the development of artistic, sporting, dramatic and musical skills,
- Invest in state-of-the art technology with a view to encouraging new ways of learning and communicating,
- Continue developing and fostering links with the local community to enhance the public benefit we can provide, and
- Generally maintain and improve facilities at the school

Our ethos: a caring School serving our local community and society

Ballard School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing a first-class education to boys and girls

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop prospective pupils to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion and in most cases disability, do not form part of our assessment processes

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In the latest Independent Schools' Inspectorate report (published January 2012) the quality of pastoral care and the attention given to the welfare of pupils was described as "excellent throughout the school". Parents are given regular information about their children's social and academic progress through parent evenings, in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our weekly bulletin and the 'Ballard Banter' published each term. All pupils have a Form Tutor responsible for pastoral care and academic development. Pastoral issues are discussed at regular staff meetings and a Counsellor is employed to assist pupils. We also have a system of prefects and monitors who are involved in assisting senior teaching staff in enforcing our very rigorous no bullying policy.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are, or become disabled.

Bursary and Scholarship policies

The Council of Management views our bursary and scholarship awards as important in helping to ensure children from families who would otherwise not be able to afford the fees, to access the education we offer. Our School does not have any endowments and, in funding our awards, we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

BALLARD SCHOOL LIMITED
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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Our bursary awards are available to all who meet our general entry requirements and are made on the basis of parental means or to relieve hardship, where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy. The success of our bursary scheme is explained in our public benefit section of this report. The awards range up to 100% remission of fees.

Scholarship policy

Our scholarships are awarded on the basis of the individual's educational and extra-curricular merit or potential. New scholarships are awarded up to 50% of fees for entry into Years 4, 7 and 9. Scholarships may be supplemented by a bursary.

Family discounts policy

With pupils ranging in age from 1 to 16 years we are very much a family school and to assist families we offer discounts where parents have more than one child at the school. To help us attract and retain high quality staff we offer staff a discount scheme where they choose to educate their children at our School.

PUBLIC BENEFIT

The school is committed to providing Public Benefit in a variety of ways including

- The provision of means tested bursaries,
- Allowing free use of our sports facilities to local children's sports clubs and primary schools,
- Allowing free or subsidised use of our Performing Arts Centre for charitable fundraising events, and
- Raising funds for local and national charities.

Bursaries and Scholarships

This year the value of means-tested bursaries totalled £244,167 and represented 4.8% of gross fees (4.5% - 2011) and provided assistance to 60 (55 - 2011) of our pupils/families. In addition, the School awarded scholarships to 52 (59 - 2011) pupils, based on their educational merit and potential, totalling £113,281 and representing 2.2% of gross fees.

Details of our bursary and scholarship awards are set out in note 4 to the accounts. Information about fee assistance in the form of bursaries and scholarships is provided to all applying to the School.

Community Links

The Charity has continued to foster the School's links with the local community. The school provided sports facilities free of charge to three children's football teams, one netball team and local primary schools. In addition, the school has close links and shares facilities with both Bashley Cricket Club and New Milton Cricket Club.

The school combined with local maintained schools, Highcliffe Comprehensive School and The Arnewood School, on a number of joint projects including student exchange visits with a French school, gifted and talented outings, a series of evening lectures, dance activities and an evening of drama, dancing, singing and comedy performed at the Ballard Performing Arts Centre. Senior sports elite pupils visit local primary schools to assist with PE lessons. At Christmas a concert is provided to residents of local retirement homes.

The Performing Arts Centre and other school buildings are used by the local drama group the New Forest Players who perform four productions a year and Shelley Lawlor School of Dance, The New Forest Youth Orchestra and others for various fundraising events in aid of charity.

Fundraising raised funds of £3,626 for the following organisations, Piam Brown Ward, Breast Cancer, Readathon, Macmillan Cancer Support, Oakhaven Hospice, Good News Children's Home in Kenya, Sports Relief, Children in Need, and Friends of Ray of Hope Uganda. In addition, the school contributed a further £480 to the Good News Children's Home to aid the education of two Kenyan schoolboys. Romanian children were supported via the annual Christmas shoebox appeal.

BALLARD SCHOOL LIMITED
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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

ISI Inspection

The Independent Schools' Inspectorate (ISI) visited Ballard School in October and November 2011 to carry out a statutory school inspection. The report was published in January 2012 and highly commended the school in every area of its operation. The Early Years (nursery to reception class) were rated 'outstanding' in every area using Ofsted criteria. The school as a whole received plaudits for its ethos, relationships amongst staff and pupils, academic progress and results, extra-curricular provision, parental contacts, governance, management and community relations.

Pupil numbers and fees

Our educational activities are carried out through our Senior, Middle, Preparatory, Pre-preparatory, Kindergarten and Nursery schools. Pupil numbers remain strong peaking at 523 (466 Full Time Equivalents (FTEs)) during the Summer Term. The average number of FTE pupils was 466 through the academic year (2011 – 492).

Our fee increases this year were restricted by the Council of Management to an increase of 3.75 per cent. Our fees for the academic year 2011/12, before the deduction of any means-assisted bursaries and scholarships, were (per term)

- Kindergarten and Nursery – maximum £2,395
- Pre-preparatory - £2,193
- Preparatory - £3,566 to £3,732
- Middle - £3,791
- Senior - £3,933

Academic

Whilst the school remains non-selective the GCSE results continue to impress with 93% of pupils gaining 5 or more A* to C grades. 100% of all pupils gained A* to C grades in, German, Religious Studies, Music, Art, Expressive Arts, Drama and Home Economics. There were also outstanding results in Speech and Drama examinations, LAMDA, New Era and English Speaking Board (100% success for Y6 and Y8). In Art the school gained first places in the Independent Schools' Association regional competition at Key Stage 2 and Key Stage 4 (GCSE). Pupils continue to gain scholarships at 11+, 13+ and 16+ to a number of independent schools and the school is very successful in preparing pupils for selective grammar schools. The broad curriculum and large subject choice enhance the academic development of all pupils. The ISI Inspection Report (January 2012) highly commended the school on its curricular and extra-curricular provision as well as the progress and achievements of all pupils. Pupils took part in the Duke of Edinburgh award scheme and in the wide range of after-school activities offered.

Sport

Along with a full range of fixtures on offer for pupils from ages 7 to 16, we also include dance, sailing and boat building activities integrated into our curriculum. It is our priority to offer pupils of all abilities the opportunity to play in fixtures and we have expanded our teams in the Prep school to include C and D squads in order to facilitate this and in the senior school we consider it important that we continue to offer pupils of all abilities the same 'match day' experience. Our main aim is to deliver a well-balanced physical education programme for all and to deliver PE in such a way that it will be a positive experience for every pupil from Pre prep to Year Eleven.

We are actively involved with the New Forest Schools Sport Partnership Programme, giving our pupils the opportunity to compete against our neighbouring state schools at both the primary and secondary levels. In addition we maintain an extensive fixtures schedule with Independent Schools from Portsmouth to Blandford. We regularly visit the Isle of Wight for matches and we participate in an event held at St Michael's School, Jersey every spring, where the U12 and U13's enjoy competing in netball, hockey, rugby and football, against schools from Jersey and the mainland. We currently hold the Boys Hockey title and look forward to defending this in March.

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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Performing Arts -

Music

Music is very important in the school and is taught as a specialist subject to all pupils from Kindergarten to year 9 and also available as a GCSE option with consistently high results. More than 160 pupils have individual music or voice lessons each week. There are many ensembles, large and small, performing in a diverse range of musical genres. Choirs are available for pupils in all year groups from year 2 and there are two Chamber Choirs.

Instrumental groups include a Training Band, Show Band, brass and string groups and two Handbell teams. The ensembles regularly participate in external festivals, concerts and charity events. There is a busy annual programme of concerts and events including weekly lunchtime recitals, a Christmas concert and Carol Service, fundraising events and numerous school productions. The department has excellent facilities including a recently installed suite of Mac computers.

Expressive Arts

Expressive Arts is a compulsory subject for all year 3 to year 5 pupils and is available as a GCSE option. The school has the Artsmark Award from The Arts Council of England in recognition of the school's commitment to, and excellence in, arts education. The School will be applying for the prestigious Artsmark Gold Award in the coming year. School productions are central to the Music and Expressive Arts programme for all ages and this year's productions included Grease, Blooming Gorgeous, Jonah Man Jazz, and Treasure Island.

Dance

Dance is taught at GCSE level. During the year there were numerous performance opportunities and workshops for pupils throughout the school. Pupils covering all ages danced in the Variety Show, Grease, Go for Gold, Nativity Play and Ocean Commotion. Ballet Boyz The Talent gave an inspired workshop aimed at year 9 boys and workshops were held with Rockit Dance. There were also visits to see both Ballet Boyz and the Richard Alston Dance Company.

Drama

Drama is an increasingly popular option at GCSE with excellent results. Last academic year saw two GCSE performances, The Importance of being Earnest and a piece on the role of women in society. The school has appointed a Head of Drama and the subject is now taught within the curriculum as a 'standalone' subject at years 6, 7 and 8.

FUTURE PLANS

The Council of Management intends to continue its current strategies of maintaining the School's position in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided. The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications obtained remain appropriate for our pupils' development.

Our future plans are financed primarily from fee income and from our reserves. The Council of Management need to maintain an equitable balance between the interests of our current and our future pupils. Whilst ensuring benefits for present pupils, the Council is aware of the need to preserve a sound infrastructure and financial base for the next generation of pupils, in the same way as pupils today benefit from the investment made in the past.

The Council of Management views bursary and scholarship awards as important in widening access to the education our School provides. Bursary funds are made available to ensure that able children can accept offers of places at our School through the availability of means-tested fee assistance and to assist pupils already at the school where the parents encounter financial difficulties.

BALLARD SCHOOL LIMITED
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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

The Charity's key objectives for the immediate future are

- Maintain the present low pupil/teacher ratios, which we believe give our pupils the individual attention needed to help them realise their academic and cultural potential to the full,
- Maintain the high standards of academic achievement demonstrated in recent years' examination results and to ensure that each individual pupil achieves his/her best results,
- Balance academic achievement through a curriculum allowing full scope for the development of artistic, sporting, dramatic and musical skills,
- Optimise the curriculum to ensure our School offers the most appropriate range of subjects,
- Invest in state-of-the art technology with a view to encouraging new ways of learning and communicating,
- Continue access to our School by way of our means tested bursary programme,
- Continue developing and fostering links with the local community to enhance the public benefit we can provide, and
- Generally maintain and improve facilities at the school

OUR FINANCES

The financial statements show net incoming resources for the year on School activities of £4,508,244 (2011 £4,610,466) The principal source of income is fees, accounting for 98.0% (2011 - 98.4%) of the School's income. The Council of Management is continuing its strategy of deploying all net incoming resources to invest in the educational purposes and fabric of our School.

As a charity, the parents of our pupils have the assurance that all the income of the School must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims. As a Charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits our School brings to our pupils, the local community and society gain through the education we offer, and our bursary programme creates a social asset without cost to the Exchequer.

Developments and Maintenance

The school invested in the construction of a new 'state of the art' AstroTurf sports pitch constructed to international hockey standards. This was completed in October 2011. The cost capitalised in these accounts is £562,076.

There was significant investment in IT during the year with £49,264 spent on equipment and the employment of an IT Systems Manager to help develop and improve IT systems.

Reserves and Financial Health

The Council of Management regularly review the finances, spend against budget, together with monthly management accounts, as part of the effective stewardship of the School. The Council of Management has invested substantial sums into new School buildings in recent years and has a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. As shown in note 15 to the accounts the reserves are £6,577,524 (2011 £6,356,532) which illustrates the extent of the investment in our School, this is a common practice by independent schools which have to finance their own capital investment plans.

The Council of Management considers that whilst the charity's balance sheet is strong, there is a need to maintain cash reserves to enable the school to continue to operate should any unforeseen circumstances occur and to facilitate capital expenditure in the future without the need to borrow. The lowest level of cash reserves during the year was £2,806,246 (36 weeks expenditure) as at 31 December 2011 (2011 £3,108,103 at 31 August 2011). The policy is to have cash reserves so that at their lowest level in the school year, they cover a minimum of two term's overheads.

**BALLARD SCHOOL LIMITED
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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Investment Policy and Performance

Surplus funds are held with a minimum of three financial institutions in high interest bearing accounts in order to earn a good rate of return whilst maintaining a low exposure to risk. Income from investments was £51,557 (2011 £38,427)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Management, made up of the charity trustees, is responsible for the overall management and control of Ballard School and meets a minimum of three times a year. The work of implementing most of their policies is carried out by the members of the Education Committee and the Finance & General Purposes Committee which meet each term. These Committees work under the chairmanship of a Governor appointed at the Council of Management's first meeting each calendar year. The School Bursar is responsible for co-ordinating the work of the Council of Management and its Committees, preparation of papers and management accounts and the review of matters arising.

All trustees give of their time freely and no remuneration was paid in the year but travel and training costs are reimbursed. No Governor or person connected with a Governor received any benefit from either means-tested bursaries or scholarships awarded to our pupils.

Organisational Management

The Council of Management determines the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken within the policies and procedures approved by the Council of Management, which require only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the bursar oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar attend meetings of the Council of Management.

Other Relationships

The Head is a member of the Independent Association of Preparatory Schools (IAPS) and The Independent Schools association (ISA) which gives an opportunity to share expertise, knowledge and experience across the independent school sector. Membership of the IAPS and ISA also permits appropriate representation to Government and regulators of the views of the sector.

Risk Management

Council Members are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Senior Management of the School. Risks are identified, assessed and controls established throughout the year. Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Health and Safety

The Health and safety of the school site is of paramount importance. Health and safety risks are carefully assessed and monitored to minimise the possibility of accidents and the Council of Management is briefed on a regular basis.

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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Economic Downturn

The School is reliant upon the parents paying their school fees promptly. The current economic downturn may have a direct impact on parents' ability to pay those fees. Senior management and the Members therefore aim to keep abreast of economic conditions in the UK. Overheads are carefully monitored to ensure that resources are used effectively. Pupil numbers for the Autumn Term 2012 were 442 FTE down from 457 in Autumn 2011.

Competition

The market in which the school operates is highly competitive. Consequently, the school reviews its processes to ensure that pupils receive a first class education that helps them to perform to their full ability in all aspects of school life.

Governor Recruitment and Training

The Council of Management requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new trustees, the Council seeks individuals with commitment to the particular aims of this educational charity, and an interest in and knowledge of education more generally. Where possible the Governors consider that the skills and experience of the Board should include the following:

- A Governor with a legal background
- A Governor with a financial/accounting background
- A Governor with education experience
- A Governor with senior managerial or business experience
- A Governor with experience of equal opportunities or disability needs
- At least one female Governor and at least one male Governor

A Governor may of course have more than one of these skills.

Identified training needs may be met by using the particular skills of Council members and by taking advantage of the opportunities and resources provided by external professional bodies.

AUDITORS

Nexia Smith & Williamson have indicated their willingness to continue in office in accordance with Section 487(2) of the Companies Act 2006.

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The Council Members are responsible for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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.

BALLARD SCHOOL LIMITED
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REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

The Council Members are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the SORP 2005, the Charities Act 2011 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 Council Members are aware, there is no relevant audit information of which the company's auditors are unaware, and that each Council Member has taken all the steps that a Council Member 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



MAR Smith
Secretary

Dated 12 March 2013

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLARD SCHOOL LIMITED

We have audited the financial statements of Ballard School Limited for the year ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Council Members' Responsibilities Statement (as set out on page 9), 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 financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information provided in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nexia Smith & Williamson

Richard Green
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

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

Date *12th March 2013*

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 2012

	Note	Unrestricted Funds 2012 £	2011 £
INCOMING RESOURCES			
Charitable activities			
School fees - gross		5,046,024	5,092,598
Extras		<u>96,873</u>	<u>107,623</u>
		5,142,897	5,200,221
Less Scholarships, bursaries and other allowances	4	<u>(725,246)</u>	<u>(663,795)</u>
		4,417,651	4,536,426
Entrance fees		10,395	6,760
Holiday and other lettings		20,909	19,871
Investment income		51,557	38,427
Insurance commission		5,104	5,520
Other income		<u>2,628</u>	<u>3,462</u>
Total Incoming Resources		<u>4,508,244</u>	<u>4,610,466</u>
RESOURCES EXPENDED			
Charitable expenditure			
Education	5	2,703,573	2,755,792
Housekeeping	5	431,212	435,349
Establishment	5	748,817	810,418
Administration	5	146,498	132,488
Publicity	5	20,653	16,277
Bank interest payable and other charges	6	<u>3,016</u>	<u>3,194</u>
		4,053,769	4,153,518
Other expenditure			
Management and administration of the school	5	<u>233,483</u>	<u>210,818</u>
Total Resources Expended		<u>4,287,252</u>	<u>4,364,336</u>
Net incoming resources		220,992	246,130
Total funds brought forward at 1 September 2011		<u>6,356,532</u>	<u>6,110,402</u>
Total funds carried forward at 31 August 2012		<u>6,577,524</u>	<u>6,356,532</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)

BALANCE SHEET
as at 31 August 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible fixed assets	9		3,972,480		3,914,757
CURRENT ASSETS					
Stocks	10	3,444		3,528	
Debtors	11	145,644		141,440	
Cash at bank and in hand		<u>3,328,803</u>		<u>3,108,544</u>	
		3,477,891		3,253,512	
CREDITORS. Amounts falling due within one year	12	<u>(872,847)</u>		<u>(811,737)</u>	
NET CURRENT ASSETS			<u>2,605,044</u>		<u>2,441,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,577,524</u>		<u>6,356,532</u>
RESERVES					
Unrestricted income fund	15		<u>6,577,524</u>		<u>6,356,532</u>

Approved by the Council of Management on 12th March 2013 and signed on their behalf by


RC Blake
Chairman

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

The notes form part of these financial statements

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

CASH FLOW STATEMENT
for the Year Ended 31 August 2012

	Note	2012 £	2011 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	487,453	495,133
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	B	51,557	38,427
CAPITAL EXPENDITURE	C	<u>(318,751)</u>	<u>(446,353)</u>
INCREASE IN CASH		<u>220,259</u>	<u>87,207</u>
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year		220,259	87,207
Net funds at 1 September 2011		<u>3,108,544</u>	<u>3,021,337</u>
Net funds at 31 August 2012	D	<u>3,328,803</u>	<u>3,108,544</u>

The 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 2012

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

	2012 £	2011 £
Net incoming resources	220,992	246,130
Interest receivable	(51,557)	(38,427)
Depreciation and amortisation	261,028	207,585
Decrease/(increase) in stocks	84	(1,100)
Increase in debtors	(4,204)	(16,444)
Increase in creditors	61,110	97,389
	<u>487,453</u>	<u>495,133</u>

B RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2012 £	2011 £
Interest received	<u>51,557</u>	<u>38,427</u>

C CAPITAL EXPENDITURE

	2012 £	2011 £
Payments to acquire tangible fixed assets	(324,501)	(446,353)
Receipts from sale of tangible fixed assets	<u>5,750</u>	<u>-</u>
	<u>(318,751)</u>	<u>(446,353)</u>

D ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2011 £	Cashflows £	At 31 August 2012 £
Cash in hand	<u>3,108,544</u>	<u>220,259</u>	<u>3,328,803</u>

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

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'), the Charities Act 2011 and the Companies Act 2006

(b) Depreciation

Depreciation is provided on tangible assets on a straight line basis 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%
Furniture, fittings and equipment	- 20%
Improvements	- 10%
Swimming pool	- 10%
Computer equipment	- 25%
Motor vehicles	- 25%
All weather sports pitch - carpet, shock pad and fencing	- 10%
All weather sports pitch - equipment	- 25%
All weather sports pitch - groundworks	- over 35 years

(c) Stocks

Stocks 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 as incurred over the lease term

(e) Pension contributions

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The Charity also contributes to a multi-employer defined benefits pension scheme, The Federated Flexiplan No 1 Pension Scheme ("FFPS"). It is not possible to determine the extent to which the surplus or deficit in the scheme relates to individual employers. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme.

The Charity also contributes to a defined contribution Group Personal Pension scheme for non-teaching staff.

Contributions to all three schemes are charged in the Statement of Financial Activities (SOFA) as they become payable in accordance with the rules of the schemes.

(f) Incoming resources

All incoming resources are included on an accruals basis.

(g) Deferred income

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

BALLARD SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

1 ACCOUNTING POLICIES (continued)

(h) Voluntary income

Voluntary income is received by way of donations, gifts and fund raising activities. The income is all credited to the SOFA 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 expense 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, less depreciation.

(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.

(n) Scholarships and bursaries

The school offers discounts on fees by way of scholarships and bursaries.

Scholarships are normally awarded to pupils entering Years 4, 7 or 9 who excel in Academic, Sport, Music, Art, Performing Arts, Drama or All-Round disciplines. Awards are made following tests, interviews and reports. All awards are reviewed annually to ensure that the pupil is meeting his/her potential and satisfying set criteria. New scholarships are normally 10% to 25% but may be up to 50%.

Means tested bursaries are available up to 100% of fees from Year 3 and are reviewed annually. They are designed to help parents who need financial support in the long term and those who are experiencing short term financial difficulties.

As all discounts are reviewed annually they are deducted from income in the year in which fees are charged.

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.

BALLARD SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

3 STAFF NUMBERS AND COSTS

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

	2012 £	2011 £
Administration	11	10
Educational	87	89
Establishment	12	11
Housekeeping	19	20
	<u>129</u>	<u>130</u>

The average number of full time equivalent employees for the year employed by the company during the year was

	2012 No	2011 No
Administration	8	8
Educational	62	65
Establishment	7	8
Housekeeping	11	13
	<u>88</u>	<u>94</u>

The aggregate payroll costs of these persons were as follows

	2012 £	2011 £
Wages and salaries	2,619,180	2,644,972
Social security costs	200,350	194,544
Other pension costs	305,200	291,655
Compensation costs	-	109
	<u>3,124,730</u>	<u>3,131,280</u>

The number of employees with emoluments exceeding £60,000

£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

During the year retirement benefits were accruing to these 3 employees (2011 3) Contributions paid for the year for retirement benefits accruing in a Defined Benefits Scheme were £17,632 (2011 £17,259) and to a Defined Contribution Scheme £6,332 (2011 £5,980)

Neither the Council of Management nor persons connected with them received any remuneration or other benefits from the School

During the year trustees' expenses totalling £1,084 (2011 £1,073) were reimbursed These related to travelling expenses for the trustees There were no amounts outstanding at the year end

BALLARD SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

4 SCHOLARSHIPS, BURSARIES AND OTHER ALLOWANCES

	2012 £	2011 £
Fee discounts	367,798	290,384
Scholarships	113,281	143,914
Bursaries	244,167	229,497
	<u>725,246</u>	<u>663,795</u>

5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Auditors' remuneration £	Operating leases £	Other £	Total £
Education	2,479,994	35,396	-	7,488	180,695	2,703,573
Housekeeping	202,385	1,006	-	-	227,821	431,212
Establishment	137,189	218,715	-	40,706	352,207	748,817
Administration	122,065	2,033	-	-	22,400	146,498
Finance charges	-	-	-	-	3,016	3,016
Management and administration	183,097	3,878	7,118	-	39,390	233,483
Fundraising and publicity	-	-	-	-	20,653	20,653
	<u>3,124,730</u>	<u>261,028</u>	<u>7,118</u>	<u>48,194</u>	<u>846,182</u>	<u>4,287,252</u>

6 BANK INTEREST PAYABLE AND OTHER CHARGES

	2012 £	2011 £
Finance charges and interest	3,016	3,194

7 SURPLUS FOR THE YEAR

	2012 £	2011 £
The surplus for the year is stated after charging		
Auditors' remuneration	7,118	7,341
Operating leases hire of equipment	48,194	45,775
Depreciation - owned assets	266,460	203,570
Depreciation - (profit)/loss on disposal of owned assets	(5,432)	4,016
and after crediting interest receivable	<u>51,557</u>	<u>38,427</u>

8 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 and Section 256 of the Taxation of Chargeable Gains Act 1992, is exempt from taxation insofar as income and gains is applied to charitable purposes only

BALLARD SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

9 TANGIBLE FIXED ASSETS

	Total	Freehold land and buildings	Improvements	All weather sports pitch	Furniture, fittings & equipment	Swimming pool	Computers & equipment	Motor vehicles
	£	£	£	£	£	£	£	£
COST								
01 September 2011	5,729,986	3,735,311	921,981	345,721	471,908	23,941	204,877	26,247
Additions	324,501	-	11,762	216,355	28,955	-	49,264	18,165
Disposals	(15,252)	-	-	-	-	-	-	(15,252)
31 August 2012	6,039,235	3,735,311	933,743	562,076	500,863	23,941	254,141	29,160
DEPRECIATION								
01 September 2011	1,815,229	784,153	388,651	-	437,384	23,941	159,294	21,806
Eliminated on disposal	(14,934)	-	-	-	-	-	-	(14,934)
Charge for the year	266,460	74,706	92,704	43,591	16,551	-	31,618	7,290
31 August 2012	2,066,755	858,859	481,355	43,591	453,935	23,941	190,912	14,162
NET BOOK VALUE								
31 August 2012	3,972,480	2,876,452	452,388	518,485	46,928	-	63,229	14,998
31 August 2011	3,914,757	2,951,158	533,330	345,721	34,524	-	45,583	4,441

BALLARD SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

10 STOCKS

	2012 £	2011 £
Consumables	<u>3,444</u>	<u>3,528</u>

11 DEBTORS

	2012 £	2011 £
Fees and extras	60,366	59,017
Other debtors	5,043	3,581
Prepayments	<u>80,235</u>	<u>78,842</u>
	<u>145,644</u>	<u>141,440</u>

12 CREDITORS: amounts falling due within one year

	2012 £	2011 £
Fees received in advance	572,656	474,233
Deposit received in advance	147,051	146,055
Other creditors	54,027	52,026
Accruals	41,991	78,733
Other tax and social security	<u>57,122</u>	<u>60,690</u>
	<u>872,847</u>	<u>811,737</u>

13 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 15 (2011: 14).

14 OBLIGATIONS UNDER OPERATING LEASES

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

	Other 2012 £	Other 2011 £
Operating leases expiring		
Within one year	2,422	3,298
Within two to five years	<u>27,648</u>	<u>34,135</u>

BALLARD SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

15 RESERVES

	2012 £	2011 £
General unrestricted income fund	<u>6,577,524</u>	<u>6,356,532</u>

These funds are held for the current and future operation of the school. They are obtained through accumulated net income, 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 operations of the school. All movements in this fund are detailed in the SOFA and represent the accumulated surplus from the operation of the school in furtherance of the objects of the charity.

16 CAPITAL COMMITMENTS

At the year end the Company had capital commitments of £16,233 relating to the completion of an All Weather Sports Pitch (2011 £213,952).

17 CONTROLLING PARTY

The Company is controlled by the Council of Management.

18 PENSION SCHEME ARRANGEMENTS

Teaching staff

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%. The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension charge for the year includes contributions payable to the TPS of £252,431 (2011 £253,983). At the year-end £nil (2011 - £nil) was accrued in respect of contributions to this scheme.

BALLARD SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2012

18 PENSION SCHEME ARRANGEMENTS (continued)

Non-teaching staff

Since March 2007 the Charity has contributed to a defined contribution Group Personal Pension Scheme for non-teaching staff. The assets of the scheme are held independently from those of the Charity in an independently administered fund.

Contributions to all three schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

Prior to March 2007 the Charity participated in a multi-employer defined benefits pension scheme. The Federated Flexiplan No 1 Pension Scheme ("FFPS"). The aim of this scheme was to provide a notional 'target' pension based on each employee's final salary and the number of years worked. Whilst the scheme uses the employee's final salary as the target there is no guarantee that this target will be met. The only guaranteed element being the contributions paid and a specified rate of interest, 4% until 31 March 2003 and 2% thereafter. It is not possible to determine the extent to which the surplus or deficit in the scheme relates to individual employers.

The scheme is in the process of being wound-up but is the subject of a legal challenge by a deferred member in regards what level of pension is payable to deferred members. As a result the winding-up has been delayed and the challenge could result in the scheme having a significant shortfall. The ruling from the Court had been expected during 2011, then delayed to 2012 and is now anticipated sometime during 2013.

The latest valuation of the FFPS was as at 31 March 2010 by KPMG. The report revealed that the total liabilities of the scheme (pensions currently in payment and estimated cost of future benefits) were between £93m and £75m. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £65m.

The latest estimate of the charity's share of the assets and liabilities of the total fund means that the total potential liability is between £34,794 and £173,971, depending on the outcome of the court ruling, this liability is payable over a two or ten year period. Payments commenced in April 2011.

19 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2011: none).

20 CONTINGENT LIABILITY

The charity has been advised that, the FFPS of which employees are members, has been challenged by a deferred member in regards to what level of pension is payable to deferred members (see note 18).

No provision has been made for this as the economic effect is not quantifiable. The charity's share of the assets and liabilities of the total fund means that the remaining potential liability is between £9,968 and £149,145. This reflects an annual charge of £17,397 (payable monthly) which commenced in April 2011, for between 2 and 10 years depending on the outcome of the court case.