

BALLARD SCHOOL LIMITED
(Limited by Guarantee)
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

COMPANY NUMBER: 733644

CHARITY NUMBER: 307328

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BALLARD SCHOOL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

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BALLARD SCHOOL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

LEGAL AND ADMINISTRATIVE INFORMATION

Ballard School Limited is a charitable company limited by guarantee. It was incorporated on 28 August 1962 under company number 733644 and registered with the Charity Commission on 13 December 1962 under charity number 307328. The Registered Office and principal trading address is Fernhill lane, New Milton, Hampshire, BH25 5SU.

Governors

The Governors are also directors of Ballard School Limited. All Governors served throughout the year except where indicated:

	Education Committee	Finance & General Purposes Committee
Mr G L Alexander (resigned 7 June 2016)		
Mrs M G Billington	√	
Mr J Clifton (resigned 8 March 2016)		
Mr C Ford (Chair of Governors)	√	√
Mr P Goodfellow		√
Dr E Halliwell		√
Mr C Kean		√
Mrs F E Morgan	√	
Rev M Poole		√
Mr A Stembridge (appointed 7 June 2016)		√
Mrs A Trask (Chair of Finance)	√	√
Mrs J Tudor	√	
Mrs A Watson-Lee		√
Mrs W Roberts (Chair of Education)	√	√

Senior officers

Mr A J Reid MA (Cantab), PGCE, NPQH) (Headmaster)
Mr M A R Smith BA Hons, ACA (Bursar, Clerk to the Governors and Company Secretary)

Bankers

HSBC
59 Old Christchurch Road
Bournemouth BH1 1EH

Solicitors

Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol BS1 4QA

Auditors

Nexia Smith & Williamson
Cumberland House
15 – 17 Cumberland Place
Southampton SO15 2BG

Investment advisors

Thesis Asset Management
Solent House
Cannon Street
Lymington SO41 9BR

BALLARD SCHOOL LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

REPORT OF THE GOVERNORS

The Board of Governors of Ballard School are pleased to present their annual report and audited financial statements for the year ended 31 August 2016.

OBJECTS, AIMS AND ACTIVITIES

Objects

The Charity operates within its Articles of Association dated 28 August 1962 last amended in 2014. The main 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.

The School welcomes all children and families of every background, culture and faith but continues to be founded on Christian values which will be evident in our pastoral care, our assemblies and our family ethos.

Aims

Our vision statement is to provide a supportive and caring environment for learning, based on Christian values and excellent teaching, designed to ensure 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 identify and build on strengths to help each individual pupil reach their potential within a secure, caring community and to equip our young people to be well-behaved, resilient, rounded and resourceful members of society and prepared for their future working lives.
- To aim for academic excellence, so that each individual pupil may achieve his or her personal best. We believe all our pupils are entitled to an education that extends beyond the purely academic. 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 Ballard Family and to foster self-discipline, self-esteem, mutual respect and co-operation within an atmosphere of friendship and trust promoting an appreciation of the needs and gifts of others.
- To offer scope for spiritual, moral and personal development within a disciplined and mutually supportive environment which affirms Christian values.
- To expect high standards of achievement by developing in pupils the ability to manage change, to think and research independently and communicate confidently and effectively.
- To celebrate our achievements, gifts and diversity irrespective of individual differences.
- To respond to the wider needs of society through community projects, charitable fundraising and outreach and by increasing awareness of local, national and world issues.

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.

BALLARD SCHOOL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

REPORT OF THE GOVERNORS (continued)

Principal Activity

The School's principal activity is the provision of day schooling for boys and girls from Nursery to GCSE.

Strategies to achieve objectives

The School was able to achieve its main objectives by means of strong effective leadership, good financial controls and an excellent standard of teaching and pastoral care.

STRATEGIC REPORT

Financial Review

The financial statements show total incoming resources for the year on School activities of £5,054,088 (2015: £5,010,917). The principal source of income is fees, accounting for 97.5% (2015: 98.1%) of the School's income. Net income for the year was £19,878 (2015: £81,447).

Reserves

The Board of Governors regularly review the finances, spend against budget, together with monthly management accounts, as part of the effective stewardship of the School. The Board of Governors 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. The reserves are £7,040,296 (2015: £7,020,418) 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 Board of Governors 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 £2,733,402 (2015: £2,810,311) representing 29 weeks' expenditure. 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.

Development and Maintenance

The School continued to invest in new equipment and facilities whilst maintaining and improving the buildings and grounds. A new Wi-Fi system was installed costing £33,520 to prepare for the introduction of BYOD (bring your own device) commencing September 2017. As part of this project the School's computer cabling was replaced and upgraded for £30,849.

Investment Policy and Performance

The School has investments held with THESIS Asset Management plc (see note 11). The funds are invested with a view to receiving an income stream with a reasonable degree of capital growth. The wide portfolio of investment funds is considered to be of medium risk but when combined with the School's other cash deposits the overall risk profile is considered to be low.

During the year investment income of £63,418 was generated from these investments. Realised losses were £3,719 but a rise in the general market resulted in unrealised gains of £69,691 as at 31 August 2016.

Surplus cash funds are held with a minimum of three financial institutions in interest bearing accounts to earn a good rate of return whilst maintaining low exposure to risk. Interest earned from cash funds was £21,739 (2015: £26,165).

BALLARD SCHOOL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

REPORT OF THE GOVERNORS (continued)

Future developments

Governors intend to continue their current strategy of maintaining the Schools' competitive position, providing holistic education for all age groups from Nursery to GCSE. The School will continue to invest and develop in its facilities in order to achieve a positive balance between academic achievement, extra-curricular activities and a thorough preparation for future education and the workplace.

Significant investment in the IT system is budgeted for the academic year 2016/17 and it is planned that a new timber building be installed for use as a senior common room.

Risk Management

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 and reviewed by a designated governor. A formal review is undertaken termly under the following headings: aims and objectives, legal and fiscal regulation, governance and management, external, operational, financial, IT, environmental, intellectual property and staff.

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

Pupil Numbers

Our educational activities are carried out through our Senior (years 9 to 11), Upper Preparatory (years 6 to 8), Lower Preparatory (years 3 to 5), Pre-preparatory, Kindergarten and Nursery Schools. Pupil numbers peaked at 468 (422 Full Time Equivalents (FTEs)) during the Summer Term.

Bursary and Scholarship policies

The Board of Governors 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.

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.

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 7 and 9. Scholarships may be supplemented by a bursary.

Family discounts policy

With pupils ranging in age from 2 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.

BALLARD SCHOOL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

REPORT OF THE GOVERNORS (continued)

Academic results

Whilst the School remains non-selective, the 2016 GCSE results saw 85% of pupils gaining 5 or more A* to C grades including English and Maths, which puts the School at the forefront of non-selective schools in the area. Subjects gaining 100% grades A* to C were French, German, Sports Studies, Art, ICT, Dance, Food Technology, Music and Expressive Arts. There were also outstanding results in Speech and Drama examinations, LAMDA, New Era (almost all at 'distinction' or 'merit' levels) and English Speaking Board.

PUBLIC BENEFIT

The Governors have given due consideration to the Charity Commission's published guidance concerning the provision of Public Benefit.

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

- the provision of means-tested bursaries;
- use of our sports facilities to local children's sports clubs and primary schools;
- free or subsidised use of our Performing Arts Centre for charitable fundraising events;
- teacher training as well as work experience for potential teachers;
- raising funds for local and national charities.

Bursaries and Scholarships

This year the value of means-tested bursaries totalled £147,200 and represented 2.7% of gross fees (2015: 3.5%) and provided assistance to 36 (2015: 36) of our pupils/families. Scholarships were awarded to 65 (2015: 68) pupils, based on their educational merit and potential, totalling £147,441 and representing 2.7% of gross fees (2015: 3.1%). Eight pupils received bursaries in excess of 50% of which two received support of 100% of fees. In addition, family discounts amounting to £113,505 were provided.

Information about fee assistance in the form of bursaries and scholarships is provided to all those 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 local children's football teams, New Forest Volleyball, and a netball team. Local primary schools are invited to various sporting festivals and a gifted and talented day. The School has close links and shares facilities with both Bashley Cricket Club and New Milton Cricket Club. Local schools are invited to see matinee performances of shows without charge.

The School combined with local maintained schools, Highcliffe School, The Arnewood School and Priestlands School on a number of joint projects including student exchange visits with a French school, a series of careers lectures and dance activities. Sports elite pupils visit local primary schools to assist with PE lessons as did Dance Vision students with dance. A Christmas concert is provided to residents of local retirement homes. Our Minibuses are lent to local schools for educational trips.

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 the Lawlor School of Dance.

BALLARD SCHOOL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

REPORT OF THE GOVERNORS (continued)

Fundraising raised funds of £2,684 for a wide range of organisations including; Macmillan Cancer Support, British Legion, Julia's House, Sport Relief, Marie Curie Cancer Trust, Oakhaven Hospice, Lymington Lifeboat, Toilet Twinning and Kenya (Camps International). Additionally, donations totalling £420 were made to five organisations, Romanian children were supported via the annual Samaritans Christmas shoebox appeal, presents are provided to Barnardo's at our Christmas carol service and food is donated to New Forest Basics Bank from the harvest festival.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors are the charity trustees and also directors of the limited company. They are responsible for the overall management and control of Ballard School including the setting of aims and objectives, strategy, setting of policies, reviewing performance, budgeting and compliance. The Board of Governors meet no less than three times a year and the Headmaster and Bursar attend all meetings.

The work of implementing policies is carried out by the members of the Education Committee and the Finance & General Purposes Committee which meet at least once a term. The Bursar is responsible for co-ordinating the work of the Board of Governors 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.

The general day-to day management of the School is delegated to the Headmaster and Bursar who ensure that the policies as set by the Board of Governors are adhered to.

Governor recruitment and training

New Governors are appointed by the existing Board of Governors. Any Governor can nominate appointees, but appointments can only take place via a majority vote. New Governors are inducted into the workings of the Charity and the School, including policies and procedures. Training needs are assessed and provided as necessary.

BALLARD SCHOOL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

REPORT OF THE GOVERNORS (continued)

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Governors (who are also directors of Ballard School Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Governors 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 2015, the Charities Act 2011 and the 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.

Auditors

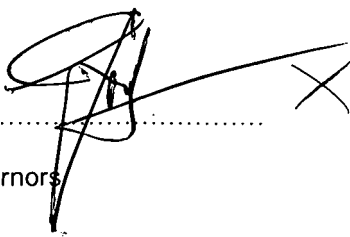
Nexia Smith & Williamson have indicated their willingness to continue in office in accordance with Section 487(2) of the Companies Act 2006.

Statement of Disclosure to the auditors

The Governors confirm that as far as each Governor is aware:

- a) there is no relevant audit information of which the company's auditors are unaware, and
- b) they have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Report of the Board of Governors, incorporating the Strategic Report, was signed on behalf of the Board of Governors by the Chairman.


.....
Mr C Ford
Chairman of Governors
7 March 2017

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 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. 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 trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees (who are also the directors of the charitable company 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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 (incorporating the Strategic 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

Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

Date: *7th March 2017*

BALLARD SCHOOL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

	Note	2016 £	2015 £
INCOME FROM:			
Charitable activities	3	4,925,328	4,914,630
Other trading activities	4	27,065	27,441
Investments and interest	5	85,157	52,484
Other		16,538	16,362
Total income		5,054,088	5,010,917
EXPENDITURE ON:			
Charitable activities	9	5,091,779	4,858,353
Investment management fees		8,403	3,168
Total expenditure		5,100,182	4,861,521
Net (outgoing)/incoming resources		(46,094)	149,396
Gains/(losses) on investments		65,972	(67,949)
Net income for the year	6	19,878	81,447
Funds brought forward		7,020,418	6,938,971
Funds carried forward		7,040,296	7,020,418

All amounts relate to continuing operations and unrestricted funds.

The accompanying accounting policies and notes form part of these financial statements.

BALLARD SCHOOL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	10		3,265,263		3,432,863
Investments	11		2,076,189		1,955,202
			<u>5,341,452</u>		<u>5,388,065</u>
CURRENT ASSETS					
Stocks	12	2,954		3,253	
Debtors	13	206,883		153,351	
Cash at bank and in hand		2,840,214		2,948,142	
			<u>3,050,051</u>		<u>3,104,746</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(1,298,956)		(1,398,931)	
NET CURRENT ASSETS			<u>1,751,095</u>		<u>1,705,815</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,092,547		7,093,880
PROVISIONS	15		(52,251)		(73,462)
			<u>7,040,296</u>		<u>7,020,418</u>
FUNDS					
Unrestricted funds			<u>7,040,296</u>		<u>7,020,418</u>

Approved on behalf of the Governing Body on 7 March 2017

X

 Mr C Ford
 Chairman of Governors

Company registration number: 733644

The accompanying accounting policies and notes form part of these financial statements.

BALLARD SCHOOL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

CASH FLOW STATEMENT

	2016	2015
£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by operating activities (note B)	(38,931)	412,086
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income and interest receipts	85,157	52,484
Purchase of investments	(597,283)	(2,067,773)
Proceeds from sale of investments	542,268	44,622
Payments to acquire property, plant and equipment	(106,129)	(140,791)
Proceeds from sale of property, plant and equipment	6,990	-
Net cash provided by/(used in) investing activities	(68,997)	(2,111,458)
Change in cash and cash equivalents in the reporting period	(107,928)	(1,699,372)
Cash and cash equivalents at the beginning of the reporting period	2,948,142	4,647,514
Cash and cash equivalents at the end of the reporting period (note C)	2,840,214	2,948,142

The accompanying accounting policies and notes form part of these financial statements.

BALLARD SCHOOL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

NOTES TO THE CASH FLOW STATEMENT

	2016 £	2015 £
A NET OPERATING SURPLUS IS MADE UP AS FOLLOWS		
Net income for the year	19,878	81,447
Investment income and interest receipts	(85,157)	(52,484)
(Gains)/losses on revaluation of investments	(69,691)	66,234
	<u>(134,970)</u>	<u>95,197</u>
B RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FROM OPERATING ACTIVITIES		
Net operating surplus	A (134,970)	95,197
Decrease/(increase) in stock	299	(147)
Decrease/(increase) in debtors	(53,532)	13,539
Decrease/(increase) in creditors	(99,975)	45,062
Decrease in provisions	(21,211)	(21,211)
Depreciation charges	273,414	277,931
Loss/(surplus) on the sale of fixed assets	(6,675)	-
Loss/(surplus) on disposal of investments	3,719	1,715
Net cash provided by operating activities	<u>(38,931)</u>	<u>412,086</u>
C ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	<u>2,840,214</u>	<u>2,948,142</u>

BALLARD SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities SORP (FRS 102), and the Companies Act 2006. The first date at which FRS 102 was applied was 1 September 2014. The accounts prepared for the year ended 31 August 2015 were prepared in accordance with the previous financial reporting framework.

Ballard School Limited is a school offering education to children, which meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about the charity's ability to continue as a going concern.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Board of Governors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. No restatements were required.

(c) Fixed assets

Depreciation is calculated to write down the cost less residual value of fixed assets by equal annual instalments over their expected useful economic lives. The rates applicable are:

Freehold land and buildings	2%
Furniture, fittings and equipment	20%
Improvements	10%
Swimming pool	10%
Computer equipment	20% or 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
Solar PV arrays	3%

Fixed assets are included in the accounts at historical cost. Finance costs related to the purchase of fixed assets are capitalised.

All items are capitalised provided they meet the definition of a fixed asset.

(d) Stocks

Stocks have been valued at the lower of cost and net realisable value.

(e) Finance and operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At the balance sheet date all leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

BALLARD SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

(f) Short term employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered.

(g) Pensions

The charity 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 FRS 102, 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 FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

The FFPS currently has a shortfall of assets compared to liabilities and a deficit payment plan which has been agreed between the participating employers and Trustee of the scheme. In line with FRS 102 requirements, this cash payment plan has been recognised as a liability in the balance sheet and is measured at the reporting date by discounting the future cash outflows. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

There is no material difference between the anticipated cash flows and the present value of those cash flows and so no discount has been applied in deriving the balance sheet liability.

The Charity also contributes to a defined contribution occupational 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.

(h) Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

(i) Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year. In the current year, support costs in respect of raising funds are considered to be immaterial and so 100% of support costs has been allocated to charitable activities.

Governance costs comprise internal and external audit, any costs of meetings of the trustees, and all the costs of complying with constitutional and statutory requirements such as preparation of statutory accounts. These are included within support costs.

(j) Expenditure on raising funds

These are those resources not directly linked to charitable purposes. Such costs shown in the SOFA comprise investment management fees.

BALLARD SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

(k) Funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the School's work.

(l) Liabilities

Liabilities are recognised on the balance sheet as soon as a constructive obligation resulting from a past event can be reliably measured. Current liabilities represent those liabilities which are expected to be settled within the next 12 months from the balance sheet.

(m) Financial instruments

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value.

(o) Investments

Investments are stated at market value at the balance sheet date.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Key estimates and judgements

The Governors consider that there are no material areas of judgement or estimation uncertainty.

3. INCOME FROM CHARITABLE ACTIVITIES

	2016 £	2015 £
School fees (gross)	5,410,917	5,498,713
Extras	93,651	111,580
Entrance fees	8,940	10,450
	<hr/>	<hr/>
	5,513,508	5,620,743
Less scholarships, bursaries and other allocations	(588,180)	(706,113)
	<hr/>	<hr/>
	4,925,328	4,914,630

BALLARD SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

4. INCOME FROM OTHER TRADING ACTIVITY

	2016 £	2015 £
Holiday and other lettings	22,875	22,770
Insurance income	4,190	4,671
	<u>27,065</u>	<u>27,441</u>

5. INCOME FROM INVESTMENTS AND INTEREST

	2016 £	2015 £
Investment income	63,418	26,319
Interest receivable	21,739	26,165
	<u>85,157</u>	<u>52,484</u>

6. NET INCOME

Net income is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	273,414	277,930
Operating leases payments	57,542	58,567
Auditors' remuneration – for audit	8,410	8,000
Auditors' remuneration – for other services	6,030	873
Loss/(profit) on disposal of assets	(6,675)	-
(Gains) /losses on sale of investments	3,719	1,715
(Gains)/losses on revaluation of investments	(69,691)	66,234

7. 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
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

8. STAFF COSTS

	2016 £	2015 £
Wages and salaries	3,024,894	2,887,013
Social security costs	252,474	215,773
Pension costs	408,654	333,872
Compensation costs	20,111	111
	<u>3,706,133</u>	<u>3,436,769</u>

The average head count during the period was 124 (2015: 127) and the average full time equivalent number of persons employed during the year was as follows:

	2016 £	2015 £
Administration	9	9
Educational	69	66
Establishment	7	7
Housekeeping	10	11
	<u>95</u>	<u>93</u>

The number of employees whose emoluments exceeded £60,000 were:

	2016	2015
£60,000-£69,999	1	2
£70,000-£79,999	1	1
£80,000-£89,999	1	-

During the year retirement benefits were accruing to these 3 employees (2015: 3). Contributions paid for the year for retirement benefits accruing in a Defined Benefits Scheme were £23,296 (2015: £19,527) and to a Defined Contribution Scheme £7,017 (2015: £6,947).

Neither the Board of Governors nor persons connected with them received any remuneration or other benefits from the School.

During the year a total of £1,575 was paid to seven governors (2015: £1,011 paid to four governors) as reimbursed travel expenses. No governors nor any persons connected with them, received any remuneration or benefits from the School.

The total of key management personnel remuneration was £191,962 (2015: £186,927).

BALLARD SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

9. ANALYSIS OF TOTAL RESOURCES EXPENDITURE

(a) Charitable expenditure

	Staff Costs	Depreciation	Other	Total 2016	Total 2015
	£	£	£	£	£
Education	2,996,806	41,689	222,893	3,261,388	3,031,545
Housekeeping	213,141	1,014	235,021	449,176	450,477
Establishment	166,371	223,101	417,654	807,126	873,353
Finance Costs (9c)	-	-	3,941	3,941	3,705
Support Costs (9b)	329,815	936	239,397	570,148	499,273
	<u>3,706,133</u>	<u>266,740</u>	<u>1,118,906</u>	<u>5,091,779</u>	<u>4,858,353</u>

(b) Support costs

	2016 £	2015 £
Wages and salaries	329,815	308,623
Marketing	80,488	62,388
Legal and professional	10,116	6,959
IT	73,620	43,291
Insurance	36,779	35,014
Other office costs	28,409	25,574
Loss/(profit) on disposal of fixed assets	(6,675)	-
Depreciation	7,611	8,413
Governance costs	9,985	9,011
	<u>570,148</u>	<u>499,273</u>

(c) Finance costs

	2016 £	2015 £
Finance charges	<u>3,941</u>	<u>3,705</u>

(d) Governance Costs

	2016 £	2015 £
Audit fee	8,410	8,000
Governors' travelling expenses	1,575	1,011
	<u>9,985</u>	<u>9,011</u>

BALLARD SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

10. TANGIBLE FIXED ASSETS

	Total	Freehold land and buildings	Improve- ments	All weather sports pitch	Furniture, fittings & equipment	Swimming pool	Solar PV arrays	Computers & equipment	Motor vehicles
	£	£	£	£	£	£	£	£	£
COST									
01 Sept 2015	5,772,464	3,735,311	975,035	562,076	142,616	23,941	83,152	213,318	37,015
Additions	106,129	-	8,982		25,100			52,206	19,840
Disposals	(56,734)				(8,331)			(30,238)	(18,165)
31 August 2016	5,821,859	3,375,311	984,017	562,076	159,385	23,941	83,152	235,287	38,690
DEPRECIATION									
01 Sept 2015	2,339,601	1,082,977	755,960	174,382	105,173	23,941	3,049	163,771	30,348
Eliminated on disposal	(56,418)	-	-	-	(8,331)	-	-	(29,922)	(18,165)
Charge for the year	273,414	74,706	90,506	43,600	22,622	-	3,326	28,982	9,672
31 August 2016	2,556,596	1,157,683	846,466	217,982	119,463	23,941	6,375	162,831	21,855
NET BOOK VALUE									
31 August 2016	3,265,263	2,577,628	137,551	344,094	39,922	-	76,777	72,456	16,835
31 August 2015	3,432,863	2,652,334	219,075	387,694	37,443	-	80,103	49,547	6,667

BALLARD SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

11. INVESTMENTS

	2016 £	2015 £
Investments listed on a recognised stock exchange:		
Equity shares	1,341,164	1,375,304
Fixed interest securities	521,464	492,872
Other investments:		
Cash deposits	213,561	87,026
	<u>2,076,189</u>	<u>1,955,202</u>
	2016 £	2015 £
Listed investments and other investments:		
Market value at 1 September 2015	1,955,202	-
Additions	597,283	2,067,773
Disposal proceeds	(542,268)	(44,622)
Profit/(loss) on disposal	(3,719)	(1,715)
Surplus/(deficit) on revaluation at 31 August 2016	69,691	(66,234)
	<u>2,076,189</u>	<u>1,955,202</u>
Market value at 31 August 2016		

12. STOCKS

	2016 £	2015 £
Consumables	<u>2,954</u>	<u>3,253</u>

13. DEBTORS

	2016 £	2015 £
Fees and extras	83,615	61,958
Other debtors	16,386	293
Prepayment and accrued income	106,882	91,100
	<u>206,883</u>	<u>153,351</u>

14. CREDITORS - amounts falling due within one year

	2016 £	2015 £
Fees received in advance	893,241	947,045
Deposits received in advance	152,751	158,101
Other Creditors	113,765	99,539
Accruals	67,876	131,632
Other tax and social security	71,323	62,614
	<u>1,298,956</u>	<u>1,398,931</u>

BALLARD SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

15. PROVISION

	2016 £	2015 £
The Federated Flexiplan No1 Pension Scheme (see note 19)		
At 1 September 2015	73,462	94,673
Paid in year	(21,211)	(21,211)
	<u>52,251</u>	<u>73,462</u>

16. CAPITAL COMMITMENTS

The School has committed to the following capital expenditure.

	2016 £	2015 £
Contracted but not provided for	-	16,780

17. FINANCIAL COMMITMENTS

The School had the following commitments with respect to operating leases. The future minimum lease payments under non-cancellable leases are as follows:

Other operating leases

	2016 £	2015 £
Payments due:		
Within one year	58,816	55,073
After one year and not later than five years	130,038	53,683
	<u>188,854</u>	<u>108,756</u>

18. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	100,001	62,251
Equity instruments measured at fair value	2,076,189	1,955,202
	<u></u>	<u></u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,227,633	1,336,317
	<u></u>	<u></u>

Financial assets measured at fair value through profit or loss comprise investments valued at market value.

Financial assets measured at amortised cost comprise fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise fees in advance, deposits, other creditors and accruals.

BALLARD SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION SCHEME ARRANGEMENTS

Teaching staff

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions paid to the TPS of £344,094 (2015: £275,426) and at the year-end £nil (2015 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. The employer contribution rate for the TPS increased to 16.4% from 1 September 2015.

Employers in addition pay a scheme administration levy of 0.08% of the employers' salary costs thus the total employer payment rate is 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Non-teaching staff

Since May 2014 contributions have been paid to a defined contribution Occupational Pension Scheme. For the period from March 2007 to April 2014 the Charity contributed to a defined contribution Group Personal Pension Scheme. The assets of both schemes are held independently from those of the Charity in independently administered funds.

Contributions to this scheme are charged in the SOFA as they become payable in accordance with the rules of the scheme.

Prior to March 2007 the Charity participated in The Federated Flexiplan No.1 ("the Plan") which is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Company does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As such and as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount recognised in the profit & loss represents the Company's contributions payable to the Plan in respect of the accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

Actuarial Valuation as at 31 March 2015

The latest actuarial valuation of the Plan was at 31 March 2015 and was conducted under the scheme funding regime introduced by the Pensions Act 2004. This requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their liabilities (or 'technical provisions'). The

BALLARD SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION SCHEME ARRANGEMENTS (continued)

assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in deferred pensions and pensions in payment and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date.

The technical provisions were calculated using assumptions that were chosen to produce a level for the technical provisions which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer.

At the valuation date, the value of the assets of the Plan was £83.9 million and the value of the Plan's technical provisions was £88.8 million indicating a deficit of £4.9 million. The assets therefore were sufficient to cover 94% of the benefits that had accrued to members.

Recovery Plan

As the Plan was in deficit at the latest actuarial valuation a recovery plan was put into place. Under this recovery plan, contributions of £2,063,417 per annum are payable from 1 April 2016 to 31 March 2017 and £1,555,556 per annum are payable from 1 April 2017 to 31 March 2019.

The Company's agreed share of these contributions is £21,211 per annum from 1 April 2016 and £17,801 per annum from 1 April 2017. No other contributions are due from the Company.

Company contributions in the accounting period to 31 August 2016

The Company paid contributions totalling £21,211 over the period.

The next formal triennial actuarial valuation is due 31 March 2018. The contribution rate will be reviewed as part of each valuation.

20. CONSTITUTION OF THE COMPANY

The School is a registered charity and a private company limited by guarantee incorporated in England and Wales. The members of the company are the Board of Governors named on page 1. The registered office is Ballard School Limited, Fernhill Lane, New Milton, Hampshire, BH25 5SU. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

21. CONTROLLING PARTY

The company is controlled by the Board of Governors.

22. RELATED PARTY TRANSACTIONS

There have been no related party transactions in the reporting period that require disclosure.

23. TRANSITION TO FRS 102

These financial statements are Ballard School Limited's first financial statements that comply with FRS 102. The date of transition to FRS 102 was 1 September 2014.

There were no changes to the accounting policies of the company as a result of the adoption of FRS 102.