

733644

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1997
FOR
BALLARD SCHOOLS LIMITED
(Limited by Guarantee)



BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

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BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

COMPANY INFORMATION

Council of Management: Mr G L Alexander
Mrs M L Blake
Mrs J M W Cansdale
*Rev R Drown (Acting Chairman)
Mrs S Jones (resigned 25/9/97)
*Mr C Knox (resigned 19/12/97)
*Mr J Singleton
*Mrs Anne Beeby
Mr J K Broadley (appointed 25/9/97)
*Members of the Executive Committee

Secretary: Mr R B M Lobo

Registered Office: Fernhill Lane
New Milton
Hampshire
BH25 5JL

Registered Charity Number: 307328

Company Number: 733644

Auditors: Smith and Williamson
Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire SP1 1BG

Bankers: Midland Bank plc
59 Old Christchurch Road
Bournemouth
Dorset BH1 1EH

Solicitors: Derek T Wilkinson & Co
4 Durley Chine Road
Bournemouth
Dorset BH2 5QT

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

The management submit their report and financial statements for the year ended 31 August 1997.

These financial statements have been prepared in accordance with the Charities SORP which came into effect on 1 March 1996. The format and style of this report and financial statements therefore represent a departure from previous annual reviews.

LEGAL AND ADMINISTRATIVE INFORMATION

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

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

The charity is a limited company, limited by guarantee and is governed by its memorandum and articles of association.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Prospective Trustees are nominated by current Trustees. Credentials are then discussed at Council Meetings and details circulated through the Minutes. Unless objections are raised upon receipt of the minutes, the potential candidate is invited to attend the following Council Meeting. Voting then takes place for the appointment to the Association for a 3 month "probationary period", than co-opted onto the Board and ratified at the AGM.

Any Council Member can nominate, but appointment can only take place by vote.

OTHER INFORMATION

The company is a day and boarding school for girls and boys, comprising, Ballard College and Ballard Lake Preparatory School.

The school aims to provide first class education combined with sound religious training on Protestant and Evangelical principles.

The general management of the charity is carried out by the Council of Management.

R Lobo is the Bursar and deals with the day to day financial affairs of the school.

Miss G Morris and Mr P Stockdale are heads of the junior and senior schools respectively. A Folks retired at the end of the financial year and P Stockdale was appointed in his place.

REVIEW OF THE YEAR'S ACTIVITIES

The results for the year and financial position of the company are as shown in the annexed financial statements. The retained realised deficit transferred from reserves will be £23,487.

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

INTRODUCTION BY CHAIRMAN

This report follows the format now recommended by the Charity Commissioners and is designed to ensure that proper information about all charities is openly available to the public.

The decision to combine Fernhill Manor School and Edinburgh House School to create The Ballard Schools included the notion that they would be co-located on one site at some time in the future. That time has now arrived and the concept of a One School ethos was communicated to the parents at an Open Forum on 5th February 1998. The announcement was greeted with unanimous approbation and support.

The Fernhill Manor School site is to be sold following an application for planning permission to develop the location, thus maximising its potential. Simultaneously, planning permission will be sought to build a Senior School on the Prep School site along with refurbishing an area of the Kefford building to accommodate the entire Pre-Prep, thus freeing that building for development as a Performing Arts Centre. Planning permission has already been secured for a multi-purpose hall located between the Kefford building and the Nursery block.

HEADMASTERS REPORT OF THE SENIOR SCHOOL

Examination results at both A and GCSE Levels for 1997 were excellent, with pass rates of 93% and 85% respectively, continuing the School's fine record.

All A Level candidates obtained results good enough to secure the place of their choice within higher education.

The GCSE results placed Ballard College in the top 5 schools in Dorset and the top 20 in Hampshire. 82% of pupils taking GCSEs obtained 5 or more passes (C grade and above) and 26% of all passes were A* or A grades. Exceptional individual results included two candidates who obtained 12 A*s and 7 A*s.

Pupil numbers for the academic year 1996/97 were 101.

HEADMISTRESS' REPORT OF THE JUNIOR SCHOOL

BLPs 1996/97. An encouraging year in which pupil numbers rose from 227 to 259 and the Nursery rose from 25 to 42.

Examination results were good. Seven were awarded Grammar School places. Nineteen Scholarships and Exhibitions to Public Schools were awarded. These included awards for Art, Music, All-round School as well as Academic.

BURSARS REPORT

The out-turn for 1996/97 showed The Ballard Schools on a firm trading footing. It was also the first opportunity since the merger of Fernhill Manor School and Edinburgh House School to objectively evaluate the performance without the influence of Refurbishment Costs and other variable costs over which the Schools could not exercise absolute control. Consequently, the budget for 1998/99 has been prepared more accurately with the benefit of analysing the 1996/97 out-turn and comparing the 1997/98 performance to-date.

POST BALANCE SHEET EVENTS

Post balance sheet events are as disclosed in the Chairman's Report above.

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Company law requires the council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the council members are required to:

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

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Smith and Williamson, have indicated their willingness to continue in office in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE COUNCIL

Richard Drown Richard Drown
(Acting Chairman)

Dated: 15 June 1998

REPORT OF THE AUDITORS TO THE COUNCIL OF MANAGEMENT

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

We have audited the financial statements on pages six to nineteen which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages nine to ten.

Respective Responsibilities of Council Members and Auditors

As described on page four the council members are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the council members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Charitable company's affairs at 31 August 1997 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith + Williamson

SMITH AND WILLIAMSON
Chartered Accountants
Registered Auditors
Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire SP1 1BG

Dated: *22nd June 1998*

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 1997

INCOME AND EXPENDITURE Notes	1997			Total £	1996 £
	Unrestricted Funds School £	Other Funds £	Restricted Funds £		
INCOMING RESOURCES					
School fees - gross	1,745,675	-	-	1,745,675	1,695,338
Extras	-	30,250	-	30,250	32,228
	-----	-----	----	-----	-----
	1,745,675	30,250	-	1,775,925	1,727,566
Less: Grants, scholarships bursaries and other allowances	177,851	-	-	177,851	165,503
	-----	-----	----	-----	-----
	1,567,824	30,250	-	1,598,074	1,562,063
Entrance fees	5,990	-	-	5,990	5,780
Holiday and other lettings	-	17,223	-	17,223	11,250
Rent received	-	30,371	-	30,371	10,837
Investment income	-	267	-	267	2,493
Wayleave	-	2,040	-	2,040	2,040
Insurance commission	-	1,467	-	1,467	920
Donations	-	-	800	800	-
Milk subsidy	-	667	-	667	1,280
Other income	-	2,427	-	2,427	864
	-----	-----	----	-----	-----
Total Incoming Resources	1,573,814	84,712	800	1,659,326	1,597,527
	-----	-----	----	-----	-----
RESOURCES EXPENDED					
Direct Charitable Expenditure					
Education 5	909,273	-	-	909,273	480,974
Housekeeping 6	270,913	-	-	270,913	289,202
Establishment 7	232,555	-	-	232,555	199,383
Administration 8	51,450	-	-	51,450	51,638
Bank charges	75,604	-	-	75,604	80,909
	-----	-----	----	-----	-----
	1,539,795	-	-	1,539,795	1,102,106
	-----	-----	----	-----	-----
Other Expenditure					
Management and administration of the school 9	130,333	-	-	130,333	213,501
Fundraising and publicity 10	12,685	-	-	12,685	20,770
	-----	-----	----	-----	-----
	143,018	-	-	143,018	234,271
	-----	-----	----	-----	-----
Total Resources Expended	1,682,813	-	-	1,682,813	1,336,377
	-----	-----	----	-----	-----

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 1997

INCOME AND EXPENDITURE Notes	1997			Total £	1996 £
	Unrestricted School £	Funds Other £	Restricted Funds £		
(Outgoing)/Net incoming resources before transfers and revaluations	(108,999)	84,712	800	(23,487)	261,150
Transfers between funds	-	-	-	-	-
Net incoming/outgoing resources	(108,999)	84,712	800	(23,487)	261,150
Balances brought forward at 1 September 1996	615,279	29,684	-	644,963	383,813
Balances carried forward at 31 August 1997	506,280	114,396	800	621,476	644,963

There were no recognised gains or losses in 1997 or 1996 other than the deficit for the year, and all operations are classed as continuing and there is no material difference between the results as stated and the results on a historical cost basis.

The notes form part of these financial statements

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

BALANCE SHEET
As at 31 August 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	14		1,829,617		1,835,713
Goodwill	15		65,000		97,500
			-----		-----
			1,894,617		1,933,213
CURRENT ASSETS					
Stocks	16		8,508		7,668
Debtors	17		41,150		55,260
Cash at bank and in hand			2,251		1,998
			-----		-----
			51,909		64,926
			-----		-----
CREDITORS: Amounts falling due within one year	18	(782,493)		(806,470)	
			-----		-----
NET CURRENT LIABILITIES			(730,584)		(741,544)
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			1,164,033		1,191,669
			-----		-----
CREDITORS: Amounts falling due after more than one year	19		(542,557)		(546,706)
			-----		-----
			£621,476		£644,963
			=====		=====
RESERVES					
Income and expenditure account			620,676		644,963
Computer fund			800		-
			-----		-----
			£621,476		£644,963
			=====		=====

Approved by the Council of Management on *15 June 1998*
and signed on their behalf by:

Rev R Drown *Richard Drown*
Acting Chairman

The notes form part of these financial statements.

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

1. ACCOUNTING POLICIES

(a) Basis of accounting:

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

The format of the financial statements has been changed in order to comply with the Charities SORP.

(b) Depreciation:

The council members do not consider it appropriate to depreciate the freehold school buildings. This is contrary to SSAP12. However, the property is maintained to ensure that its value does not diminish over time and the maintenance costs are charged to the income and expenditure account in the year incurred.

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

Furniture, fittings and equipment	- 25% reducing balance basis
Heating installation	- 10% straight line basis
Fire precaution work	- 10% straight line basis
Swimming pool	- 10% straight line basis
Minibus	- 25% reducing balance basis
Office computer	- 20% straight line basis
Equipment	- 25% reducing balance basis
School computers	- 20% reducing balance basis

(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) Leasing commitments:

Finance leases:

Assets obtained under finance leases are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of these obligations is charged to the income and expenditure account over the relevant period and represents a proportion of the balance of capital repayments outstanding. The capital element of the future repayments is treated as a liability.

Operating leases:

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

(e) Pensions:

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

A separate scheme is operated for teaching staff whereby contributions are paid to the Department of Education and Science.

Contributions payable for the year for both schemes are charged in the Statement of Financial Activities (note 3).

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

- (f) **Cash flow statement:**
The company is a small company under the Companies Act and has taken advantage of the exemption relating to Cash Flow statements, and has not prepared a Cash Flow Statement (FRS 1).
- (g) **Voluntary income:**
Voluntary income is received by way of donations gifts and fund raising activities. The income is all credited to the Statement of Financial Activities on a receipts basis.
- (h) **Expenditure:**
All expenditure other than that which has been capitalised, is included in the Statement of Financial Activities.
- (i) **Fixed assets:**
Fixed assets are stated at the original cost, or if donated, the value at date of receipt.
- (j) **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 work, with the result being approximately 40% administration and 60% management and administration.
- (k) **Restricted funds:**
The Charity's restricted funds are those where the donor has imposed restrictions on the use of funds.
- (l) **Goodwill**
The goodwill relates to the purchase of Edinburgh House School. The Council of management have agreed that this purchased goodwill should be written off over four years based on the average remaining school life of the pupils who transferred.

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 deficit are attributable to the one principal activity of the company.

3. STAFF NUMBERS AND COSTS

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

	1997	1996
	No.	No.
Administration	6	6
Educational	48	48
Establishment	6	7
Housekeeping	37	37
	--	--
	97	98
	==	==

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	1,155,401	1,148,287
Social security costs	86,415	84,484
Other pension costs	62,282	69,906
Compensation costs	29,665	-
	-----	-----
	1,333,763	1,302,677
	=====	=====

During the year trustees expenses totalling £802 were reimbursed. These related to travelling expenses for 3 trustees.

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation and amortisation £	Auditors remuneration £	Operating leases £	Other £	Total £
Education	992,514	6,302	-	3,128	(92,671)	909,273
Housekeeping	182,188	338	-	-	88,387	270,913
Establishment	57,404	4,272	-	4,440	166,439	232,555
Administration	40,663	904	-	3,450	6,433	51,450
Bank charges	-	-	-	-	75,604	75,604
Management and administration	60,994	33,855	4,694	5,176	25,614	130,333
Fundraising and publicity	-	-	-	-	12,685	12,685
	-----	-----	-----	-----	-----	-----
	1,333,763	45,671	4,694	16,194	282,491	1,682,813
	=====	=====	=====	=====	=====	=====

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

	1997 £	1996 £
Telephone	3,003	4,116
Printing, postage and stationery	5,277	6,105
Professional fees	1,468	-
Amalgamation costs	11,941	-
Computer costs	2,770	-
Other	200	-
Travelling	955	-
	-----	-----
	25,614	10,221
	=====	=====

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

5. EDUCATION

	1997	1996
	£	£
Teaching salaries - Senior	398,793	395,558
- Junior	564,056	562,918
Teaching books and materials	51,637	45,229
Depreciation	6,302	6,658
Legal and professional fees	2,121	2,055
Redundancy payments	-	174
Compensation payments	29,665	-
Leasing charges	3,128	3,389
Bad debts	6,760	10,950
Profit on sale of assets (exceptional item - see note 11)	(153,189)	(545,957)
	-----	-----
	909,273	480,974
	=====	=====

6. HOUSEKEEPING

	1997	1996
	£	£
Matron and domestic staff salaries and wages	182,188	184,293
Boarding expenses	1,474	2,324
Provisions	63,919	74,636
Cleaning	6,880	7,748
Laundry	90	70
Contract cleaning	4,050	6,085
Consumables	8,756	10,417
Equipment	2,752	3,274
Depreciation	338	355
Staff advertising	466	-
	-----	-----
	270,913	289,202
	=====	=====

7. ESTABLISHMENT

	1997	1996
	£	£
Maintenance and Grounds salaries and wages	57,404	62,117
Rent payable	34,202	12,283
Rates and water	29,707	23,053
Light and heat	49,619	38,642
Insurances	15,477	15,465
Repairs and renewals	17,729	20,797
Swimming pool	(55)	459
Minibuses	13,678	13,293
Sundry establishment costs	-	1,001
Depreciation	4,272	5,520
Minibus leasing charges	4,440	4,440
Grounds	2,011	2,313
Refurbishment - Duplock House	4,071	-
	-----	-----
	232,555	199,383
	=====	=====

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

8. ADMINISTRATION

	1997	1996
	£	£
Office and administration salaries	40,663	39,116
Professional legal and consultancy	145	273
Staff advertising	20	80
Telephone	2,002	2,744
Travelling and training	636	459
Sundry	(12)	86
Equipment leasing	3,450	3,846
Equipment	124	-
Depreciation	904	965
Stationery and printing	2,012	2,704
Postage	1,506	1,365
	-----	-----
	51,450	51,638
	=====	=====

9. MANAGEMENT AND ADMINISTRATION

	1997	1996
	£	£
Amalgamation costs include the following:		
Sale of assets/acquisition of EHS Freehold	4,657	15,723
Refurbishment	2,098	65,471
Project manager	5,186	15,529
Office and administration salaries	60,994	58,675
Professional legal and consultancy	1,468	410
Staff advertising	31	119
Telephone	3,003	4,116
Travelling	955	689
Sundry	(17)	130
Depreciation	1,355	1,448
Audit	4,694	4,319
Computer costs	2,770	2,499
Stationery and printing	3,019	4,057
Postage	2,258	2,048
Equipment leasing	5,176	5,768
Equipment	186	-
Amortisation	32,500	32,500
	-----	-----
	130,333	213,501
	=====	=====

10. FUNDRAISING AND PUBLICITY

	1997	1996
	£	£
Prospectus	-	4,136
Advertising	12,685	16,634
	-----	-----
	12,685	20,770
	=====	=====

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

11. EXCEPTIONAL ITEMS

The exceptional items for both years relate to the sale of assets and are made up as follows:

	1997	1996
	Tennis Courts	6 Avenue Road and hockey field
Sale proceeds	161,500	612,854
Cost	-	(50,000)
Professional fees re sale	(8,311)	(16,897)
	-----	-----
	153,189	545,957
	=====	=====

12. DEFICIT FOR THE YEAR

is after charging:

	1997	1996
	£	£
Finance charges on capitalised finance leases	1,109	-
Auditors' remuneration	4,694	4,319
Taxation and other financial advice	5,996	-
Operating leases: hire of equipment	16,194	17,443
Depreciation - owned assets	10,603	9,337
Depreciation - leased assets	2,568	5,609
Goodwill amortisation	32,500	32,500
Profit on disposal of fixed assets	(153,189)	(545,957)
	=====	=====
and after crediting:		
Interest receivable	267	2,493
	=====	=====

13. TAXATION

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

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

14. TANGIBLE FIXED ASSETS

	Total	Freehold property	Furniture, fittings and equipment	Heating installation	Fire precaution Work
	£	£	£	£	£
COST					
1 September 1996	2,257,763	1,978,397	127,920	33,378	13,554
Additions	7,075	2,878	1,768	-	-
31 August 1997	2,264,838	1,981,275	129,688	33,378	13,554
DEPRECIATION					
1 September 1996	422,050	194,416	116,147	31,277	13,554
Charge for the year	13,171	-	3,385	529	-
31 August 1997	435,221	194,416	119,532	31,806	13,554
NET BOOK VALUE					
31 August 1997	£1,829,617	£1,786,859	£10,156	£1,572	£-
31 August 1996	£1,835,713	£1,783,981	£11,773	£2,101	£-

	Minibus	Swimming pool	Leased office computer	Leased equipment	School computers
	£	£	£	£	£
COST					
1 September 1996	35,357	8,674	28,114	6,888	25,481
Additions	-	-	-	-	2,429
31 August 1997	35,357	8,674	28,114	6,888	27,910
DEPRECIATION					
1 September 1996	21,620	8,674	20,933	3,796	11,633
Charge for the year	3,434	-	1,795	773	3,255
31 August 1997	25,054	8,674	22,728	4,569	14,888
NET BOOK VALUE					
31 August 1997	£10,303	£-	£5,386	£2,319	£13,022
31 August 1996	£13,737	£-	£7,181	£3,092	£13,848

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

15. GOODWILL

		Goodwill

		£
COST		
As at 1 September 1996 and 31 August 1997		130,000

AMORTISATION		
As at 1 September 1996		32,500
Charge for the Year		32,500

NET BOOK VALUE		65,000

As at 31 August 1997		£65,000
		=====
As at 31 August 1996		£97,500
		=====

16. STOCKS

	1997	1996
	£	£
Goods held for resale	1,592	2,225
Consumables	6,916	5,443
	-----	-----
	8,508	7,668
	=====	=====

17. DEBTORS

	1997	1996
	£	£
Fees and extras	21,057	23,740
Other debtors	6,772	23,596
Prepayments	13,321	7,924
	-----	-----
	41,150	55,260
	=====	=====

**18. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1997	1996
	£	£
Fees received in advance	119,529	129,381
Other creditors	56,193	113,732
Accruals	41,841	30,402
Bank overdraft	420,989	404,595
Finance lease (see note 21)	4,448	5,136
Bank loan	56,256	56,228
Other tax and social security	83,237	66,996
	-----	-----
	782,493	806,470
	=====	=====

The bank loan and overdraft is secured by way of a fixed and floating charge over the company's freehold property and land.

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

**19. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1997	1996
	£	£
Finance lease (see note 21)	2,681	7,129
Bank loan (phase 2)	524,876	523,657
Other creditors	-	15,920
Compensation	15,000	-
	-----	-----
	542,557	546,706
	=====	=====

The Midland Bank has loaned a total of £600,000 comprising a Fixed Interest Loan of £300,000 and a Loan of £300,000. The fixed interest charge is for a period of 10 years and is for a term of 15 years. The Loan is also for a 15 year term at a rate set at 2% over the Midland's Base Rate as published. The monthly repayment of the Loan is £2,983.93 inclusive of interest. In addition, the Midland has permitted an Overdraft Facility of up to £450,000.

There are various covenants attached to the Midland's financial support which are as follows:

- a. Termly Accounts to be received within 28 days of term end. Term end defined as 31st December, 30th April and 31st August.
- b. Monthly cashflow comparison - actual - v- budget (any variance beyond 5% to be subject to explanation).
- c. Monthly updated list of pupil registrations and pupils in school.
- d. No capital expenditure without prior approval of the Bank.
- e. No increases in teaching staff without approval of School Finance Committee and concurrence of Bank. To be evaluated on a cost/income justification basis.
- f. Right for Bank to require Professional Valuation of Ballard School at School's expense, if so required.

20. 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 8. (1996 : 9)

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

21. OBLIGATIONS UNDER FINANCE LEASES

	1997	1996
	£	£
Payable in year ending:		
31 August 1997	-	6,244
31 August 1998	5,431	5,431
31 August 1999	3,303	3,303
	-----	-----
	8,734	14,978
Less: Finance charges allocated to future periods	1,605	2,713
	-----	-----
	7,129	12,265
	=====	=====
Summary:		
Current liability	4,448	5,136
Non-current liability	2,681	7,129
	-----	-----
	7,129	12,265
	=====	=====

The finance leases are secured on the assets to which they relate.

OBLIGATIONS UNDER OPERATING LEASES

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

	£	£
Operating leases expiring:		
Within one year	-	1,888
Within two to five years	135,860	15,421
	=====	=====

22. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 1997 or 31 August 1996.

23. OTHER FINANCIAL COMMITMENTS

There were no other financial commitments at 31 August 1997 or 31 August 1996.

24. RESTRICTED FUNDS

	Balance 1 September 1996	Net movement in funds	Balance 31 August 1997
	£	£	£
Computer fund	-	800	800
	-----	-----	-----
	-	800	800
	=====	=====	=====

BALLARD SCHOOLS LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 1997

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 August 1997 are represented by:			
- Fixed assets	1,893,817	800	1,894,617
- Current assets	51,909	-	51,909
- Current liabilities	(782,493)	-	(782,493)
- Long term liabilities	(542,557)	-	(542,557)
	-----	-----	-----
	620,676	800	621,476
	=====	=====	=====

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the council of management.