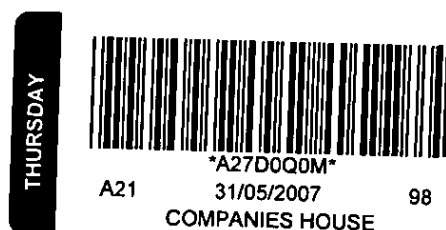


THE HYDROSENSE CHARITABLE ORGANISATION
(A company limited by guarantee)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

Registered Charity No. 1109619
Company Registered No. 5319223



THE HYDROSENSE CHARITABLE ORGANISATION
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2006

Charity name: The Hydrosense Charitable Organisation
Usually referred to as "The Hydrosense Appeal"

Registered charity number: 1109619

Company registered number: 5319223 (England and Wales)

Directors: Jane Howes
Shane Powell
Richard Aird

Chairman: Richard Aird

Executive Committee: Richard Aird (T) Dick Makin (T)
Nick Bolt (T) Shane Powell (T)
Philip Brace (T) Alison Sheppard (T)
Jane Howes (T) Christine Tait (T)
Gwen Haile Clive Richards OBE DL
Steven Knight (T)
(Those denoted with "T" are trustees of the charity)

Registered office: Barrs Court School
Barrs Court Road
Hereford
HR1 1EQ

Finance Secretary: Christine Tait

Bankers: HSBC
35 High Town
Hereford
HR1 2AQ

Solicitors: Messrs Carver Jones
44 Bridge Street
Hereford
HR4 9DN

Accountants: Baker Tilly Tax and Advisory Services LLP
Elgar House
Holmer Road
Hereford
HR4 9SF

THE HYDROSENSE CHARITABLE ORGANISATION

REPORT OF THE TRUSTEES

for the year ended 31 December 2006

The directors, who are also trustees of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2006. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity.

Structure, Governance & Management

The Charity is governed by a Memorandum and Articles of Association and is registered as a charitable company, limited by guarantee. The matter contained within the Memorandum and Articles of Association set out how the charity is constituted and governed and copies of the Memorandum and Articles of Association are available from the registered office. The company was incorporated on 22 December 2004.

Everyday business is conducted by the executive committee who meet on average once a month with an agenda that is circulated and agreed beforehand by committee members.

Standing agenda items at each meeting of the executive committee include a report from the finance secretary and scrutiny of the accounts, as well as progress reports against any action points that may have been delegated to individual executive committee members.

In order to authorise any item of business, the executive committee must be quorate and decisions are always subject to a free, democratic vote by members of the executive committee.

Trustees have to be a member of the executive committee and duly elected by the executive committee according to standard democratic procedures.

New executive committee members are recruited by advertisement in the local press, subject to

- Interview by existing committee members
- Democratic election by existing committee members
- Clearance by the Criminal Records Bureau
- Other regulations set out in section 31 of the Memorandum and Articles of Association

The induction of new members of the executive committee is dependent on the level of knowledge and understanding within the education, care and treatment of children who have disabilities and subsequent induction training is provided at Barrs Court School. Training in areas such as risk assessment, event planning and administrative matters are identified during meetings of the executive committee and facilitated as needs demand.

Individual membership of the charity is open to people falling within the following categories:

- Staff employed at Barrs Court School, governors and the parents of children on roll at the school
- Friends of the school who have a demonstrable interest in the education, care and treatment of children and adults who have SEN and/or disability and/or who are disabled themselves
- Representative pupils elected from Barrs Court Student Council

Risk assessment is undertaken before any fund raising event and third party insurance liability is a mandatory requirement governing all public events organised by the charity.

THE HYDROSENSE CHARITABLE ORGANISATION

REPORT OF THE TRUSTEES

for the year ended 31 December 2006

(continued)

Objectives and Activities

The Charity's objectives (the Objects) are - To advance the education of the pupils at Barrs Court School, Herefordshire by providing or assisting in the provision of educational, therapeutic, recreational and other charitable facilities, not normally provided by the local education authority, including

- Hydrotherapy
- Sensory and perceptual development
- Rebound therapy
- Augmentative communication
- Other therapies relevant to children or adults who have SEN and/or disabilities

The Charity seeks to further its objectives by helping to

- Provide children and adults who have special educational needs (SEN) and/or disabilities with ready access to therapeutic treatments that are designed and intended to minimise the handicapping affects of their disabling conditions
- Facilitate research into therapeutic treatments and promote excellence in the provision of therapeutic treatments
- Provide sustainable sources of revenue with which to fund the ongoing maintenance of specialist facilities and management of therapeutic treatments
- Enrich the life experiences of children and adults who have SEN and/or disabilities and help enable them to reach their potential

In order to facilitate these objectives and their associated targets as described above, the charity's primary area of activity is to undertake fundraising that will provide the capital income necessary for installing the following facilities at Barrs Court School

- A hydrotherapy pool
- Changing and person care facilities for children and adults who have profound disabilities
- An interactive performing Arts studio

All of the Charity's fundraising activities are in compliance with the relevant statutory regulations and do not represent any substantial or permanent trading activity

A list of fundraising activities for the year 2006/2007 that the Charity has helped to organise in order to assist the Charity to work towards its objectives include the following

- Paint Hereford Blue Day
- Charity Golf and Dinner Events
- Murder Mystery with Hereford Rotarians
- Concert by the Hereford Youth Jazz Orchestra
- Carol singing
- Non uniform days in association with local schools

A complete list of all fund raising activities and communications associated with The Hydrosense Appeal is retained at Barrs Court School

THE HYDROSENSE CHARITABLE ORGANISATION

REPORT OF THE TRUSTEES

for the year ended 31 December 2006

(continued)

At all times the Charity seeks to ensure that all stationery, administration and publicity is undertaken free of charge, or via sponsorship from a member of the public. Where expenditure is absolutely necessary to advance the objectives of the Charity, the Charity operates a best value policy.

No trustee, or member of the executive committee, or ordinary member of the Charity receives any income from the Charity and the Charity employs no paid employees.

Achievements and Performance

The following financial and other policies have continued to feature in the running of the Charity during the past period:

- Barrs Court Child Protection Policy
- All those involved in running the organisation are required to complete a CRB check
- Registration with the Inland Revenue has continued for Gift Aid
- Insurance through WJ Bond (Hereford) Ltd has continued
- Barrs Court Health & Safety Policy
- Risk assessment on activities organised by the Charity

In the autumn of 2006 an updated estimate of the total cost of the capital project was provided by the lead surveyor from Hereford Property Services which showed a substantial increase in estimated costs from the original £750,000 to that of £1,200,000. The reason for this increase was quoted as pertaining to a general nationwide increase in the cost of building materials associated with preparations for the Olympics. Negotiations with Property Services, however, resulted in a £80,000 reduction in costs from Property Services for managing the capital project. In response to the increase in estimated costs and out of concern that costs may continue to escalate, the executive committee voted to engage Ian Timmins Associates to assist with fundraising for a four month period particularly to help in the preparation of applications for grant support.

The executive committee would like to extend a sincere thank you to all those individuals who have donated goods, time and facilities towards promoting the Hydrosense Appeal. These donations in kind are as every bit valuable as financial donations and committee members are very grateful to the many people who have given so generously.

Financial Review

Reserves

The results for the year show net incoming resources for the year of £83,967 (2005 £135,590). Net assets amounted to £219,557 (2005 £135,590).

Unrestricted funds are generated where there is no stipulation from the donor as to how the income may be spent.

As at 31 December 2006 undesignated "free reserves" being those unrestricted funds other than fixed assets, restricted funds or otherwise committed amounted to £217,557 (2005 £133,590).

All funds raised will be retained in a high interest account until such time as the target sum for The Hydrosense Appeal has been reached. All funds raised by the Charity during the year under review have been added to the Charity's funds.

THE HYDROSENSE CHARITABLE ORGANISATION

REPORT OF THE TRUSTEES

for the year ended 31 December 2006

(continued)

Principal funding sources (ie all donations in excess of £1,000) for the period under review include

	£
Disabled Swimming Club	8,049 20
Rotary Club of Herford Wye Valley	1,500 00
Ross Golf Club	1,021 16
John Kyrle high School	1,394 99
ABC Print	1,200 00
Nick Bolton Auction	1,000 00
Hereford Ladies Skittles	2,804 50
Hereford Men's Skittles	3,000 00
Marks & Spencer's	4,468 09
Holmer PCC	1,025 56
Anonymous	10,000 00
Beaumonts Trust (Caldicotts)	1,000 00
Beckett Bulmer Trust	1,000 00
Honey Pot CAF	2,500 00
E Z Tauber Memorial Trust	1,000 00
Burghill Valley Golf Club	3,000 00

Plans for Future Periods

The Charity will continue to

- Organise fundraising activities with which to further the Charity's objectives and these will be publicised according to the various programmes of events as may be agreed by the executive committee
- Apply to grant making bodies and trust funds to further the Charity's objectives in partnership with Ian Timmins Associates
- Meet on a monthly basis in order to discuss and agree items of business

Accountants

The trustees, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly Tax and Advisory Services LLP be appointed as successor reporting accountants with effect from 1 April 2007

Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the Board



Richard Aird
Chairman

Barrs Court School
Barrs Court Road
Hereford

20 April 2007

THE HYDROSENSE CHARITABLE ORGANISATION

STATEMENT OF TRUSTEES RESPONSIBILITIES

for the year ended 31 December 2006

We are required under company law to prepare accounts 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 these accounts we are required to

select suitable accounting policies and apply them consistently

make reasonable and prudent judgements and estimates

prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business

We are also responsible for

keeping proper accounting records

safeguarding the company's assets

taking reasonable steps for the prevention and detection of fraud and other irregularities

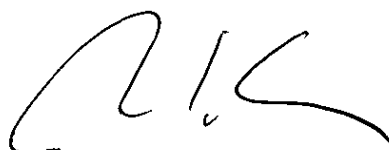
In accordance with company law, as the company's directors, we certify that

so far as we are aware, there is no relevant information of which the company's reporting accountants are unaware, and

as the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's reporting accountants are aware of that information

By order of the Board

**Richard Aird
Chairman**



20 April 2007

ACCOUNTANTS' REPORT TO THE DIRECTORS (WHO ARE ALSO THE TRUSTEES) ON THE UNAUDITED ACCOUNTS OF THE HYDROSENSE CHARITABLE ORGANISATION

We report on the accounts for the year ended 31 December 2006 set out on pages 8 to 12

Respective responsibilities of directors and reporting accountants

As described on page 6 the directors, who are also the trustees of The Hydrosense Charitable Organisation for the purposes of company law, are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)

BAKER TILLY TAX AND ADVISORY SERVICES LLP
Elgar House
Holmer Road
Hereford
HR4 9SF

23 April 2007

THE HYDROSENSE CHARITABLE ORGANISATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 December 2006**

	Note	Unrestricted funds	Restricted funds	Total 2006	Total 2005 Restated
		£	£	£	£
Income and expenditure					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Grants and donations		92,411	-	92,411	143,083
<i>Investment income</i>					
Deposit interest receivable		6,020	-	6,020	210
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		98,431	-	98,431	143,293
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended					
Cost of generating funds:					
Fund-raising costs		12,131	-	12,131	5,050
Governance costs		2,333	-	2,333	2,653
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	2	14,464	-	14,464	7,703
		<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources for the year		83,967	-	83,967	135,590
<i>Reconciliation of funds</i>					
Fund balances brought forward		133,590	2,000	135,590	-
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances carried forward at 31 December 2006		217,557	2,000	219,557	135,590
		<hr/>	<hr/>	<hr/>	<hr/>

All of the above results are derived from continuing activities

All recognised gains or losses are included in the statement of financial activities

The notes on pages 10 to 12 form part of these accounts

THE HYDROSENSE CHARITABLE ORGANISATION

BALANCE SHEET

at 31 December 2006

	Note	2006 £	2005 £
Current assets			
Cash at bank		220,791	136,765
		<u>220,791</u>	<u>136,765</u>
Creditors: amounts falling due within one year	4	(1,234)	(1,175)
		<u></u>	<u></u>
Net current assets		219,557	135,590
		<u></u>	<u></u>
Net assets		219,557	135,590
		<u></u>	<u></u>
Funds			
Restricted	5	2,000	2,000
Unrestricted	6	217,557	133,590
		<u>219,557</u>	<u>135,590</u>

With regard to the Companies Act disclosure requirements only, these financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of Section 249A(1), and that no member or members have requested an audit pursuant to Section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

The accounts on pages 8 to 12 were approved on 20 April 2007 on behalf of the trustees by

Richard Aird
Chairman

Jane Howes
Trustee

Approved by the Board on 20/4/07
The notes on pages 10 to 12 form part of these accounts

THE HYDROSENSE CHARITABLE ORGANISATION

NOTES ON ACCOUNTS

31 December 2006

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, the Charities Act 1993, the Companies Act 1985 and applicable accounting standards

Changes in accounting policies

In preparing the financial statements for the current year, the charitable company has adopted the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) The comparatives have been restated to account for this change

Taxation

The company is a registered charity and as such is not generally liable to taxation

Incoming resources

Income from donations and legacies is recognised on receipt All other income is accounted for under the accruals concept

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies

Restricted funds

Restricted funds are subject to specific conditions laid down by the donors as to how they may be used Further information is provided in note 6 to the accounts

THE HYDROSENSE CHARITABLE ORGANISATION

NOTES ON ACCOUNTS

31 December 2006

(continued)

			Total 2006 £	Total 2005
2	Total resources expended	Fundraising £	Governance £	
	Insurance	1,542	982	2,524
	Office costs	-	117	117
	Independent examination		1,234	1,234
	Event expenses	9,959	-	9,959
	Publication costs	531	-	531
	Collection boxes	99	-	99
		<u>12,131</u>	<u>2,333</u>	<u>14,464</u>
				<u>7,703</u>

The charity apportions its expenses on an actual usage basis between the activities undertaken

3 No emoluments were paid to the trustees during the year

There were no paid employees during the year

4 **Creditors:** amounts falling due within one year

Other creditors	<u>1,234</u>	<u>1,175</u>
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THE HYDROSENSE CHARITABLE ORGANISATION

NOTES ON ACCOUNTS

31 December 2006

(continued)

5 Restricted funds

	Balance 31 December 2005	Movement in resources Incoming resources £	Outgoing resources £	Balance 31 December 2006 £
Hoist fund	2,000	-	-	2,000

The funds are administered in accordance with conditions laid down by the donors

6 Unrestricted funds

	Balance 31 December 2005	Movement in resources Incoming resources £	Outgoing resources £	Balance 31 December 2006 £
Unrestricted reserves	133,590	98,431	14,464	217,557

7 Analysis of net assets between funds

	Unrestricted fund £	Restricted funds £	Total £
Balances at 31 December 2006 are represented by:			
Net current assets	217,557	2,000	219,557

8 Share capital

The Hydrosense Charitable organisation is a company limited by guarantee and does not have a share capital. Consequently, no reconciliation of shareholders funds as required by Financial Reporting Standard No 3 is possible.

The split of shareholders funds between equity and non-equity shareholders as required by Financial Reporting Standard No 4 is not possible as the company is limited by guarantee and does not have a share capital.

9 Guarantee

Every member of the Charity undertakes to contribute such amount as may be required (not exceeding £1) to the assets of the Charity if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the Charity contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

In the event of the trust being wound up with a surplus, that surplus must be transferred to another charitable body with similar objects.