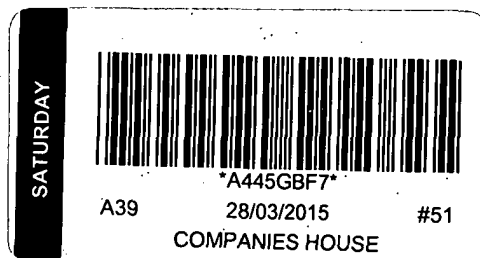


Company Registration No. 733644 (England and Wales)  
Charity Registration No. 307328

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**  
**FOR**  
**BALLARD SCHOOL LIMITED**  
**(Limited by Guarantee)**



**BALLARD SCHOOL LIMITED**  
**(Limited by Guarantee)**

**INDEX TO THE FINANCIAL STATEMENTS**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Board of Governors</b>	<b>2 - 10</b>
<b>Report of the Auditors</b>	<b>11</b>
<b>Statement of Financial Activities</b>	<b>12</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Cash Flow Statement</b>	<b>14</b>
<b>Notes to the Cash Flow Statement</b>	<b>15</b>
<b>Notes to the Financial Statements</b>	<b>16 - 23</b>

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**COMPANY INFORMATION**

**GOVERNORS**

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

<b>Governors</b>	<b>Education Committee</b>	<b>Finance &amp; General Purpose Committee</b>
Mr G L Alexander		
Mrs M G Billington	✓	
Mr J Clifton		
Mr C Ford (Chair of Governors)	✓	✓
Mr P Goodfellow		✓
Dr E Halliwell		✓
Mr C Kean		✓
Mr D Leighton		✓
Rev J McDowall	✓	
Mrs S Nutbeam	✓	
Mrs W Roberts (Chair of Education)	✓	✓
Mrs A Trask (Chair of Finance)		✓
Mrs A Watson-Lee		✓

**Secretary** Mr M A R Smith ACA

**Registered Office:** Fernhill Lane  
New Milton  
Hampshire  
BH25 5SU

**Registered Charity Number:** 307328

**Company Number:** 733644

**Auditors:** Nexia Smith & Williamson  
Imperial House  
18 - 21 Kings Park Road  
Southampton  
Hampshire  
SO15 2AT

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

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

**BALLARD SCHOOL LIMITED**  
**(Limited by Guarantee)**

**REPORT OF THE BOARD OF GOVERNORS**

The Board of Governors of Ballard School present their annual report and audited accounts for the year ended 31 August 2014 and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities SORP 2005 and the School's Articles of Association.

**THE BOARD OF GOVERNORS**

Trustees (also referred to as Members) are appointed by the existing Board of Governors. Their appointment is then ratified, or they are re-elected, at the following Annual General Meeting. Any Member can nominate appointees, but appointment can only take place via a majority vote. New Trustees are inducted into the workings of the Charity and the School, including Board Policy and Procedures. Training needs are also assessed and are provided as necessary.

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

**OUR AIMS**

The School operates under a Declaration of Trust dated 28 August 1962 and registered with the Charity Commission under charity number 307328. The Trust Deed has been amended in subsequent years, the latest amendment being in 2014. The objects of the School are to provide first-class education for children, infants or students, combined with sound religious training on Protestant and Evangelical principles, founded on the Holy Bible.

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

Our aims may be summarised as follows;

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

**OUR OBJECTIVES**

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

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

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

Our key objectives for the year included:

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

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

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

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

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

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

**Bursary and Scholarship policies**

The 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.

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

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

**Scholarship policy**

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

**Family discounts policy**

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

**PUBLIC BENEFIT**

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

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

**Bursaries and Scholarships**

This year the value of means-tested bursaries totalled £185,502 and represented 3.5% of gross fees (4.0% - 2013) and provided assistance to 43 (46 - 2013) of our pupils/families. In addition, the School awarded scholarships to 63 (58 - 2013) pupils, based on their educational merit and potential, totalling £145,808 and representing 2.7% of gross fees (2.6% 2013).

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

**Community Links**

The Charity has continued to foster the School's links with the local community. The school provided sports facilities free of charge to three children's football teams, one netball team and local primary schools. In addition, the school has close links and shares facilities with both Bashley Cricket Club and New Milton Cricket Club. Local schools are invited to see matinee performances of shows without charge.

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

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

Fundraising raised funds of £7,618 for the following organisations; Philippines Appeal, Macmillan Cancer Support, Children in Need, British Legion, NSPCC, Brain Tumour Charity, Marie Curie Cancer, British Red Cross Syria Appeal, War Child, Diabetes, Starlight, Kenya (Good News Homes and School) and Hebron School (India). 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.

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

**REVIEW OF ACTIVITIES AND ACHIEVEMENTS**

**Pupil numbers and fees**

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 remain strong peaking at 515 (460 Full Time Equivalents (FTEs)) during the Summer Term. The average number of FTE pupils was 451 through the academic year (2013 – 452).

Our fee increases this year were restricted by the Board of Governors to an increase of 3.0%.

**Academic**

Whilst the school remains non-selective, the GCSE results continue to impress with 85% of pupils gaining 5 or more A\* to C grades. 100% of all pupils gained A\* to C grades in, Biology, German, ICT, Art, Expressive Arts and Music. There were also outstanding results in Speech and Drama examinations, LAMDA, New Era (almost all at 'distinction' or 'merit' levels) and English Speaking Board (100% success for Y6 and Y8). Pupils continue to gain scholarships at 11+, 13+ and 16+ to a number of independent schools and the school is very successful in preparing pupils for selective grammar schools. The broad curriculum and large subject choice enhance the academic development of all pupils. Pupils took part in the Duke of Edinburgh award scheme and in the wide range of after-school activities offered. The first cohort of pupils to take the Arts Award at bronze level were all successful.

**Sport**

PE is taught by specialist staff all through the school from Pre-Prep upwards. Along with a full range of fixtures on offer for pupils from ages 7 to 16, we also include dance, sailing, swimming and boat building activities integrated into our curriculum. It is our priority to offer pupils of all abilities the opportunity to play in fixtures and we have expanded our teams in the Lower and Upper Prep departments to include C and D squads. In the senior school we consider it important that we continue to offer pupils of all abilities the same 'match day' experience. Our main aim is to deliver a well-balanced physical education programme for all and to deliver PE in such a way that it will be a positive experience for every pupil and we encourage children to continue taking part in sport in later life. A new Director of Sport has been appointed for 2014/15 joining from Bryanston School.

We continue to work with the New Forest Schools Sport Partnership Programme, giving our pupils the opportunity to compete against our neighbouring state schools at both the primary and secondary levels and offer Football and Hockey festivals to local state primary and prep schools as well as offering taster sessions in these sports to selected state primaries. In addition we maintain an extensive fixture schedule with Independent Schools from Portsmouth to Blandford. We regularly visit the Isle of Wight for matches and participate in an event held at St. Michaels School, Jersey every spring, where the U12 and U13's enjoy competing in netball, hockey, rugby and football, against schools from Jersey and the mainland. Our U14's boys' hockey side won the ISA national finals for the second year running and our U16's were also victorious at the same event.

**Performing Arts -**

**Music**

Music is taught as a specialist subject to all pupils from Kindergarten to year 9 and also available as a GCSE option with consistently high results. More than 160 pupils have individual music or voice lessons each week. There are many ensembles, large and small, performing in a diverse range of musical genres. Choirs are available for pupils in all year groups from year 2 and there are two Chamber Choirs. Musical highlights for the year were the senior performance of Guys and Dolls at the Regent Centre in Christchurch with the entire music score played by pupils, the annual Christmas Carol Service at Christchurch Priory and the summer music tour to Vienna and Salzburg.

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

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

**Expressive Arts**

Expressive Arts is a compulsory subject for all year 3 to year 5 pupils and is available as a GCSE option. The school holds the prestigious Artsmark Gold Award from The Arts Council of England in recognition of the school's commitment to, and excellence in, arts education, both visual and performing. School productions are central to the Music and Expressive Arts programme for all ages and this year's productions included Guys and Dolls, The Keymaster, A Christmas Carol and The Jungle Book. Many pupils have been successful in LAMDA and New Era examinations and, once again, a Ballard pupil won the national Bernard Price Certificate of Excellence for their Interview Technique examination. The school also won the local round of the Youth Speaks debating competition against many other local state and independent schools. The local round of the Peace Poster art competition (sponsored by the Rotary) was won by a Ballard pupil.

**Dance**

Dance is taught at GCSE level and as a component part of the PE curriculum. During the year there were numerous performance opportunities and workshops for pupils throughout the school, with pupils of all ages involved. Pupils attended 'Le Corsaire' workshop with English National Ballet. There were also visits to see the Birmingham Royal Ballet and West Side Story

**Drama**

GCSE drama results continue to be consistently excellent and last year the GCSE students performed A Christmas Carol as their play and Where There's a Will...as their own created piece, which was a 'theatre in education' project aimed at interesting young people in Shakespeare in his 450th anniversary year. Drama itself is now taught as a discrete subject weekly by a specialist from years 6 to 9. Last year's upper prep play was a very successful 'The Jungle Book' with many pupils from years 6-8 involved.

**FUTURE PLANS**

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

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

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



**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

The Charity's key objectives for the immediate future are:

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

**OUR FINANCES**

The financial statements show total incoming resources for the year on School activities of £4,799,133 (2013 £4,607,900). The principal source of income is fees, accounting for 98.4% (2013 – 97.5%) of the School's income. The Board of Governors is continuing its strategy of deploying all net incoming resources to invest in the educational purposes and fabric of our School.

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

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

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

**Developments and Maintenance**

The school continued to invest in new equipment and facilities whilst maintaining and improving the buildings and grounds. New changing rooms and showers in the sports hall were installed at a cost of £19,200. Capital expenditure on IT equipment totalled £26,563.

**Reserves and Financial Health**

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. As shown in note 17 to the accounts the reserves are £6,938,971 (2013 £6,700,045) 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 £3,941,615 (2013 £3,370,357) representing 47 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.

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

**Investment Policy and Performance**

Surplus 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. Income from investments was £38,001 (2013 £72,847).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Board of Governors, made up of the Members, is responsible for the overall management and control of Ballard School and meets a minimum of three times a year. The work of implementing most of their policies is carried out by the members of the Education Committee and the Finance & General Purposes Committee which meet each term. These Committees work under the chairmanship of a Governor appointed at the Board of Governors first meeting of each academic year. The School 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.

**Organisational Management**

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

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

**Other Relationships**

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

**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. Risks are identified, assessed and controls established throughout the year. Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**Health and Safety**

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

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

**Competition**

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

**Governor Recruitment and Training**

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

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

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

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

**AUDITORS**

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

**STATEMENT OF MEMBERS' RESPONSIBILITIES**

The Members are responsible for preparing the Report of the Board of Governors and the financial statements in accordance with applicable law and regulations

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

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

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the SORP 2005, the Charities Act 2011 and the 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.

**BALLARD SCHOOL LIMITED**  
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**REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

**STATEMENT OF DISCLOSURE TO AUDITOR**

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

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to be 'MAR Smith', with a horizontal line underneath.

M A R Smith – Secretary

10 March 2015

# Nexia Smith & Williamson

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS of BALLARD SCHOOL LIMITED

We have audited the financial statements of Ballard School Limited for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 22. 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 Members' Responsibilities Statement set out on page 9, 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](http://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 2014 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 Report of the Board of Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

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

*Nexia Smith & Williamson*

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

Imperial House  
18-21 King's  
Park Road  
Southampton  
SO15 2AT

Date: 10<sup>th</sup> March 2015

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
for the Year Ended 31 August 2014

	Note	Unrestricted Funds 2014 £	2013 £
<b>INCOMING RESOURCES</b>			
Incoming resources from charitable activities			
School fees - gross		5,308,740	5,091,944
Extras		107,489	98,405
Entrance fees		8,045	9,622
		<u>5,424,274</u>	<u>5,199,971</u>
Less: Scholarships, bursaries and other allowances	4	<u>(693,987)</u>	<u>(697,145)</u>
		4,730,287	4,493,204
Incoming resources from generated funds			
Holiday and other lettings		22,812	21,246
Investment income		38,001	72,847
Insurance commission		4,890	5,125
Other income		3,143	5,856
		<u>4,799,133</u>	<u>4,607,900</u>
<b>RESOURCES EXPENDED</b>			
Charitable activities			
Education	5	2,894,219	2,769,797
Housekeeping	5	442,490	433,438
Establishment	5	803,879	763,119
Administration	5	144,429	147,584
Publicity	5	27,505	19,571
Bank interest payable and other charges	5/6	4,045	3,451
Management and administration of the school	5	243,639	234,760
		<u>4,560,207</u>	<u>4,136,960</u>
Other resources expended			
Exceptional pension costs	7	-	113,659
		<u>4,560,207</u>	<u>4,485,379</u>
<b>Total resources expended</b>		<u>4,560,207</u>	<u>4,485,379</u>
<b>Net incoming resources/net income for the year</b>		238,926	122,521
Total funds brought forward at 1 September 2013		<u>6,700,045</u>	<u>6,577,524</u>
<b>Total funds carried forward at 31 August 2014</b>		<u>6,938,971</u>	<u>6,700,045</u>

There were no other recognised gains or losses other than the net income for the year. All operations are classed as continuing.

This Statement of Financial Activities incorporates the income and expenditure account for the year.

The notes form part of these financial statements

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**BALANCE SHEET**  
as at 31 August 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		3,570,003		3,783,968
<b>CURRENT ASSETS</b>					
Stocks	11	3,106		3,070	
Debtors	12	166,890		161,585	
Cash at bank and in hand		<u>4,647,514</u>		<u>3,758,084</u>	
		4,817,510		3,922,739	
<b>CREDITORS:</b> Amounts falling due within one year	13	<u>(1,353,869)</u>		<u>(893,003)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,463,641</u>		<u>3,029,736</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,033,644		6,813,704
<b>PROVISIONS</b>	14		<u>(94,673)</u>		<u>(113,659)</u>
<b>NET ASSETS</b>			<u>6,938,971</u>		<u>6,700,045</u>
<b>RESERVES</b>					
Unrestricted income fund	17		<u>6,938,971</u>		<u>6,700,045</u>

Approved by the Board of Governors on 10th March 2015 and signed on their behalf by:

.....  
C Ford  
Chairman

10.03.15

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

The notes form part of these financial statements

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**CASH FLOW STATEMENT**  
for the Year Ended 31 August 2014

	Note	2014 £	2013 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	A	909,951	435,432
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	B	38,001	72,847
<b>CAPITAL EXPENDITURE</b>	C	<u>(58,522)</u>	<u>(78,998)</u>
<b>INCREASE IN CASH</b>		<u>889,430</u>	<u>429,281</u>
<b>RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS</b>			
Increase in cash in the year		889,430	429,281
Net funds at 1 September 2013		<u>3,758,084</u>	<u>3,328,803</u>
<b>Net funds at 31 August 2014</b>	D	<u>4,647,514</u>	<u>3,758,084</u>

The notes form part of these financial statements



**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE CASH FLOW STATEMENT**  
for the Year Ended 31 August 2014

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

	2014	2013
	£	£
Net incoming resources	238,926	122,521
Interest receivable	(38,001)	(72,847)
Depreciation and amortisation	272,607	272,699
Profit on disposal of owned assets	(120)	(5,189)
Decrease in stocks	(36)	374
Increase in debtors	(5,305)	(15,941)
Increase in creditors falling due within one year	460,866	20,156
(Decrease)/ increase in provisions	(18,986)	113,659
	<u>909,951</u>	<u>435,432</u>

**B RETURNS ON INVESTMENT AND  
SERVICING OF FINANCE**

	2014	2013
	£	£
Interest received	<u>38,001</u>	<u>72,847</u>

**C CAPITAL EXPENDITURE**

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(58,642)	(86,549)
Receipts from sale of tangible fixed assets	<u>120</u>	<u>7,551</u>
	<u>(58,522)</u>	<u>(78,998)</u>

**D ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2013	Cashflows	At 31 August 2014
	£	£	£
Cash in hand	<u>3,758,084</u>	<u>889,430</u>	<u>4,647,514</u>

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost accounting convention and in accordance with applicable United Kingdom accounting standards, the Charities SORP 2005 (Statement of Recommended Practice 'Accounting by Charities'), the Charities Act 2011 and the Companies Act 2006.

**(b) Depreciation**

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

Freehold land and buildings	- 2%
Furniture, fittings and equipment	- 20%
Improvements	- 10%
Swimming pool	- 10%
Computer equipment	- 25%
Motor vehicles	- 25%
All weather sports pitch - carpet, shock pad and fencing	- 10%
All weather sports pitch - equipment	- 25%
All weather sports pitch - groundworks	- over 35 years

**(c) Stocks**

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less selling costs.

**(d) Operating leases**

Rentals payable under operating leases are charged to the income and expenditure account as incurred over the lease term.

**(e) Pension contributions**

The 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 FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

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

The Charity also contributes to a defined contribution 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.

**(f) Incoming resources**

All incoming resources are included on an accruals basis.

**(g) Deferred income**

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

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

**1 ACCOUNTING POLICIES (continued)**

**(h) Voluntary income**

Voluntary income is received by way of donations, gifts and fund raising activities. The income is all credited to the SOFA on a receipts basis.

**(i) Resources expended**

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories on the estimated amount attributable to that category in the year. The irrecoverable element of VAT is included within the item of expense to which it relates.

**(j) Fixed assets**

Fixed assets are stated at the original cost, or if donated, the estimated market value at the date of receipt, less depreciation.

**(k) Support costs**

The administration staff cost and various other support costs are allocated between charitable activities and generating funds in the proportion to the time which the administration team spends on these two types of works. In the current year time spent on generating funds is considered to be immaterial and so 100% of support costs has been allocated to charitable activities.

**(l) Unrestricted funds**

The Charity operates an unrestricted school fund for fees and costs.

**(m) Restricted funds**

The Charity's restricted funds are those where the donor has imposed restrictions on the use of funds. At the end of the current and previous year, no such funds existed.

**(n) Scholarships and bursaries**

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

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

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

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

**2 FEES AND EXTRAS**

Fees and extras represent charges made for school fees in respect of the year and include chargeable extras relating to that year.

The fees, extras and surplus are attributable to the principal activity of the company.

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

**3 STAFF NUMBERS AND COSTS**

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

	2014 No	2013 No
Administration	12	12
Educational	85	82
Establishment	12	13
Housekeeping	20	19
	<u>129</u>	<u>126</u>

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

	2014 No	2013 No
Administration	9	8
Educational	66	64
Establishment	7	8
Housekeeping	12	12
	<u>94</u>	<u>92</u>

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	2,763,239	2,650,706
Social security costs	209,307	200,979
Other pension costs	306,195	312,414
Exceptional pension costs	-	113,659
Compensation costs	111	111
	<u>3,278,851</u>	<u>3,277,869</u>

The number of employees with emoluments exceeding £60,000:

£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

During the year retirement benefits were accruing to these 2 employees (2013: 2). Contributions paid for the year for retirement benefits accruing in a Defined Benefits Scheme were £10,535 (2013: £10,415) and to a Defined Contribution Scheme £6,618 (2013: £6,516).

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

During the year governors' expenses totalling £1,395 (2013: £842) were reimbursed. These related to travelling expenses for the governors. There were no amounts outstanding at the year end.

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

**4 SCHOLARSHIPS, BURSARIES AND OTHER ALLOWANCES**

	2014 £	2013 £
Fee discounts	362,677	363,274
Scholarships	145,808	130,797
Bursaries	185,502	203,074
	<u>693,987</u>	<u>697,145</u>

**5 ANALYSIS OF TOTAL SUPPORT COSTS**

	Staff costs £	Depreciation/ profit on disposal £	Auditors' remuneration £	Operating leases £	Other £	Total £
Charitable activities						
Education	2,621,703	46,496	-	10,382	215,638	2,894,219
Housekeeping	206,816	687	-	-	234,987	442,490
Establishment	158,367	217,135	-	47,880	380,497	803,879
Administration	116,786	3,267	-	-	24,376	144,429
Finance charges	-	-	-	-	4,045	4,045
Management and administration	175,179	4,901	8,390	-	55,169	243,639
Fundraising and publicity	-	-	-	-	27,505	27,505
	<u>3,278,851</u>	<u>272,487</u>	<u>8,390</u>	<u>58,262</u>	<u>942,217</u>	<u>4,560,207</u>

**6 BANK INTEREST PAYABLE AND OTHER CHARGES**

	2014 £	2013 £
Finance charges and interest	4,045	3,451

**7 EXCEPTIONAL PENSION COSTS**

	2014 £	2013 £
Contributions due to The Federated Flexiplan No.1 Pension Scheme (note 20)	-	113,659

**8 SURPLUS FOR THE YEAR**

	2014 £	2013 £
The surplus for the year is stated after charging/(crediting) -		
Auditors' remuneration		
- for audit	8,390	7,646
- for other services	13,821	1,194
Operating leases: hire of equipment	58,262	56,710
Depreciation - owned assets	272,607	272,699
Profit on disposal of owned assets	(120)	(5,189)
Exceptional pension costs	-	113,659
and after crediting interest receivable	<u>38,001</u>	<u>72,847</u>

**9 TAXATION**

The company is registered with the Charity Commission as an educational charity and, in accordance with Section 505 of the Income and Corporation Taxes Act 1988 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**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

**10 TANGIBLE FIXED ASSETS**

	Total	Freehold land and buildings	Improvements	All weather sports pitch	Furniture, fittings & equipment	Swimming pool	Computers & equipment	Motor vehicles
	£	£	£	£	£	£	£	£
<b>COST</b>								
01 September 2013	6,108,444	3,735,311	955,835	562,076	513,353	23,941	280,913	37,015
Additions	58,642	-	19,200	-	12,879	-	26,563	-
Disposals	(486,655)	-	-	-	(380,523)	-	(106,132)	-
31 August 2014	5,680,431	3,735,311	975,035	562,076	145,709	23,941	201,344	37,015
<b>DEPRECIATION</b>								
01 September 2013	2,324,476	933,565	573,668	87,182	468,497	23,941	225,783	11,840
Eliminated on disposal	(486,655)	-	-	-	(380,523)	-	(106,132)	-
Charge for the year	272,607	74,706	91,402	43,600	19,088	-	34,557	9,254
31 August 2014	2,110,428	1,008,271	665,070	130,782	107,062	23,941	154,208	21,094
<b>NET BOOK VALUE</b>								
31 August 2014	3,570,003	2,727,040	309,965	431,294	38,647	-	47,136	15,921
31 August 2013	3,783,968	2,801,746	382,167	474,894	44,856	-	55,130	25,175

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

<b>11</b>	<b>STOCKS</b>		
		2014	2013
		£	£
	Consumables	3,106	3,070
<b>12</b>	<b>DEBTORS</b>		
		2014	2013
		£	£
	Fees and extras	76,576	69,147
	Other debtors	16,061	931
	Prepayments	74,253	91,507
		166,890	161,585
<b>13</b>	<b>CREDITORS: amounts falling due within one year</b>		
		2014	2013
		£	£
	Fees received in advance	994,931	622,519
	Deposit received in advance	156,901	152,451
	Other creditors	97,279	28,224
	Accruals	44,924	29,001
	Other tax and social security	59,834	60,808
		1,353,869	893,003
<b>14</b>	<b>PROVISIONS</b>		
		2014	2013
		£	£
	The Federated Flexiplan No.1 Pension Scheme (see note 20)		
	At 1 September 2013	113,659	-
	Additional provision	-	113,659
	Paid in the year	(18,986)	-
	At 31 August 2014	94,673	113,659
<b>15</b>	<b>CONSTITUTION OF THE COMPANY</b>		
	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 5 to the Articles of Association. The number of members is 13 (2013: 13).		
<b>16</b>	<b>OBLIGATIONS UNDER OPERATING LEASES</b>		
	For operating leases, payments committed to be made during the next year are as follows:		
		Other	Other
		2014	2013
		£	£
	Operating leases expiring		
	Within one year	9,590	-
	Within two to five years	44,064	58,377

**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

**17 RESERVES**

	2014 £	2013 £
General unrestricted income fund	<u>6,938,971</u>	<u>6,700,045</u>

These funds are held for the current and future operation of the school. They are obtained through accumulated net income, gifts and donations. The assets and liabilities representing this fund are shown on the balance sheet.

All funds held are unrestricted and at the year end were transferred to the general fund. Sufficient resources are held within this fund for the continued operations of the school. All movements in this fund are detailed in the SOFA and represent the accumulated surplus from the operation of the school in furtherance of the objects of the charity.

**18 CAPITAL COMMITMENTS**

At the year end the Company had capital commitments of £83,152 relating to the installation of Solar PV arrays on the sports hall and performing arts centre roofs (2013: £nil).

**19 CONTROLLING PARTY**

The Company is controlled by the Board of Governors.

**20 PENSION SCHEME ARRANGEMENTS**

**Teaching staff**

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

The pension charge for the year includes contributions payable to the TPS of £265,731 (2013: £257,708). At the year-end £nil (2013 - £nil) was accrued in respect of contributions to this scheme.

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

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.



**BALLARD SCHOOL LIMITED**  
(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2014

**20 PENSION SCHEME ARRANGEMENTS (continued)**

**Non-teaching staff**

From March 2007 to April 2014 the Charity contributed to a defined contribution Group Personal Pension Scheme. From May 2014 contributions were paid to a defined contribution Occupational 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 Pension Scheme ("the Plan") which is a defined benefit pension scheme.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent Recovery Plan required the Company to contribute £17,397 for the three years commencing 1st April 2011 in respect of its share of the deficit.

A further actuarial valuation, at 31 March 2012, shows that the overall deficit at that date is approximately £18.3 million. In line with the approach used for the 2009 valuation, the basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer. A new Recovery Plan has now been issued which takes account of the 31 March 2012 actuarial valuation and subsequent changes in assets and liabilities up to the date of signing the valuation in June 2013.

Following the outcome of the Court case the Trustee of the Plan has decided to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The Company will be required to pay £21,211 per annum for three years from 1 April 2014 and £19,939 per annum for two years from 1 April 2017 as its share of the deficit.

Prior to the outcome of the Court case it was not possible to quantify the charity's liability. Hence, in previous years contributions to the scheme were charged as they were paid and the liability disclosed as contingent. Following the judgement the liability is now known and the total underpaid contributions of £113,659 were charged in the Statement of Financial Activities as an exceptional item in the year to 31 August 2013. Amounts due at 31 August are included within provisions and are disclosed in note 14.

The next formal triennial actuarial valuation, which is due at 31 March 2015, may result in another revised Recovery Plan which in turn may change the amount the Company is required to contribute for its share of the deficit.

**21 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year (2013: none).

**22 CONTINGENT LIABILITY**

There were no contingent liabilities at the balance sheet date.