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TRURO CATHEDRAL SCHOOL LIMITED
(LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND ACCOUNTS
31ST JULY 1987

Peat Marwick McLintock

PEAT MARWICK McLINTOCK
TRURO



TRURO CATHEDRAL SCHOOL LIMITED
(LIMITED BY GUARANTEE)
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TRURO CATHEDRAL SCHOOL LIMITED
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GOVERNORS' REPORT

The Governors present their annual report and the audited accounts for the year ended 31st July 1987.

PRINCIPAL ACTIVITY

The principal activity of the company is to provide for the furtherance of independent education to appropriate candidates resident in the Diocese of Truro at schools in which instruction is given in accordance with the doctrines of the Church of England and/or Churches in Communion therewith.

BUSINESS REVIEW

A summary of the year's income and expenditure is given on page 3 of the accounts.

The Governors have invested the funds realised from freehold property sold in 1986 in accordance with advice given by the Central Board of Finance of the Church of England.

A proposed grant allocation of £15000 to the Dean and Chapter of Truro Cathedral has been included in these accounts.

POST BALANCE SHEET EVENT

The recent sharp decline in stock market values has severely impacted on the market value of the company's investments. At 14th January 1988 the market value of the company's portfolio was £324661 against a book value at 31st July 1987 of £356344. The Governors consider that no provision in the accounts is necessary on the grounds that there is no evidence to suggest that the diminution in value is likely to be permanent.

GOVERNORS

The Governors who served during the year were as follows:

The Rt. Rev. P. Mumford (President)
The Very Rev. D.J. Shearlock (Chairman)
The Rt. Hon. Lord Falmouth
J.C. Dowding
The Rev. Canon P.L. Maddock
K. Hyde (died 13th April 1987)
D. McKenna (resigned 4th December 1986)
The Venerable A. Wood
The Rev. Canon J.P. Boyd (Chancellor)

The Governors record, with regret, the death of Mr. K. Hyde.

AUDITORS

At the company's last Annual General Meeting Peat, Marwick, Mitchell & Co. were appointed as auditors of the company. They are now practising under the name of Peat Marwick McLintock and accordingly they have signed the audit report in their new name. A resolution concerning their re-appointment as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the board

Chairman

D.J. Shearlock

21 Old Bridge Street,
TRURO, TR1 2AH
Cornwall.
14th January 1988

Peat Marwick McLintock

REPORT OF THE AUDITORS TO THE MEMBERS OF
TRURO CATHEDRAL SCHOOL LIMITED
(LIMITED BY GUARANTEE)

We have audited the accounts on pages 3 to 8 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st July 1987 and of its surplus for the year to that date and have been properly prepared in accordance with the Companies Act 1985.

Truro
14th January 1988

Peat Marwick McLintock
Chartered Accountants

Peat Marwick McLintock

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TRURO CATHEDRAL SCHOOL LIMITED
(LIMITED BY GUARANTEE)
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GENERAL INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST JULY 1987
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	Note	1987	1986
		£	£
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses		(7095)	(4504)
Other operating charges		(18377)	(19269)
Other operating income		9819	240713
Other interest receivable and other income		25466	9933
SURPLUS ON ORDINARY ACTIVITIES	3	9813	226873
Transfers from reserves	6	-	98251
SURPLUS FOR THE FINANCIAL YEAR		9813	325124
Balance brought forward		408938	83814
Balance carried forward		418751	408938
		=====	=====

The notes on pages 5 to 8
form part of these accounts

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BALANCE SHEET AT 31ST JULY 1987

	Note	1987	1986
		£	£
FIXED ASSETS			
Tangible assets	7	152500	152500
Investments	8	363722	12415
		<u>516222</u>	<u>164916</u>
CURRENT ASSETS			
Debtors	9	3363	292247
Investments	8	-	69525
Cash at bank and in hand		53587	29312
		<u>56950</u>	<u>391084</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	10	17090	10477
NET CURRENT ASSETS		39860	380607
NET ASSETS		<u>556082</u>	<u>545523</u>
CAPITAL AND RESERVES			
General reserve		418751	408938
Revaluation reserve	11	124171	124171
Other reserves	12	13160	12414
		<u>556082</u>	<u>545523</u>

These accounts were approved by the board of governors on 14th January 1988.

LJ Shearson (Chairman)
the agency

Governors

TRURO CATHEDRAL SCHOOL LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

1. CONSTITUTION

The company is incorporated under the Companies Act 1948 as a company limited by guarantee and not having a share capital. Under the guarantee the nine members of the company undertake to contribute to the assets of the company in the event of winding up during the time that he is a member or within one year after he ceased to be a member for payment of the debts and liabilities of the company contracted before the time he ceased to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding fl.

2. ACCOUNTING POLICIES

(a) General

These accounts have been prepared under the historical cost convention as modified by the revaluation of freehold property.

(b) Consolidation

Consolidated accounts have not been prepared as the Governors are of the opinion that such accounts would be of no real value to the members in view of the insignificant amounts involved.

(c) Tangible fixed assets

Freehold property is stated at professional valuation at 7th October 1982 with subsequent additions at cost.

(d) Depreciation

No depreciation is provided on the freehold property as this is estimated to have a useful life in excess of 50 years and it is company policy to maintain the property in good condition.

(e) Special funds

Special funds have arisen from specific bequests and comprise investments stated at cost and cash at bank. These funds may not be applied to finance the general running expenses of the School.

3. SURPLUS ON ORDINARY ACTIVITIES

This is stated after charging/(crediting) the following:

	1987	1986
	£	£
Allocation of grants - paid	1500	-
- proposed	15000	7500
Auditors' remuneration	1008	1173
Bad debts	-	-
Profit on sale of freehold properties	-	(220878)
Staff costs (note 4)	2697	5920
Sale of equipment	-	(8964)
Rent receivable	(9667)	(6667)
	=====	=====

No governor received emoluments of any kind.

TRURO CATHEDRAL SCHOOL LIMITED
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NOTES TO THE ACCOUNTS

(continued)

4. STAFF COSTS

	1987	1986
	£	£
Wages and salaries	2645	5590
Social Security costs	52	330
	2697	5920

The average weekly number of employees during the year was as follows:

Secretary	1	1
Other staff	1	2
	2	3

5. TAXATION

The company is not chargeable to corporation tax as it is a registered charity.

6. TRANSFERS FROM RESERVES

	1987	1986
	£	£
Revaluation reserve	-	98251

7. TANGIBLE FIXED ASSETS

Freehold
property
£

Trewinnard Court:

At cost and valuation at 1st August 1986
and 31st July 1987

152500
=====

The freehold property was valued by Messrs. Stratton and Holborow, Chartered Surveyors, on 7th October 1982 on an open market basis.

The historical cost of freehold property included above is £28329.

TRURO CATHEDRAL SCHOOL LIMITED
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NOTES TO THE ACCOUNTS

(continued)

8. INVESTMENTS
Held as fixed assets

	Shares in group company	Listed investments	Unlisted investments	Cash at bank	Total
	£	£	£	£	£
Cost at 1st August 1986	2	5784	-	6630	12416
Addition	-	29	350531	746	351306
	----	----	-----	-----	-----
Cost at 31st July 1987	2	5813	350531	7376	363722
	=====	=====	=====	=====	=====
Market value at 31st July 1987 (note 13)	2	12384	382448	7376	402210
	=====	=====	=====	=====	=====
Market value at 31st July 1986	2	8843	-	6630	15475
	=====	=====	=====	=====	=====

The company holds the whole of the issued ordinary share capital of Truro Grammar School Limited, a company incorporated in England.

Held as current asset	1987	1986
	-----	-----
	£	£

Deposit held on business premium account	-	69525
	=====	=====

9. DEBTORS	1987	1986
	-----	-----
	£	£
Income tax recoverable	136	149
Other debtors	2693	290351
Prepayments and accrued income	534	1747
	-----	-----
	3363	292247
	=====	=====

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1987	1986
	-----	-----
	£	£
General creditors	402	1078
Social security and other taxes	22	75
Accruals	1666	1824
Proposed grant	15000	7500
	-----	-----
	17090	10477
	=====	=====

TRURO CATHEDRAL SCHOOL LIMITED
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NOTES TO THE ACCOUNTS

(continued)

11. REVALUATION RESERVE

	1987	1986
	£	£
Balance at 1st August 1986	124171	222422
Transfer to General reserve	-	(98251)
Balance at 31st July 1987	124171	124171

12. OTHER RESERVE

	Special funds
	£
Balance at 1st August 1986	12414
Income accumulated for year	746
Balance at 31st July 1987	13160

13. POST BALANCE SHEET EVENT

The recent sharp decline in stock market values has severely impacted on the market value of the company's investments. At 14th January 1988 the market value of the company's portfolio was £324661 against a book value at 31st July 1987 of £356344. No provision has been made in the accounts on the grounds that there is no evidence to suggest that the diminution in value is likely to be permanent.