

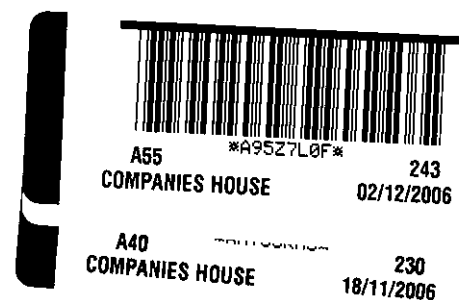
Truro Cathedral School Limited (Limited by guarantee)

Directors' report and financial statements

For the year ended 31 July 2006

Company registration number 675586

Charity registration number 306582



Truro Cathedral School Limited (Limited by guarantee)

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Truro Cathedral School Limited (Limited by guarantee)

Directors' report

For the year ended 31 July 2006

Name of the charity:	Truro Cathedral School Limited
Company registration number:	675586
Charity registration number:	306582
Governing instrument:	Memorandum and articles of association
Constitution:	Limited by guarantee
Trustees who served during the year:	The Rt Rev W Ind The Very Rev CG Hardwick (Appointed 30 September 2005) JC Dowding AJ Davidson The Rev Canon PR Gay JG Pykett RFS Harris The Rev Canon PAA Walker The Rev Canon RC Bush (Resigned 31 January 2006)

The above trustees of the charity constitute directors of the company for the purposes of the Companies Act 1985.

Secretary to the Board:	AJ Davidson
Principal address of the charity:	14 St Mary's Street TRURO
Auditors:	Robinson Reed Layton Peat House Newham Road TRURO
Solicitors:	Follett Stock Truro Business Park TRURO
Bankers:	Barclays Bank Plc 14 King Street TRURO
Investment managers	CCLA Investment Management Limited 80 Cheapside LONDON

Recruitment and induction of trustees:

Suitable personnel are identified by the existing trustees in accordance with the requirement of the articles of association and on the basis of their skills and knowledge and invited to become trustees. New trustees are introduced to the charity's workings by the existing trustees when appointed. They are informed of their duties as trustees and are provided with information about the charity.

Truro Cathedral School Limited (Limited by guarantee)

Directors' report

For the year ended 31 July 2006

The directors present their annual report for the year ended 31 July 2006, under Companies Act 1985 together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Memorandum and Articles of Association and the Charities SORP 2005.

Principal activities and business review

The principal activity of the company is to assist boys, girls and students including the choristers of Truro Cathedral to attend Schools, Colleges, Institutions or Classes for the purpose of education by contributing towards or paying their fees and/or travelling expenses or by providing them with maintenance allowances, provided that candidates for those benefits shall be boys, girls and students who are resident in the diocese of Truro or whose Father or Grandfather attended Truro Cathedral School.

Review of developments during the period, financial review and future plans

A summary of the year's income and expenditure is given on page 6 of the accounts. Grant allocations totalling £79,825 (2005: £53,750) have been included in these accounts. The trustees have agreed to instigate a review of the charity's objects clause in order that this more appropriately reflects the charity's current situation and aid its future operation.

Investment policy

The directors engage CCLA Investment Management Limited as investment managers. The funds of the company are invested in specialised deposit funds and unit trusts designed for the charity sector to generate both income and capital growth. The directors consider the return on investments, at 3.5% for the year, to be satisfactory.

Reserves policy

The directors have decided to maintain free reserves at a level to meet resources expended which varies between £50,000 and £90,000 each year. £915,000 has currently been designated to fund the education of the choristers of Truro Cathedral for the foreseeable future.

Risk management

The directors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate exposure to the major risks.

Grant making policy

The directors have an established policy of considering as their primary obligation assistance with the education of the Cathedral choristers. Other applications are considered on their merits noting particularly the income level of the family concerned, as the directors are anxious in the first instance to help in cases of genuine need and hardship.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Robinson Reed Layton as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Truro Cathedral School Limited (Limited by guarantee)

Directors' report

For the year ended 31 July 2006

Directors' responsibilities

Company law requires the directors 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 profit or loss for that year. In preparing those financial statements, the governors 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 directors 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

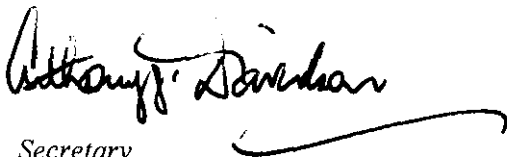
Statement of disclosure to auditor

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

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

By order of the Board

14 St Marys Street
TRURO
TR1 2AF



Secretary

AJ Davidson

10/11/2006

Truro Cathedral School Limited (Limited by guarantee)

Independent auditors' report to the members of Truro Cathedral School Limited

We have audited the financial statements of Truro Cathedral School Limited on pages 6 to 12 for the year ended 31 July 2006. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Truro Cathedral School Limited (Limited by guarantee)

Independent auditors' report
to the members of Truro Cathedral School Limited

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 July 2006 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Robinson Reed Layton
Chartered Accountants
Registered Auditors

Peat House
Newham Road
TRURO
TR1 2DP

10 November 2006

Truro Cathedral School Limited (Limited by guarantee)

Statement of financial activities

For the year ended 31 July 2006

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Income and expenditure					
Incoming resources:					
Investment income	3	48,129	727	48,856	48,314
Resources expended					
Charitable activities	4	80,984	-	80,984	54,131
Governance costs	5	1,586	-	1,586	1,586
Total resources expended		82,570	-	82,570	55,717
Net (outgoing)/incoming resources for the year before transfers	6	(34,441)	727	(33,714)	(7,403)
Transfers between funds		727	(727)	-	-
Net outgoing resources for the year		(33,714)	-	(33,714)	(7,403)
Other recognised gains and losses					
Gains on revaluation and disposal of investments		127,218	2,210	129,428	171,512
Net movement in funds		93,504	2,210	95,714	164,109
Fund balances brought forward		1,297,036	32,472	1,329,508	1,165,399
Fund balances carried forward		1,390,540	34,682	1,425,222	1,329,508

There were no acquisitions or discontinued operations within the company during the years to 31 July 2006 or 2005.

The reported net outgoing resources for the year does not differ materially from the net outgoing resources on an unmodified historical cost basis.

Truro Cathedral School Limited (Limited by guarantee)

Statement of total recognised gains and losses

For the year ended 31 July 2006

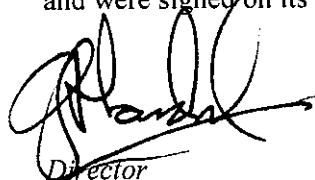
	Unrestricted Funds £	Restricted Funds £	Total 2006	Total 2005 £
Net outgoing resources for the year	(33,714)	-	(33,714)	(7,403)
Realised gain on fixed asset investments	264	-	264	301
	<u>(33,450)</u>	<u> </u>	<u>(33,450)</u>	<u>(7,102)</u>
Unrealised gains on fixed asset investments	127,218	2,210	129,164	171,211
	<u>93,768</u>	<u>2,210</u>	<u>95,714</u>	<u>164,109</u>
	<u><u>93,768</u></u>	<u><u>2,210</u></u>	<u><u>95,714</u></u>	<u><u>164,109</u></u>

Truro Cathedral School Limited (Limited by guarantee)

Balance sheet As at 31 July 2006

	Notes	£	2006 £	£	2005 £
Fixed assets					
Tangible fixed assets	8		19,000		19,000
Investments	9		1,404,847		1,310,116
			<u>1,423,847</u>		<u>1,329,116</u>
Current assets					
Debtors	10	4		22	
Cash at bank and in hand		2,971		1,970	
			<u>2,975</u>	<u>1,992</u>	
Creditors: amounts falling due within one year	11	1,600		1,600	
			<u>1,375</u>		<u>392</u>
Net current assets					
			<u>1,425,222</u>		<u>1,329,508</u>
Net assets					
Funds					
<i>Unrestricted funds:</i>	12				
Designated fund		915,000		915,000	
General fund		22,441		55,162	
Revaluation reserve		453,099		326,874	
			<u>1,390,540</u>		<u>1,297,036</u>
<i>Restricted funds:</i>	13				
Endowment charity		17,766		17,766	
Bursary charity		3,049		3,049	
Revaluation reserve		13,867		11,657	
			<u>34,682</u>		<u>32,472</u>
			<u>1,425,222</u>		<u>1,329,508</u>

These financial statements were approved by the Board of directors on 10/11/2006 and were signed on its behalf by:



Director

CG Hardwick

Truro Cathedral School Limited (Limited by guarantee)

Notes

(forming part of the financial statements)

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 members of the company undertake to contribute to the assets of the company in the event of winding up during the time that they are members or within one year after they ceased to be members for payment of the debts and liabilities of the company contracted before the time they ceased to be members and of the cost, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves such amount as may be required not exceeding £1.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the accounts.

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention as modified by the revaluation of freehold property and investments and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2005)". As a consequence the accounts do not include an Income and Expenditure Account in the form specified by the Companies Act 1985. This is a departure from the statutory format of accounts, but is required by S.226(5) Companies Act 1985 to enable the accounts to give a true and fair view.

Under Financial Reporting Standard 1, the company is exempt from the requirements to prepare a cash flow statement on the grounds of its size.

2.2 Tangible fixed assets

Freehold land is stated at valuation and is not depreciated.

2.3 Investments

Investments are included at market value.

2.4 Grants payable

Grants payable are charged to the statement of financial activities in the year in which they are paid.

2.5 Funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

3 Investment income

	Unrestricted £	Restricted £	2006 £	2005 £
Common deposit and investment funds	48,124	718	48,842	48,295
Listed investments	-	9	9	9
Cash at bank	5	-	5	10
	<hr/> 48,129	<hr/> 727	<hr/> 48,856	<hr/> 48,314

Truro Cathedral School Limited (Limited by guarantee)

Notes

(forming part of the financial statements)

4 Charitable activities

	2006 £	2005 £
<i>Grants paid:</i>		
The Cathedral Church of the Blessed Virgin Mary in Truro		
- Choristers' education	73,000	45,000
Grants to 8 (2005: 10) individuals	6,825	8,750
	<hr/>	<hr/>
	79,825	53,750
General administration costs	1,159	381
	<hr/>	<hr/>
	80,984	54,131
	<hr/>	<hr/>

5 Governance costs

	2006 £	2005 £
Auditors remuneration	1,586	1,586
	<hr/>	<hr/>

6 Net outgoing resources for the year

	2006 £	2005 £
This is stated after charging the following:		
Auditors' remuneration and accountancy	1,586	1,586
	<hr/>	<hr/>

No director received emoluments of any kind.

7 Taxation

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

8 Tangible fixed assets

	Freehold land £
At 31 July 2006 and 2005	19,000
	<hr/>

The freehold land was valued by the directors on an open market basis.

The historical cost of freehold land included above is £219 (2005: £219).

Truro Cathedral School Limited (Limited by guarantee)

Notes

(forming part of the financial statements)

9 Fixed asset investments

	Common deposit and investment funds £	UK Listed investments £	Total £
Valuation			
At 1 August 2005	1,309,953	163	1,310,116
Additions	30,303	-	30,303
Disposals	(64,736)	-	(64,736)
Revaluation	129,166	(2)	129,164
	<hr/>	<hr/>	<hr/>
At 31 July 2006	1,404,686	161	1,404,847
	<hr/>	<hr/>	<hr/>
Restricted funds	23,346	161	23,507
Unrestricted funds	1,381,340	-	1,381,340
	<hr/>	<hr/>	<hr/>
	1,404,686	161	1,404,847
	<hr/>	<hr/>	<hr/>
Cost at 31 July 2006	985,528	141	956,662
	<hr/>	<hr/>	<hr/>
Cost at 31 July 2005	990,225	141	990,366
	<hr/>	<hr/>	<hr/>

The investment portfolio includes the following investments which represent over 5% by value of the total investment portfolio.

	£
COIF Charities Fixed Interest Fund	60,296
COIF Charities Investment Fund	1,129,517
COIF Charities Property Fund	190,532
	<hr/>

10 Debtors

	2006 £	2005 £
Prepayments and accrued income	4	22
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2006 £	2005 £
Accruals and deferred income	1,600	1,600
	<hr/>	<hr/>

Truro Cathedral School Limited (Limited by guarantee)

Notes

(forming part of the financial statements)

12 Unrestricted funds

	Designated fund - Chorister education £	General fund £	Revaluation reserve £	Total £
Brought forward	915,000	55,162	326,874	1,297,036
Net movement in funds	-	(33,450)	126,954	93,504
Transfer	-	729	(729)	-
Carried forward	915,000	22,441	453,099	1,390,540
<i>Represented by:</i>				
Tangible fixed assets	-	219	18,781	19,000
Investments	915,000	32,022	434,318	1,381,340
Net current assets/(liabilities)	-	(9,800)	-	(9,800)
	915,000	22,441	453,099	1,390,540

The directors have made a long term commitment to fund the education of the choristers of Truro Cathedral. The designation of £915,000 in a Chorister Education fund is to demonstrate that commitment for the foreseeable future.

13 Restricted funds

	Endowment Charity £	Bursary Charity £	Revaluation Reserve £	Total £
Brought forward	17,766	3,049	11,657	32,472
Income	667	60	-	727
Transfer	(667)	(60)	-	(727)
Revaluation adjustment	-	-	2,210	2,210
Carried forward	17,766	3,049	13,867	34,682
<i>Represented by:</i>				
Investments	8,850	790	13,867	23,507
Net current assets	8,916	2,259	-	11,175
	17,766	3,049	13,867	34,682

The capital from the above funds cannot be distributed but annual income can be used to meet direct charitable expenditure.

14 Related party transactions

A grant of £73,000 (2005: £45,000) was made to the Cathedral Church of the Blessed Virgin Mary in Truro (Truro Cathedral). Three of the company's directors were members of the Chapter of Truro Cathedral at 31 July 2006.