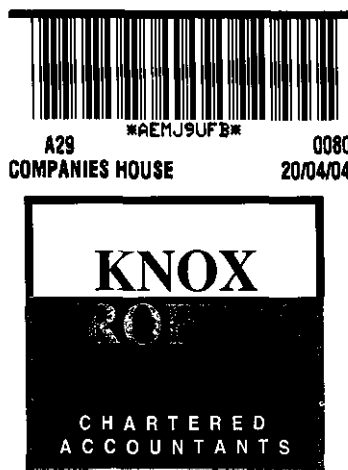


ST. EDMUND'S SCHOOL TRUST LIMITED
(A Charitable Company Limited by Guarantee)
(COMPANY NUMBER: 1425355)
(REGISTERED CHARITY NUMBER: 278301)
REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2003

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ST. EDMUND'S SCHOOL TRUST LIMITED**REPORT OF THE GOVERNORS****FOR THE YEAR ENDED 31ST AUGUST 2003****STATUS AND ADMINISTRATION**

St. Edmund's School Trust Limited ("the School") is incorporated as a company limited by guarantee, number 1425355 and is a registered charity, number 278301.

OBJECTS AND POLICY

The objects for which the School is established are to promote and provide for the advancement of education and in connection therewith to conduct and carry on, acquire and develop in the United Kingdom any boarding or day school or schools for the education of children of either sex or both sexes. The School's policy is for preparatory school boys and girls to attain the highest academic levels whilst allowing them to benefit from the School's extra curricular programme and to develop their interests and prepare them for the senior school of their choice.

GOVERNORS

The governors who are the directors of the company and also the charity trustees, who served during the year were:

Mrs J A Alliss
 Dr A J Bennett
 D Cannon
 P R Dunkley (appointed 1st January 2003)
 B E Farley
 D J H Gandy
 H Lang (resigned 7th July 2003)
 T N I Maier
 The Lord Strathallmond
 A P Sutcliffe
 P L Wilcocks

OFFICERS AND ADVISORS

| | |
|--------------------|--|
| Headmaster: | A J Walliker |
| Company Secretary: | B E Farley |
| Bursar: | B F Birch |
| Auditors: | Knox Cropper 24 Petworth Road Haslemere Surrey GU27 2HR |
| Bankers: | Lloyds TSB Bank plc 12 High Street Haslemere Surrey GU27 2JG |
| Solicitors: | Potter Owtram & Peck 42 West Street Haslemere Surrey GU27 2AN |

ST. EDMUND'S SCHOOL TRUST LIMITED**REPORT OF THE GOVERNORS****FOR THE YEAR ENDED 31ST AUGUST 2003****(Continued)****ORGANISATION**

The governors who are appointed under the terms of the Articles of Association determine the general policy of the School. The responsibility for academic standards and the day to day operation of the School is delegated to the Headmaster whilst the Bursar is responsible for financial and administration matters.

REVIEW OF ACTIVITIES AND FINANCIAL RESULTS

The School has continued to operate as a preparatory and pre-preparatory school and had 211 pupils. The net incoming resources for the year amounted to £55,906 (2002: £58,948). Additions to the fixed assets during the year amounted to £215,399 for a freehold property, school equipment, computers and refurbishment of buildings.

RESERVES POLICY

At 31st August 2003 the total funds of the School were £638,276 of which £65,880 relates to restricted funds and £61,476 has been designated by the governors for repairs and maintenance of the school buildings. Of the remaining reserves £1,505,644 is represented by fixed assets. The School therefore has a deficit on free reserves of £994,724 which primarily represents funds expended on fixed assets through loans or working capital.

The governors consider that the School is able to operate with a negative free reserve and wish to continue expanding the facilities of the School through increasing surpluses.

The reserves policy of the School is reviewed annually by the governors.

FREEHOLD PROPERTIES

In the opinion of the governors the value of the freehold land and permanent buildings is substantially more than the book value but no useful purpose would be served by undertaking a revaluation.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the net incoming or outgoing resources of the School 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST. EDMUND'S SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31ST AUGUST 2003

(Continued)

RISK MANAGEMENT

A sub-committee comprising two governors and the Headmaster identifies and monitors risks for the smooth running of the School and its finances. It has reviewed the effectiveness of internal controls and has taken measures to establish iterative procedures to mitigate these risks.

Annually a summary of the major risks to which the School is exposed is reviewed by the governors to confirm that systems are in place to mitigate its exposure.

AUDITORS

A resolution proposing the re-appointment of Knox Cropper as auditors to the School will be put to the annual general meeting.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'J A Alliss', written over a horizontal line.

MRS J A ALLISS
GOVERNOR

Date: *1st March 2004*

Registered Office:
St. Edmund's School
Hindhead
Surrey
GU26 6BH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ST. EDMUND'S SCHOOL TRUST LIMITED

We have audited the financial statements of St. Edmund's School Trust Limited ("the School") for the year ended 31st August 2003 which comprise the Statement of Financial Activities, the Balance Sheet, and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the School'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 School's members those matters we are required to state to them in an auditors' 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 School and the School's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As described in the Report of the Governors the governors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Governors is not consistent with the financial statements, if the charity 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 governors', who are the directors, remuneration and transactions with the School is not disclosed.

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

We are not required to consider whether the statement in the Report of the Governors concerning the major risks to which the School is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the School's risk management or control procedures.

Basis of audit opinion

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

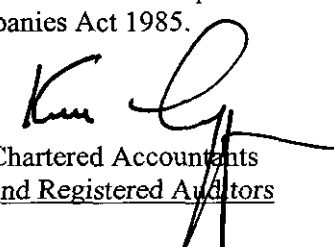
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the School as at 31st August 2003 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

24 Petworth Road
Haslemere, Surrey

1st March 2004


Chartered Accountants
and Registered Auditors

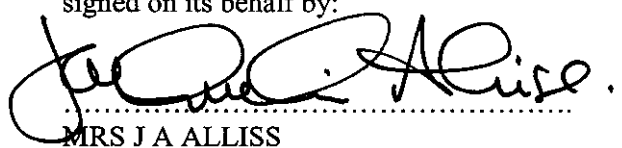
ST. EDMUND'S SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2003

| | | Unrestricted Funds £ | 2003 Restricted Funds £ | Total £ | 2002 Total £ |
|--|---------------------|-------------------------------------|--|--------------------|-----------------------------|
| | <u>Notes</u> | | | | |
| INCOMING RESOURCES | | | | | |
| Donations and legacies | | 8,766 | - | 8,766 | 9,219 |
| Swimming pool appeal income | | - | 5,013 | 5,013 | 6,503 |
| Activities in furtherance of the charity's objects: | | | | | |
| Fees for care and education of children | 2 | 1,576,138 | - | 1,576,138 | 1,533,788 |
| Activities for generating funds | 3 | 52,327 | - | 52,327 | 58,889 |
| Investment income – interest receivable | | 1,429 | 16 | 1,445 | 921 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL INCOMING RESOURCES | | 1,638,660 | 5,029 | 1,643,689 | 1,609,320 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | 4 | 38,528 | - | 38,528 | 42,692 |
| Charitable expenditure | | | | | |
| Costs of activities in furtherance of the charity's objects: | | | | | |
| Teaching and care of children | 5(a) | 1,048,673 | - | 1,048,673 | 1,020,381 |
| Running costs and maintenance of school | 5(b) | 368,295 | 5,478 | 373,773 | 379,319 |
| Management and administration | 6 | 126,809 | - | 126,809 | 107,980 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL RESOURCES EXPENDED | | 1,582,305 | 5,478 | 1,587,783 | 1,550,372 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| NET INCOMING RESOURCES FOR THE YEAR | | 56,355 | (449) | 55,906 | 58,948 |
| Total funds at 1st September 2002 | | 516,041 | 66,329 | 582,370 | 523,422 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS AT 31ST AUGUST 2003 | | £ 572,396 | £ 65,880 | £ 638,276 | £ 582,370 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

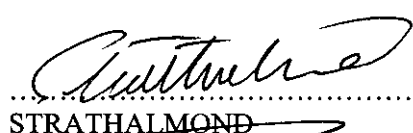
ST. EDMUND'S SCHOOL TRUST LIMITED**BALANCE SHEET AT 31ST AUGUST 2003**

| | | 2003 | | 2002 | |
|--|--------------|---------|-----------|---------|-----------|
| | <u>Notes</u> | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 1,568,140 | | 1,396,353 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 440,031 | | 477,143 | |
| Cash at bank and in hand | | 8,314 | | 6,490 | |
| Swimming pool appeal bank account | | 3,384 | | 561 | |
| | | | | | |
| | | | 451,729 | | 484,194 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 10 | 768,940 | | 858,735 | |
| | | | | | |
| NET CURRENT LIABILITIES | | | (317,211) | | (374,541) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,250,929 | | 1,021,812 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 11 | | (612,653) | | (439,442) |
| | | | | | |
| NET ASSETS | | | £ 638,276 | | £ 582,370 |
| Represented by: | | | | | |
| UNRESTRICTED FUNDS - General | 13 | | 510,920 | | 455,411 |
| - Designated | 13 | | 61,476 | | 60,630 |
| | | | | | |
| | | | 572,396 | | 516,041 |
| RESTRICTED FUNDS | 13 | | 65,880 | | 66,329 |
| | | | | | |
| | | | £ 638,276 | | £ 582,370 |

The financial statements were approved by the board of governors on 1st March 2004 and signed on its behalf by:


MRS J A ALLISS

)
) GOVERNORS
)
)


STRATHALMOND

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2003****1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting statements and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by UK accountancy bodies. The particular policies adopted are described below:

a) Accounting Convention

The financial statements have been prepared under the historical cost convention. All income relates to the School's continuing activities.

b) Turnover

Turnover comprises fees less scholarships and bursaries and other income receivable from the School's continuing operations.

c) Depreciation

Depreciation is provided on permanent buildings acquired before the year ended 31st August 2000 at one half percent per annum, and for subsequent properties at two percent per annum. This is after allowing for the estimated cost of land in the original transfer value (not subject to depreciation) of £60,000.

Depreciation is provided on other fixed assets to write off their cost over estimated useful lives at the following rates:

Freehold buildings of non-permanent construction

Swimming pool - 3 1/3% p.a. on cost

Other - 6% p.a. on cost

Furniture, fittings and equipment

Computers - 33 1/3% p.a. on cost

Other - 10% p.a. on cost

Motor vehicles - 25% p.a. on written down value

d) Gifts

Miscellaneous gifts received for financing specific items of capital expenditure or given to the headmaster for use, at his discretion, for school purposes are brought into incoming resources.

e) Leases

Operating lease payments are charged in the statement of financial activities as they fall due. Assets held under finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives.

f) Pension Costs

The School maintains the defined benefit scheme of the Department for Education and Skills for teachers.

g) Designated Funds

Designated funds represent monies set aside at the discretion of the governors towards specific projects to be undertaken in the future.

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2003****(Continued)**

1. ACCOUNTING POLICIES (continued)

h) **Restricted Funds**

Restricted funds represent monies received by the School in respect of the upgrading of the swimming pool.

i) **Cash Flow Statement**

The governors have taken advantage of the exemptions available under FRS1 (Revised) not to prepare a cash flow statement.

2. ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

| | 2003 £ | 2002 £ |
|-----------------------------------|------------|------------|
| Tuition and boarding fees | 1,581,661 | 1,548,905 |
| Less: Scholarships and bursaries | (88,114) | (103,079) |
| Extras and disbursements recovery | 81,151 | 86,162 |
| Registration fees | 1,440 | 1,800 |
| | <hr/> | <hr/> |
| | £1,576,138 | £1,533,788 |
| | <hr/> | <hr/> |

3. ACTIVITIES FOR GENERATING FUNDS

| | | |
|--------------------|----------|----------|
| Golf club income | 4,269 | 22,035 |
| Rents and lettings | 21,613 | 21,590 |
| Sundry income | 26,445 | 15,264 |
| | <hr/> | <hr/> |
| | £ 52,327 | £ 58,889 |
| | <hr/> | <hr/> |

4. COSTS OF GENERATING FUNDS

| | | |
|-------------------------------|----------|----------|
| Bank loan interest | 29,067 | 31,677 |
| Bank overdraft interest | 2,293 | 2,609 |
| Bank charges | 3,628 | 3,411 |
| Hire purchase finance charges | 1,077 | 1,207 |
| Golf day costs | 2,463 | 3,788 |
| | <hr/> | <hr/> |
| | £ 38,528 | £ 42,692 |
| | <hr/> | <hr/> |

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2003****(Continued)**

| 5. | COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES | 2003 £ | 2002 £ |
|-----|--|-------------|------------|
| (a) | TEACHING AND CARE OF CHILDREN | | |
| | Teaching and care staff | 829,586 | 787,467 |
| | Books and teaching materials | 36,929 | 40,344 |
| | Food and board | 144,001 | 142,934 |
| | Sports, musical and cultural activities | 11,426 | 10,893 |
| | Disbursements and extras costs | 26,731 | 38,743 |
| | | <hr/> | <hr/> |
| | | £1,048,673 | £1,020,381 |
| (b) | RUNNING COSTS AND MAINTENANCE OF SCHOOL | | |
| | Premises maintenance staff | 103,821 | 95,164 |
| | Rent, rates and insurance | 46,579 | 41,053 |
| | Fuel and light | 42,925 | 43,430 |
| | Cleaning | 12,223 | 14,909 |
| | Maintenance and repairs | 81,224 | 103,044 |
| | Recruitment and marketing | 31,102 | 28,840 |
| | Motor expenses | 12,287 | 10,111 |
| | Depreciation (restricted £5,478) | 43,612 | 42,768 |
| | | <hr/> | <hr/> |
| | | £ 373,773 | £ 379,319 |
| 6. | MANAGEMENT AND ADMINISTRATION | | |
| | Staff costs | 105,753 | 96,053 |
| | Bad debts | - | 95 |
| | Auditors' remuneration: | | |
| | for audit services | 9,106 | 8,636 |
| | for other services | 235 | - |
| | Legal expenses | 2,021 | 3,114 |
| | Inspection charges | 9,560 | - |
| | Sundry expenses | 134 | 82 |
| | | <hr/> | <hr/> |
| | | £ 126,809 | £ 107,980 |
| 7. | STAFF COSTS | | |
| | Wages and salaries | 904,910 | 864,431 |
| | Social Security costs | 69,499 | 62,782 |
| | Pension contributions | 64,751 | 51,471 |
| | | <hr/> | <hr/> |
| | | £ 1,039,160 | £ 978,684 |

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2003****(Continued)**

| | | |
|--|---------------|---------------|
| 7. STAFF COSTS (continued) | 2003 | 2002 |
| | Number | Number |
| The average monthly number of employees in the year was: | | |
| Teaching | 28 | 31 |
| Other | 14 | 15 |
| | <hr/> | <hr/> |
| | 42 | 46 |
| | <hr/> | <hr/> |

No employee received remuneration of more than £50,000.

8. TANGIBLE FIXED ASSETS

| | Freehold land and permanent buildings £ | Freehold buildings of non permanent construction £ | Furniture fittings and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--|---|---|-------------------------------------|---------------------------------|--------------------|
| COST | | | | | | |
| At 1st September 2002 | 1,147,658 | 328,646 | 111,076 | 36,108 | 74,574 | 1,698,062 |
| Additions | 201,196 | 1,901 | 5,841 | 4,961 | 1,500 | 215,399 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2003 | 1,348,854 | 330,547 | 116,917 | 41,069 | 76,074 | 1,913,461 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | | | | |
| At 1st September 2002 | 69,787 | 87,230 | 63,795 | 27,139 | 53,758 | 301,709 |
| Charge for the year | 7,736 | 9,779 | 11,646 | 8,872 | 5,579 | 43,612 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2003 | 77,523 | 97,009 | 75,441 | 36,011 | 59,337 | 345,321 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | | | | |
| At 31st August 2003 | £1,271,331 | £ 233,538 | £ 41,476 | £ 5,058 | £ 16,737 | £1,568,140 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2002 | £1,077,871 | £ 241,416 | £ 47,281 | £ 8,969 | £ 20,816 | £1,396,353 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Included in motor vehicles are vehicles of £25,178 (2002: £25,178) acquired under hire purchase contracts with a net book value of £7,967 (2002: £10,621). The depreciation charge for the year was £2,654 (2002: £3,541).

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2003****(Continued)**

| | 2003 | 2002 |
|---|------------------|------------------|
| | £ | £ |
| 9. DEBTORS | | |
| Fees debtors | 395,134 | 447,955 |
| Other debtors and prepayments | 44,897 | 29,188 |
| | <hr/> | <hr/> |
| | £ 440,031 | £ 477,143 |
| | <hr/> | <hr/> |
| 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| Fees charged in advance | 469,934 | 512,758 |
| Bank overdraft | 120,950 | 161,242 |
| Bank loans (current instalments) | 15,828 | 44,798 |
| Payroll taxes and social security costs | 22,142 | 790 |
| Other creditors and accruals | 133,981 | 133,042 |
| Hire purchase creditor | 6,105 | 6,105 |
| | <hr/> | <hr/> |
| | £ 768,940 | £ 858,735 |
| | <hr/> | <hr/> |

Bank loans and overdraft facilities:

All monies advanced by the bank are secured on the School's freehold land and buildings.

The bank loans are repayable over 20 years from 30th June 2003 and 31st August 2003; repayments include capital and interest at base rate plus 1.75%.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | | |
|------------------------|------------------|------------------|
| Bank loans | 575,276 | 394,060 |
| Other creditors | 35,850 | 37,750 |
| Hire purchase creditor | 1,527 | 7,632 |
| | <hr/> | <hr/> |
| | £ 612,653 | £ 439,442 |
| | <hr/> | <hr/> |

The bank loans include £512,736 which is repayable after more than five years.

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2003****(Continued)**

| | | | |
|-----|---|-----------|-----------|
| 12. | FINANCE LEASES | 2003 £ | 2002 £ |
| | Obligations under finance leases are payable: | | |
| | Within one year | 6,105 | 6,105 |
| | Between one and two years | 1,527 | 6,105 |
| | Between two and five years | - | 1,527 |
| | | <hr/> | <hr/> |
| | | 7,632 | 13,737 |
| | Less: Finance charges allocated to future periods | - | (1,104) |
| | | <hr/> | <hr/> |
| | | £ 7,632 | £ 12,633 |
| | | <hr/> | <hr/> |

Obligations under finance leases are secured on the assets to which they relate (note 8).

| | | | | | |
|-----|---|----------------------|---|--------------------------------------|------------|
| 13. | FUNDS | General Fund £ | Property Maintenance Reserve £ | Swimming Pool Appeal Fund £ | Total £ |
| | Balance at 1st September 2002 | 455,411 | 60,630 | 66,329 | 582,370 |
| | Net incoming/(outgoing) resources before transfers | 80,509 | (24,154) | (449) | 55,906 |
| | TRANSFERS | | | | |
| | Provision for future repairs and maintenance of school buildings | (25,000) | 25,000 | - | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | Balance at 31st August 2003 | £ 510,920 | £ 61,476 | £ 65,880 | £ 638,276 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | REPRESENTED BY: | | | | |
| | Tangible fixed assets | 1,505,644 | - | 62,496 | 1,568,140 |
| | Net current (liabilities)/assets | (382,071) | 61,476 | 3,384 | (317,211) |
| | Long term liabilities | (612,653) | - | - | (612,653) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | | £ 510,920 | £ 61,476 | £ 65,880 | £ 638,276 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

The General Fund represents the unrestricted funds which the Governors are free to use in accordance with the charitable objects.

The Property Maintenance Reserve represents the designated funds set aside for future repairs and maintenance of school buildings.

The Swimming Pool Appeal Fund represents monies received by the School in respect of the upgrading of the swimming pool.

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2003****(Continued)**

| | 2003 | 2002 |
|--|-------|-------|
| | £ | £ |
| 14. COMMITMENTS UNDER OPERATING LEASES | | |
| Equipment - in the next year | 988 | - |
| - in the second to fifth years | - | 988 |
| | <hr/> | <hr/> |
| | £ 988 | £ 988 |
| | <hr/> | <hr/> |

15. VALUATION OF THE TEACHERS' PENSION SCHEME (TPS)

Not less than every five years, the Government Actuary (GA), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The actuarial review as at 31st March 2001 made the following assumptions. The balance in the Account as at 31st March 2001 shall be such that, in the current review, the value of the scheme assets equals the value of the scheme liabilities. The scheme assets consist of the notional investments and the future contributions in respect of existing members. Thus, the balance in the Account as at 31st March 2001 will be determined as the difference between the value of the scheme liabilities and the value of future contributions.

Contributions are assessed in two parts. First, a normal contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Currently, teachers pay 6% of salary whilst their employers pay the balance of the normal contribution. Secondly, a supplementary contribution is payable by employers if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. Because the liabilities were put into balance for the 2001 valuation there is no supplementary contribution. From 1st April 2003, employers pay 13.5% of salary.

The last valuation of the TPS was for the period 1st April 1996 to 31st March 2001. The GA's report of March 2003 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £142,880 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £142,880 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 7%.

The pension cost charge for the year payable by the School in respect of teaching staff was £57,459 (2002 : £43,139).

16. GOVERNORS

Fees of £1,196 (including VAT) for the purchase of a freehold property were paid to Potter Owtram & Peck, a firm of solicitors of which Mr B E Farley is a partner. The governors received no remuneration or reimbursement of expenses during the year.