

ST. EDMUND'S SCHOOL TRUST LIMITED

(A Charitable Company Limited by Guarantee)

(COMPANY NUMBER: 1425355)

(REGISTERED CHARITY NUMBER: 278301)

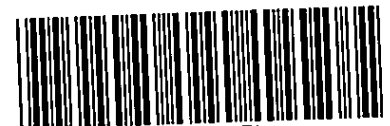
REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2006

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23/06/2007
COMPANIES HOUSE



KNOX CROPPER
chartered accountants

ST. EDMUND'S SCHOOL TRUST LIMITED**REPORT OF THE GOVERNORS****FOR THE YEAR ENDED 31ST AUGUST 2006****REFERENCE AND ADMINISTRATIVE INFORMATION**

St Edmund's School Trust Limited ("the School") was incorporated as a company limited by guarantee on 4 June 1979, number 1425355, and is a registered charity, number 278301. The liability of the members is limited to £1 each. The registered office and principal address of the Company is at Hindhead, Surrey, GU26 6BH.

Governors

The present Governors of the School who are the directors of the Company and also the charity trustees, and also any ex-Governors who served during the year as indicated, are

Mrs J A Alliss*	(Chairman)
Dr A J Bennett	
D Cannon	(resigned 8 July 2006)
P R Dunkley	
B E Farley*	(Deputy Chairman)
M C Flannery	(appointed 27 June 2006)
D J H Gandy*	
P J Hoyland	(appointed 15 September 2006)
The Lord Strathalmond*	
P L Wilcocks	(resigned 24 March 2006)

*Member of the Finance Committee

Officers and advisors

Headmaster	A J Walliker
Bursar	B F Birch
Company Secretary	B E Farley
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 2006

(Continued)

A BRIEF PROFILE.

“I like St Ed’s It’s a school I fit into ”

These words, from one of our boys, capture much of what St Edmund’s is about to instil in every child a sense of self-esteem by building on talents they have, opening their eyes to new ones and giving them focused, personal support whenever it’s needed

Set in 40 beautiful acres of Surrey countryside, our Nursery and pre-prep departments welcome boys and girls from 2-7, and boys in the Prep School from 7-13 (From September 2008, we will also be welcoming girls up to 13)

The School is excellently equipped with a leading-edge IT suite and a Wireless LAN network which brings the internet into every classroom The grounds include some of the best sporting facilities in the area, with playing fields complemented by a challenging 9-hole golf course, a magnificent indoor swimming pool and a newly opened all-weather pitch for tennis and hockey

We have a thriving and innovative flexi-boarding system, where parents can book in their boys for regular boarding or indeed just ad hoc nights Our special boarding nights (based on themes such as Hogwarts, the Great Escape and Mission Impossible) have quickly become the stuff of legend and are invariably over-subscribed

Also remarkable is the attendance we attract on Saturday mornings – a non-school day In place of formal Saturday school, we offer an entirely optional programme of extra-curricular activities On any one day you might see karate and judo, cooking and carpentry, fencing and shooting, riding and scuba diving, and many other diverse and exciting sports, skills and pastimes

This is entirely in tune with our ultimate aim to produce well-rounded, interested and interesting boys who are a credit to themselves, and to their school We are proud to send them on to many of the leading senior schools, often with academic or music awards

In December 2006, the School received an “Outstanding” rating from OFSTED

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association dated 4 June 1979

Governing Body

The Governors, who are also required under the articles to serve as members of the Company, are elected at a full Governors’ Board meeting Governors are recruited on the basis of nominations received to the Board’s specifications concerning eligibility, personal competence, specialist skills and local availability

Trustee training

New Governors are inducted into the workings of the School, and also of the Company as a registered charity, including Board Policy and Procedures, by the Head, Bursar, and Chairman and Deputy Chairman of Governors

ST. EDMUND'S SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31ST AUGUST 2006

(Continued)

Organisational Management

The Governors meet as a Board at least three times a year, once in each academic term, to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. The Finance Committee, chaired by the Board's Deputy Chairman, carries out the work of implementing most of the Board's policies and meets two weeks before each meeting of the full Governing Board. The Remuneration Committee is a sub-committee of the Finance committee and meets annually to review staff pay and benefits. The day-to-day running of the School is delegated to the Headmaster, supported by the Bursar, who is responsible for financial and administration matters, and by other teaching members of the Senior Management Team.

Relationships

We welcome the local community in an ongoing programme to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the School. Examples are our Technology Day and our Football Tournament for local primary schools and use of our indoor swimming pool by other schools for their swimming lessons. The School benefits from the support of a thriving Old Boys' Association. St Edmund's is a member of the IAPS for the promotion of preparatory school standards.

Risk Management

Both the Headmaster and Bursar attend all Board meetings and Governors' sub-committee meetings. During term time, the Headmaster, Bursar and Senior Management Team meet weekly to discuss policy.

The Board, with particular assistance from a Risk Management working party consisting of one Governor and the Staff Senior Management Team, continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be mitigated.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Object of the Company, in accordance with its Memorandum of Association, is the education of children.

Strategic Aim and Intended Effect

The School's strategic aim is to provide the highest quality of academic tuition and extra curricular activities where pupils can develop and fulfil their potential and become active, responsible members of the community.

Objectives for the Year

The Board's main objective continued to be to educate all the School's pupils to at least the same high standard achieved by the School in previous years, so that they will be ideally placed to gain maximum benefit from their chosen senior schools. The Board adopted a policy of investing surpluses from previous years in improvements and new facilities at the School.

Principal Activity

St Edmund's School continues to operate as a nursery and pre-preparatory school for boys and girls aged 2 to 7 and a preparatory school for boys aged 7 to 13, with weekly and flexible boarding options. There were 191 pupils in 2006.

Grant-making

We are now able to support 17 pupils through bursaries and scholarships, valued at £45,485 for the year. Scholarships are awarded by the Headmaster, whilst means-tested bursaries are granted by the Bursar, after consultation with the Governors' Finance Committee.

ST. EDMUND'S SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31ST AUGUST 2006

(Continued)

Volunteers

Friends of St Edmund's (FOSE) is a volunteer group of parents who work tirelessly to organise and run a range of events that raise thousands of pounds for the benefit of the School and to develop a friendly, cohesive community through social events. Numerous projects are funded through this generosity and the Board of Governors wishes to take this opportunity to express its gratitude for the continued support and valuable work of these parents and friends.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

Leavers went to their chosen senior schools with six winning scholarships.

Fundraising performance

Fundraising by FOSE raised £13,364 to help fund the new Astroturf facility. There has been no specific appeal effort by the School and the significant investment in improvements has been funded through operating surpluses.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's operating deficit of £39,496 reflects a strong year of trading since it includes a considerable investment in the facilities of the School. The deficit arose primarily following a decision by the Board of Governors to fund additional refurbishment of the School's buildings and improvements to facilities from the surplus achieved in the year ended 31st August 2005. Without such additional expenditure a healthy surplus would have been achieved. Pupil numbers for the year ended 31st August 2006 were higher than projected which increased both fee income and other related income. Expenditure has continued on ongoing maintenance including rewiring and on refurbishment projects which included redecoration of the outside of the main school buildings, a new ICT suite and significant improvements to ICT facilities throughout the School. A new all-weather sports pitch was completed during the year.

Reserves Policy

The surpluses from each financial year are considered by the Governors to be available for reinvestment in the School's facilities. This process is monitored by the Finance Committee.

FUTURE PLANS

In January 2007, the Governors announced that the school would become fully co-educational, effective from September 2008. The decision reflects a number of factors, most notably that the market for prep school education has evolved over the years and that many of our parent body now feel that co-education is the natural environment for their children. St Edmund's is already co-educational up until the age of seven, and with over 80% of the schools we feed also being co-educational, extending our places for girls through to 13 is a natural step to take.

We are delighted to have secured the services of Mrs Jane Olle, who will become Head of Girls in September 2007. She will be joining us from the Royal School, Hindhead, where she has been Head of the Junior School and Pastoral Head and will therefore bring a wealth of experience as we embark on the new venture. The move to co-education will naturally require certain infrastructure developments and in tandem with this work the school is exploring exciting development opportunities which will benefit every pupil. We have commissioned architectural drawings to visualise our plans for a new music block, science labs, art facilities, teaching classrooms and indoor sports facilities.

Although we see pupil numbers increasing as a result of our move to co-education, we intend to keep a tight rein on expansion in order to preserve the personal atmosphere that makes St Edmund's special. We envisage a total number up to around 270 and classes of no greater than around 15.

ST. EDMUND'S SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31ST AUGUST 2006

(Continued)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company Law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the School and of its net income or expenditure for the year. In preparing the accounts, the Governors are required to

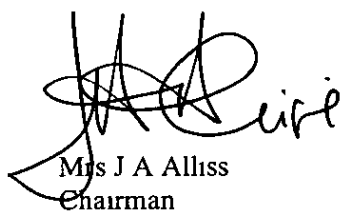
- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the accounts 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 the financial position of the School at any time, and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of error, fraud or other irregularities.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Knox Cropper as auditors to the School will be put to the annual general meeting.

Approved by the Board of Governors at its meeting on 9th May 2007
and signed on its behalf by



Mrs J A Alliss
Chairman

Date 09.05.07-

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 2006 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 Statement of Governors' Responsibilities the company's governors 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 Report of the Governors 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 governors', who are directors, remuneration and transactions with the company is not disclosed.

We report to you whether in our opinion the information given in the Report of the Governors is consistent with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

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 the company's affairs as at 31st August 2006 and of its results for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Governors is consistent with the financial statements.

24 Petworth Road
Haslemere, Surrey

16th June 2007

Knox Gropper
Chartered Accountants
and Registered Auditors

ST. EDMUND'S SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2006

		Unrestricted Funds £	2006 Restricted Funds £	Total £	2005 Total £
	<u>Notes</u>				
INCOMING RESOURCES					
Income from charitable activities					
Fees for care and education of children	2	1,664,229	-	1,664,229	1,565,593
Incoming resources from generated funds					
Investment income		3,581	-	3,581	3,973
Donations		15,717	1,146	16,863	12,850
Other incoming resources	3	60,293	-	60,293	52,344
		<hr/>	<hr/>	<hr/>	<hr/>
		1,743,820	1,146	1,744,966	1,634,760
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Costs of generating funds					
Charitable activities		41,422	-	41,422	43,356
Governance costs		1,726,879	5,481	1,732,360	1,468,709
		10,680	-	10,680	9,944
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	4	1,778,981	5,481	1,784,462	1,522,009
		<hr/>	<hr/>	<hr/>	<hr/>
NET OUTGOING RESOURCES		(35,161)	(4,335)	(39,496)	112,751
Total funds at 1st September 2005		731,842	58,719	790,561	677,810
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS AT 31ST AUGUST 2006		£ 696,681	£ 54,384	£ 751,065	£ 790,561
		<hr/>	<hr/>	<hr/>	<hr/>

ST. EDMUND'S SCHOOL TRUST LIMITED**BALANCE SHEET AT 31ST AUGUST 2006**

		2006		2005	
	<u>Notes</u>	£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,610,577		1,560,612
CURRENT ASSETS					
Stock	7	30,081		10,225	
Debtors	8	529,905		510,733	
Cash at bank and in hand		563		4,278	
Swimming pool appeal bank account		368		961	
		560,917		526,197	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	9	859,036		716,698	
NET CURRENT LIABILITIES			(298,119)		(190,501)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,312,458		1,370,111
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10		(561,393)		(579,550)
NET ASSETS			£ 751,065		£ 790,561
Represented by					
UNRESTRICTED FUNDS - General	11		682,218		702,584
- Designated	11		14,463		29,258
			696,681		731,842
RESTRICTED FUNDS	11		54,384		58,719
			£ 751,065		£ 790,561

The financial statements were approved by the board of governors on
signed on its behalf by

9th May 2007

and

MRS J A ALLISS

)
)
) GOVERNORS
)
)

B E FARLEY

ST. EDMUND'S SCHOOL TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2006

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

Storage container - 20% 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) Stock

Stock is valued at the lower of cost and net realisable value.

e) 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.

f) 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.

g) Pension Costs

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

h) Designated Funds

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

i) Restricted Funds

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

j) Cash Flow Statement

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

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2006****(Continued)**

2	INCOME FROM CHARITABLE ACTIVITIES	2006 £	2005 £		
	Tuition and boarding fees	1,606,985	1,533,741		
	Less Scholarships and bursaries	(98,116)	(112,769)		
	Extras and disbursements recovery	153,120	142,471		
	Registration fees	2,240	2,150		
		<hr/>	<hr/>		
		£1,664,229	£1,565,593		
		<hr/>	<hr/>		
3	OTHER INCOMING RESOURCES				
	Golf events income	5,076	3,876		
	Rents and lettings	31,065	31,831		
	Sundry income	24,152	16,637		
		<hr/>	<hr/>		
		£ 60,293	£ 52,344		
		<hr/>	<hr/>		
4	ANALYSIS OF RESOURCES EXPENDED				
		Staff costs £	Other costs £	Depreciation £	Total £
	Costs of generating funds				
	Financing costs	-	36,703	-	36,703
	Fundraising for voluntary resources	-	4,719	-	4,719
		<hr/>	<hr/>	<hr/>	<hr/>
		-	41,422	-	41,422
		<hr/>	<hr/>	<hr/>	<hr/>
	Charitable activities				
	Teaching	790,688	114,077	27,999	932,764
	Welfare	63,859	139,130	-	202,989
	Premises	93,450	252,515	28,110	374,075
	Supporting costs of schooling	144,844	73,114	4,574	222,532
		<hr/>	<hr/>	<hr/>	<hr/>
		1,092,841	578,836	60,683	1,732,360
		<hr/>	<hr/>	<hr/>	<hr/>
	Governance costs				
	Audit fee	-	10,106	-	10,106
	Minutes and other costs	-	574	-	574
		<hr/>	<hr/>	<hr/>	<hr/>
		-	10,680	-	10,680
		<hr/>	<hr/>	<hr/>	<hr/>
		<hr/>	<hr/>	<hr/>	<hr/>
		£1,092,841	£ 630,938	£ 60,683	£1,784,462

ST. EDMUND'S SCHOOL TRUST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2006****(Continued)**

5	STAFF COSTS	2006 £	2005 £
	Wages and salaries	935,400	827,584
	Social Security costs	76,179	66,789
	Pension contributions	81,262	79,899
		<hr/>	<hr/>
		£ 1,092,841	£ 974,272
		<hr/>	<hr/>
	The average monthly number of employees in the year was	Number	Number
	Teaching - full-time	19	19
	- part-time	11	10
	Other - full-time	10	9
	- part-time	8	7
		<hr/>	<hr/>
		48	45
		<hr/>	<hr/>

No employee received remuneration of more than £60,000

6 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 2005	1,348,854	386,756	124,505	53,270	63,029	1,976,414
Additions	-	57,410	9,284	44,134	-	110,828
Disposals	-	-	-	-	(350)	(350)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st August 2006	1,348,854	444,166	133,789	97,404	62,679	2,086,892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION						
At 1st September 2005	98,362	117,646	100,209	45,785	53,800	415,802
On disposals	-	-	-	-	(170)	(170)
Charge for the year	10,422	17,688	11,060	19,209	2,304	60,683
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st August 2006	108,784	135,334	111,269	64,994	55,934	476,315
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE						
At 31st August 2006	£1,240,070	£ 308,832	£ 22,520	£32,410	£ 6,745	£1,610,577
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st August 2005	£1,250,492	£ 269,110	£ 24,296	£ 7,485	£ 9,229	£1,560,612
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ST. EDMUND'S SCHOOL TRUST LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2006
(Continued)

		2006 £	2005 £
7	STOCK		
	Goods for resale	28,427	8,336
	Consumables	1,654	1,889
		<hr/>	<hr/>
		£ 30,081	£ 10,225
		<hr/>	<hr/>
8	DEBTORS		
	Fees debtors	478,624	472,663
	Other debtors and prepayments	51,281	38,070
		<hr/>	<hr/>
		£ 529,905	£ 510,733
		<hr/>	<hr/>
9	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Fees charged in advance	582,666	538,329
	Bank overdraft	105,397	-
	Bank loans (current instalments)	17,476	16,120
	Payroll taxes and social security costs	1,653	1,000
	Other creditors and accruals	151,844	161,249
		<hr/>	<hr/>
		£ 859,036	£ 716,698
		<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%

10	CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	Bank loans	522,643	541,550
	Other creditors	38,750	38,000
		<hr/>	<hr/>
		£ 561,393	£ 579,550
		<hr/>	<hr/>

The bank loans include £452,739 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 2006
(Continued)

11 FUNDS	General Fund £	Property Maintenance Reserve £	Swimming Pool Appeal Fund £	Total £
Balance at 1st September 2005	702,584	29,258	58,719	790,561
Net outgoing resources before transfers	(20,366)	(14,795)	(4,335)	(39,496)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31st August 2006	£ 682,218	£ 14,463	£ 54,384	£ 751,065
	<hr/>	<hr/>	<hr/>	<hr/>
REPRESENTED BY				
Tangible fixed assets	1,556,561	-	54,016	1,610,577
Net current (liabilities)/assets	(312,950)	14,463	368	(298,119)
Long term liabilities	(561,393)	-	-	(561,393)
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 682,218	£ 14,463	£ 54,384	£ 751,065
	<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 is a restricted fund and 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 2006****(Continued)****12 THE TEACHERS' PENSION SCHEME (ENGLAND AND WALES) – FINANCIAL NOTE****INTRODUCTION**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION ACCOUNT

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

Not less than every four years, with a supporting interim valuation in between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

Contributions are assessed in two parts. First, a standard contribution is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 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 6.5%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate will be 19.75% plus a supplementary contribution rate of 0.75%, a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost sharing agreement will also introduce, for the first time from the 2008 valuation, a 1.4% cap on employer contributions payable.