

REPORT AND ACCOUNTS
FOR YEAR ENDING 30TH JUNE 2005



THE GLASGOW ACADEMICALS'
WAR MEMORIAL TRUST
THE GLASGOW ACADEMY IS AN EDUCATIONAL CHARITY
REGISTERED IN SCOTLAND
CHARITY NUMBER SCO 15638 COMPANY NUMBER SC 11313

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST

THE GLASGOW ACADEMY IS AN EDUCATIONAL CHARITY REGISTERED IN SCOTLAND

CHARITY NUMBER SCO 15638

COMPANY NUMBER SC 11313

REPORT AND ACCOUNTS

For Year ending 30th June 2005

Chairman

J.G. JACK, M.A., C.A., C.T.A. ⁽²⁾

Honorary Governors

Sir MATTHEW D. GOODWIN, C.B.E., C.A.

Sir ANGUS M.M. GROSSART, C.B.E., LL.D., D.Litt., FR.S.E., D.L., D.B.A., M.A., LL.B., C.A., FR.S.A., F.C.I.B.S.

A.L. HOWIE, C.B.E.

Sir JEREMY ISAACS, M.A., D.Litt., LL.D., FR.S.A., FR.S.A.M.D., F.G.S.M.,

Com. de l'Ordre des Arts et des Lettres (France), Mem., Ordre pour le Mérite (France)

The Lord KERR OF KINLOCHARD, G.C.M.G., M.A., LL.D (St Andrews), LL.D (Glasgow)

Dr MAURICE LINDSAY, C.B.E., T.D., D.Litt., FR.I.A.S.

Professor Sir MALCOLM MACNAUGHTON, M.D., LL.D., F.R.C.O.G., F.R.C.P., FR.S.E.

W.M. MANN, C.A.

Professor Sir DAVID MASON, C.B.E., LL.D., B.D.S., M.D., FR.C.S., F.D.S., FR.C.Path., FR.S.E.

CHARLES MILLER SMITH, M.A., A.C.C.A., LL.D.

The Very Revd. Dr. WILLIAM J. MORRIS, K.C.V.O., D.D., LL.D.

A.D.S. ROLLAND, C.A., FR.C.P.S. (Glasgow)

W. LEGGAT SMITH, C.B.E., M.C., J.P., D.L., B.A., LL.D.

Dr MURRAY STUART, C.B.E., M.A., LL.B., C.A., D.Univ. F.C.T., FR.S.A.

Professor NORMAN STONE, M.A.

C.W. TURNER, B.Sc., A.K.C.

The Lord VALLANCE OF TUMMEL, M.Sc., D.Sc., D.Tech., D.B.A., D.Eng.

Governors

Mrs M. BRODIE, B.A. (Hons) ⁽⁴⁾

Mrs K.E. BROWN, M.B.C. S., C.I.T.P. ⁽¹⁾

R. de C. CHAPMAN, M.A. ⁽³⁾

L.M. CRAWFORD ^{(4) (5)}

B. G. DUNCAN, M.R.I.C.S. ⁽¹⁾

J.W. GILCHRIST, B.Arch, A.R.I.A.S. ^{(1) (8)}

Professor D. GOLDBERG B.Sc., D.Sc., M.B.Ch.B., F.R.C.P (Gla, Ed, Lon), F.F.P.H., M.F.P.H.I. ^{(3) (8)}

Mrs K.B. KELSO, LL.B, DipL.P., N.P. ^{(3) (7) (9)}

Mrs E.M. KER, B.Sc., M.R.Pharm.S. ^{(1) (5)}

Professor C.C. KIDD, FR.Hist.S., FR.S.E. ⁽²⁾

D.G. LINDSAY A.R.I.C.S. ⁽¹⁾

G.W. SCOTT, F.C.I.B.S. ^{(2) (7)}

Dr A. G. WADE, M.B.Ch.B., F.R.C.A. ⁽³⁾

J.B. PARK (*Nominated by the Glasgow Academical Club*) ^{(1) (9)}

Professor A. H. ANDERSON, O.B.E., M.A., Ph.D (*Nominated by the University of Glasgow*) ⁽³⁾

Secretary:

T.W. GEMMILL, LL.B., N.P. ^{(2) (6)}

Rector:

P. J. BRODIE, M.A., M.A. (Ed)

General Manager

Dr. W.R. KERR, F.C.I.S., F.C.I.M., F.H.C.I.M.A., PhD, M.B.A., M.Sc.

NOTICE IS HEREBY GIVEN that the Eighty Sixth Ordinary General Meeting of the Members of The Glasgow Academicals' War Memorial Trust will be held within the Music Department Performance Room of The Glasgow Academy, Colebrooke Street, Glasgow, on Friday 11th November 2005 at 12 noon for the following purposes:

To receive and consider the Annual Statement of Accounts and the Reports of the Governors and the Auditor

To re-appoint Baker Tilly, C.A., as Auditors and

To elect Governors and other Officers and to transact the ordinary business of the Trust.

Registered Office of the Trust
The Glasgow Academy
Colebrooke Street
Glasgow G12 8HE

By order of the Governors
T.W. Gemmill
Secretary
29th September 2005

(1) Member of the Property and General Purposes Committee.

(3) Member of the Education Committee.

(5) Member of the Games Committee.

(7) Member of Staff Liaison Committee.

(9) Co-opted to board.

(2) Member of the Finance Committee.

(4) Member of the Communications Committee.

(6) Member of Pay and Conditions Committee.

(8) Health & Safety Committee.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST

REPORT BY THE GOVERNORS

Year ended 30 June 2005

The Governors, who are also charitable Trustees and Directors of the company for the purposes of the Companies Acts, present their annual report and audited financial statements for the year ended 30th June 2005.

The Governors at 30th June 2005 are set out on Page 1. All have served on the Board for the full financial year except Professors Anderson and Goldberg and Mr Park, all of whom were appointed on 12th November 2004. In addition Messrs R M Hopkins, W M Mann, and K E Sandford served as Governors from 1st July 2004 until their resignation on 12th November 2004.

Principal Activity and Objectives

The Trust's whole activity is the development and administration of The Glasgow Academy as a school for boys and girls. The Trust was set up in 1920 as a Memorial to those former pupils of the school who gave their lives during the 1914-1918 war and the memory of that sacrifice is honoured by our community in various ways and at special events during the year.

The School aims not only to encourage pupils towards achievement at the highest levels of academic distinction, but also to introduce pupils to the contrasting demands of teamwork and leadership in expeditions, community activities and sport.

The School admits pupils from a wide range of backgrounds, including a large number from ethnic minorities. During the year ended 30th June 2005, 53 pupils received financial assistance towards the payment of school fees from our Scholarship and Bursary funds and the School's facilities were made available to a wide range of community groups. The Academy's inherited ethos of public service and self-sacrifice dictates that its pupils and staff dedicate themselves not only to high academic standards, but also to realising the wider communal obligations bequeathed to succeeding generations by its founders.

Financial Information and Future Developments

The group's surplus for the year to 30th June 2005 was £1,567,121 (2004 £470,362) after charging depreciation of £189,864 (2004 £149,296) and the cost of property purchased for demolition £nil (2004 £356,558) and crediting unrealised gains on investment assets of £586,587 (2004 £385,595) and an adjustment of £384,621 to the Fair Value of assets on the acquisition referred to below. Included in the surplus are Millennium Appeal income of £5,487 (2004 £8,376), Bursary and Scholarship Fund income less grants and awards of £14,912 (2004 £30,434) and the Capital Levy and interest credited to the Development Fund of £267,026 (2004 £234,691).

On 6th April 2005 the Trust acquired the entire share of capital of Dairsie House School Limited for £329,337. The amount of the 3 months trading surplus included in the Group accounts and attributable to Dairsie House was £30,987, which arises largely from the change in Dairsie's year end from 31st August to 30th June.

During the year, and in partnership with Jordanhill School, the Trust acquired additional playing field facilities, known as Lower Windyedge, at a cost to the Trust of £444,000.

A material sum continues to be spent each year on maintaining and upgrading premises including, during the year to 30th June 2005, our new Reception and Administration Centre (£152,000) and our new extension at Atholl (£269,000).

The Governors have approved and received planning permission for the construction of a new Preparatory School at the top of Colebrooke Terrace at a cost of approximately £6.5million. Building work should commence during the financial year to 30th June 2006.

At 30th June 2005, net current assets are £1,939,464 (2004 £2,573,758) and the assets of the Trust are sufficient to meet its liabilities.

The 2005/2006 Session has begun with 1092 pupils (591 boys and 501 girls) on the school roll plus 85 pupils in the Nursery and Kindergarten facilities. These numbers include 23 children of staff members in receipt of staff fee discounts and 55 pupils in receipt of scholarship or bursaries from The Academy's Bursary and Scholarship Funds and The Montrose Educational Trust.

Reserves Policy

It is the policy of the Trust to accumulate and retain sufficient reserves each year to fund current refurbishment programmes and future capital projects.

Fixed Assets

Land and buildings are shown in Note 3 to the Accounts. The major additions this year include the Dairsie House premises and Lower Windyedge playing fields referred to above. The Governors consider that the market value of land and buildings is not less than the book value and that any difference between potential market and book values is not significant given the future intended use of these assets.

The Montrose Education Trust

This Trust grants Bursaries and awards Scholarships to existing and prospective pupils of The Glasgow Academy. It is a separate Scottish charity managed by separate Trustees that awards Bursaries and Scholarships on the basis of need. At 30th June 2005 the funds were as follows:

	£
Investments at market value	1,057,177
Due by GAWMT	122,331
	<u>1,179,508</u>

Governance

During the year the Governors meet 7 times, including a weekend meeting to review strategy and performance. Certain Trust business is delegated to Committees of Governors, including Finance, Property and General Purposes, Investment, Education and Health and Safety Committees which meet regularly. A regular review of the risks facing the Trust and the controls to mitigate these risks is undertaken in accordance with best practice.

Mr W M Mann retired after 14 years as Chairman of the Governors at the AGM on 12th November 2004. His significant contribution to the School and the Trust is most gratefully acknowledged. Mr J G Jack was elected Chairman following his retirement.

Mrs K B Kelso and Messrs L M Crawford and J W Gilchrist retire at the AGM on 11th November 2005. They do not seek re-election although it is the intention to co-opt Mr Gilchrist for a further year.

Dr W.R. Chatfield, current President of the Glasgow Academical Club, has been nominated as a Governor by The Club to replace Mr J B Park who retires at this time.

The contribution of all those Governors retiring at this time is gratefully acknowledged.

A Resolution to re-appoint the existing Honorary Governors and to elect Messrs H Millar and I Veitch as Governors will be put to the Annual General Meeting.

Responsibilities of Governors

Company Law requires the Governors to prepare accounts for each financial period which give a true and fair view of the financial state of affairs of the Trust and of the Group and of the surplus or deficit of the Group for that period. In preparing those accounts, the Governors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and prepare the accounts on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

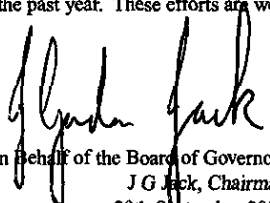
The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust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

School Staff

Mr D Comins retired as Rector of The Academy after 11 successful years. The Governors are deeply grateful for his efforts and commitment over this period. We are pleased to welcome Mr P Brodie as Rector from the start of the current session.

The Board of Governors wish to record their appreciation of the efforts and commitment of all of our staff during the past year. These efforts are well reflected in the success of our pupils.

The Glasgow Academy
Colebrooke Street
Glasgow G12 8HE


On Behalf of the Board of Governors
J G Jack, Chairman
29th September 2005

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME & EXPENDITURE ACCOUNT
For the year ended 30th June 2005

	School Non-designated £	School Designated £	Other £	2005 Total £	2004 Total £
Incoming Resources					
Fees receivable	6,984,682	226,818	-	7,211,500	6,573,441
School meals	276,579	-	-	276,579	281,749
Trading income	72,963	-	23,000	95,963	104,973
Investment income	58,586	163,221	-	221,807	188,171
Other income	21,575	-	-	21,575	29,492
Donations	5,467	10,000	-	15,467	11,357
	<u>7,419,852</u>	<u>400,039</u>	<u>23,000</u>	<u>7,842,891</u>	<u>7,189,183</u>
Resources Used					
Direct charitable expenditure:					
Teaching costs	4,938,531	-	-	4,938,531	4,473,615
Catering and medical costs	336,374	-	-	336,374	344,198
Premises	1,026,036	-	7,732	1,033,768	1,217,521
Grants, awards and prizes	5,318	108,100	-	113,418	90,612
Administration of the school	702,245	-	-	702,245	559,247
	<u>7,008,504</u>	<u>108,100</u>	<u>7,732</u>	<u>7,124,336</u>	<u>6,685,193</u>
Other expenditure:					
Management and administration of the charity	5,836	-	-	5,836	4,382
Finance costs	3,517	-	-	3,517	3,188
Trading expenditure	33,410	-	1,361	34,771	48,391
Total Resources Expended	<u>7,051,267</u>	<u>108,100</u>	<u>9,093</u>	<u>7,168,460</u>	<u>6,741,154</u>
Net Incoming Resources for this year	368,585	291,939	13,907	674,431	448,029
Exceptional expenditure	-	-	-	-	(356,558)
Other Recognised Gains and Losses					
Realised loss on investment assets	-	(78,518)	-	(78,518)	(6,704)
Net Income for the year	<u>368,585</u>	<u>213,421</u>	<u>-</u>	<u>595,913</u>	<u>84,767</u>
Unrealised gain on investment assets	-	586,587	-	586,587	385,595
Gain arising from Dairsie acquisition	384,621	-	-	384,621	-
Net movement in funds	<u>753,206</u>	<u>800,008</u>	<u>13,907</u>	<u>1,567,121</u>	<u>470,362</u>
Funds balance brought forward					
at 1st July 2004	9,500,377	644,015	14,062	10,158,454	9,688,092
Transfer between funds	-	-	-	-	-
Fund balances carried forward	<u>10,253,583</u>	<u>1,444,023</u>	<u>27,969</u>	<u>11,725,575</u>	<u>10,158,454</u>

All operations are continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30th June 2005

2004 £		2005 £
84,767	Net income for the year	595,913
385,595	Gain on investment assets - unrealised	586,587
-	Gain arising from Dairsie acquisition	384,621
<u>470,362</u>	Total gains and losses recognised since last annual report	<u>1,567,121</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30th June 2005

	2004		Note		2005
£		£		£	£
	178,290	Net cash inflows from operating activities	9		738,225
		Returns on investments and servicing of finance			
104,714		Investment income		113,690	
<u>83,457</u>		Bank and other interest		<u>108,098</u>	
	<u>188,171</u>				<u>221,788</u>
	366,461				960,013
		Capital expenditure and financial investment			
(44,178)		Purchase of tangible fixed assets		(902,321)	
-		Net cash outflow on acquisition of subsidiary		(151,717)	
663		Sale of tangible fixed assets		-	
(473,030)		Payment for investments		(495,898)	
<u>194,687</u>		Proceeds from sale of investments		<u>84,576</u>	
	<u>(321,858)</u>				<u>(1,465,360)</u>
	44,603	Increase/ (decrease) in cash			<u>(505,347)</u>

INDEPENDENT REPORT OF THE AUDITORS
to the members of The Glasgow Academicals' War Memorial Trust

We have audited the financial statements on pages 5 to 12, which have been prepared under the historical cost convention, with the exception of investments which are shown at market value, and the accounting policies set out on page 8.

This report is made solely to the Trust'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 Trust'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 Trust and the Trust'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

The Governors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' Responsibilities.

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

Basis of Opinion

We conducted our audit in accordance with 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 Group'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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Trust and of the Group as at 30th June 2005 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly
Chartered Accountants and Registered Auditors
Glasgow, 29th September 2005

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS for the year ended 30th June 2005

1 ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset buildings and investments at market value, and in accordance with the Companies Act 1985 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice*.

b. Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	2%	straight line	Hockey pitches: Works	3%	straight line
Motor Vehicles & Equipment	20-25%	straight line	Turf	10%	straight line

Items of equipment costing less than £50,000 are written off as an expense as acquired, as are Teaching Costs such as supplies of games equipment, books, stationery and sundry materials.

c. Fees

Fees consist of charges for the school year ending 30th June 2005, less bursaries and allowances.

d. Expenditure

Expenditure is allocated to expense headings on a direct cost basis with the irrecoverable element of VAT included within the item of expense to which it relates.

e. Grants

Grants related to expenditure on tangible assets are credited to revenue at the same rate as the depreciation on the assets to which the grants relate. The amounts shown in the balance sheet in respect of the grants consist of the total grants receivable to date, less the amounts so far credited to revenue.

f. Group Accounts

The group accounts consolidate the accounts of the Trust and its subsidiary undertakings. No revenue account is presented for the Trust as provided by Section 230 of the Companies Act 1985.

g. Fund Accounting

Non designated unrestricted funds comprise accumulated incoming resources of the school available for use at the discretion of the Governors in furtherance of the objectives of the school.

Designated funds are those funds transferred from general funds for a particular purpose at the discretion of the Board of Governors. This includes funds transferred for the purposes of the Millennium Appeal.

Restricted funds are created when donations are made for a particular area or purpose, the use of which is restricted to that area or purpose. The restricted funds within the accounts represent amounts received for the purposes of the Millennium Appeal.

h. Pensions

The Trust participates in, and the academic staff are members of, the Scottish Teachers' Superannuation Scheme. Staff, including higher paid employees, contribute 6% of salary and the participating employers contribution is 12.8%. The charge included in the accounts amounts to £365,669 (2004 £320,138) being the contributions payable by the school for the year. Certain non academic staff are in a defined contribution scheme whereby the Trust contributes 5% of salary.

The Scottish Public Pensions Agency (Teachers' Section) is available to staff of more than one employer and it is not possible to identify each institution's share of the underlying assets and liabilities of the scheme. In these circumstances, FRS17 provides for contributions to schemes to be accounted for as if it were a defined contribution scheme. As such, the cost recognised within the school's Income and Expenditure Account will be equal to the contribution payable to the scheme for the year.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS for the year ended 30th June 2005

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Direct Charitable Expenditure:				
Teaching costs	4,235,238	694,172	9,121	4,938,531
Catering and medical costs	175,792	160,582	-	336,374
Premises	159,904	694,169	179,696	1,033,769
Grants, awards and prizes	-	113,418	-	113,418
Administration of the school	254,483	446,715	1,047	702,245
	<u>4,825,417</u>	<u>2,109,056</u>	<u>189,864</u>	<u>7,124,337</u>
Other Expenditure:				
Administration of the charity	-	5,836	-	5,836
Finance costs	-	3,517	-	3,517
Trading expenditure	-	34,770	-	34,770
	<u>4,825,417</u>	<u>2,153,179</u>	<u>189,864</u>	<u>7,168,460</u>

3 TANGIBLE ASSETS

	Ground inc Athletic grounds £	Buildings £	Equipment £	Computer Equipment £	Motor Vehicles £	Hockey Pitches £	Total £
GROUP							
Cost at 1st July 2004	155,672	5,221,624	295,336	-	57,065	682,084	6,411,781
Added during year	500	493,918	8,780	7,140	-	443,755	954,093
Revaluation	-	514,045	-	-	-	-	514,045
Sold during year	-	-	-	-	-	-	-
Cost at 30th June 2005	<u>156,172</u>	<u>6,229,587</u>	<u>304,116</u>	<u>7,140</u>	<u>57,065</u>	<u>1,125,839</u>	<u>7,879,919</u>
Depreciation at 1st July 2004	-	1,380,111	295,336	-	43,260	265,766	1,984,473
Depreciation charge for year	-	119,667	473	1,047	8,648	60,029	189,864
Depreciation at 30th June 2005	-	<u>1,499,778</u>	<u>295,809</u>	<u>1,047</u>	<u>51,908</u>	<u>325,795</u>	<u>2,174,337</u>
Net book value 30th June 2005	<u>156,172</u>	<u>4,729,809</u>	<u>8,307</u>	<u>6,093</u>	<u>5,157</u>	<u>800,044</u>	<u>5,705,582</u>
1st July 2004	<u>155,672</u>	<u>3,841,513</u>	<u>-</u>	<u>-</u>	<u>13,805</u>	<u>416,318</u>	<u>4,427,308</u>

Included within Buildings is school property, which was valued at £550,000 by G.S.P.C. on 6 April 2005.

TRUST							
Cost at 1st July 2004	155,672	4,835,040	295,336	-	57,065	682,084	6,025,197
Added during year	-	458,565	-	-	-	443,755	902,320
Sold during year	-	-	-	-	-	-	-
Cost at 30th June 2005	<u>155,672</u>	<u>5,293,605</u>	<u>295,336</u>	<u>-</u>	<u>57,065</u>	<u>1,125,839</u>	<u>6,927,517</u>
Depreciation at 1st July 2004	-	1,310,762	295,336	-	43,260	265,766	1,915,124
Depreciation charge for year	-	105,872	-	-	8,648	60,029	174,549
Depreciation at 30th June 2005	-	<u>1,416,634</u>	<u>295,336</u>	<u>-</u>	<u>51,908</u>	<u>325,795</u>	<u>2,089,673</u>
Net book value 30th June 2005	<u>155,672</u>	<u>3,876,971</u>	<u>-</u>	<u>-</u>	<u>5,157</u>	<u>800,044</u>	<u>4,837,844</u>
1st July 2004	<u>155,672</u>	<u>3,524,278</u>	<u>-</u>	<u>-</u>	<u>13,805</u>	<u>416,318</u>	<u>4,110,073</u>

Capital expenditure contracted for but unprovided as at 30th June 2005 amounts to £nil.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS for the year ended 30th June 2005

4	EXPENDITURE	2005 £	2004 £
	Direct charitable expenditure includes:		
	Depreciation	<u>189,864</u>	<u>149,296</u>
	Management and administration of the charity includes:		
	Auditors' remuneration	<u>5,836</u>	<u>4,382</u>
5	STAFF COSTS		
	Wages and salaries	4,130,861	3,844,264
	Social Security costs	319,233	293,865
	Other pension costs	<u>375,323</u>	<u>328,686</u>
		<u>4,825,417</u>	<u>4,466,815</u>

The average number of employees in the year was Teaching Staff 102 (2004 – 90) and Support Staff 64 (2004 – 62).
Three employees of the Trust earned in excess of £50,000 during the year, two between £60,000 and £70,000 and the other between £90,000 and £100,000.

None of the Governors received remuneration during the year.

Apart from school fees there are no other related party transactions to disclose.

6	INVESTMENTS	GROUP Listed Investments	TRUST Listed Investments
		2005 £	2005 £
	Investments		
	Market value 1st July 2004	3,198,638	3,198,638
	Additions	495,898	495,898
	Net unrealised investment surplus	<u>586,587</u>	<u>586,587</u>
		4,281,123	4,281,123
	Investments realised	163,094	163,094
	Market value 30th June 2005	<u>4,118,029</u>	<u>4,118,029</u>
	Subsidiary Undertaking		
	At 30th June 2005	-	329,339
	Total Investments 30th June 2005	<u>4,118,029</u>	<u>4,447,368</u>
	Total Investments 30th June 2004	<u>3,198,638</u>	<u>3,198,639</u>

The listed investments are all listed in the London Stock Exchange and had a cost value of £3,643,101 at 30th June 2005 (2004 - £3,310,296).

The Trust has a 100% interest, comprising one ordinary share of £1, fully paid, in Glasgow Academy (Services) Limited, a company registered in Scotland and engaged in property investment.

The Trust has a 100% interest, comprising 1,570 shares at £5 each in Dairsie House School Limited, a company registered in Scotland and engaged in promoting the provision of primary education.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS for the year ended 30th June 2005

7 ALLOCATION OF NET ASSETS

The net assets are held for the funds as follows:-

	Fixed Assets		Net	Long	
	Tangible	Investments	Current	Term	Total
	£	£	Assets	Liabilities	£
	£	£	£	£	£
Unrestricted	<u>5,705,582</u>	<u>4,118,029</u>	<u>1,939,464</u>	<u>(37,500)</u>	<u>11,725,575</u>

8 RECONCILIATION OF MOVEMENTS IN RESERVES

Group Unrestricted	Bursary & Scholarship	Designated Development	Non Designated	Total
	£	£	£	£
At 1st July 2004	3,481,117	944,661	5,732,676	10,158,454
Surplus for the year	532,982	267,026	767,113	1,567,121
At 30th June 2005	<u>4,014,099</u>	<u>1,211,687</u>	<u>6,499,789</u>	<u>11,725,575</u>

70% of the Bursary & Scholarship Funds are attributable to The Robert A McMillan Bequest which may only be used for Bursaries and Scholarships for pupils of The Academy unless, in exceptional circumstances, the members of the Protecting Body (referred to in an Agreement registered 12th February 1998) unanimously agree that some of its income or, if necessary, its capital be used for the general purposes of The Academy.

The purpose of the development fund is to undertake new projects such as new buildings.

The surplus attributable to The Glasgow Academicals' War Memorial Trust was £1,220,417 (2004 £478,094).

9 RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH FLOWS

	2005	2004
	£	£
Surplus before exceptional expenditure	595,913	84,767
Depreciation charges	189,864	149,296
Decrease in debtors	95,032	22,614
Increase in creditors	4,436	107,493
Interest received	(108,098)	(83,457)
Gain on sale of fixed assets	-	(663)
Loss on investment realised	78,518	6,704
Income from listed investments	(113,690)	(104,714)
Grant released	<u>(3,750)</u>	<u>(3,750)</u>
	<u>738,225</u>	<u>178,290</u>

Operating Activities

Analysis of changes in net funds

	At 1st	Cash	At 30th
	July 2004	Flow	June 2005
	£	£	£
Cash in hand and at bank	<u>3,144,374</u>	<u>(505,347)</u>	<u>2,639,027</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS for the year ended 30th June 2005

10 DAIRSIE HOUSE SCHOOL LIMITED

On 6th April 2005, the Trust acquired the share capital of the above company. The assets and liabilities acquired, consideration and fair value adjustment are shown below:

	Book Value £	Adjustment £	Fair Value £
Land and buildings	35,955	514,045	550,000
Other fixed assets	16,229	-	16,229
Current assets	290,201	-	290,201
	<u>342,385</u>	<u>514,045</u>	<u>856,430</u>
Current liabilities	142,471	-	142,471
	<u>199,914</u>	<u>514,045</u>	<u>713,959</u>
Consideration paid			329,337
Capital reserve arising on acquisition			<u>384,622</u>

The fair value adjustment arises from revaluing the property to current market value.