

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 ended 30th June 2007

Chairman

J G JACK, MA CA CTA (2) (6) (7)

Honorary Governors

Sir MATTHEW D GOODWIN CBE CA

Sir ANGUS M M GROSSART CBE LL D DLitt FRSE DL DBA MA LLB, CA FRSA FCIBS
AL HOWIE CBE

Sir JEREMY ISAACS MA DLitt LL D FRSA, FRSA MD FGSM

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

The Lord KERR OF KINLOCHARD GCMG, MA LL D (St Andrews) LL D (Glasgow)

Dr MAURICE I LINDSAY CBE TD, DLitt FRSA

Professor Sir MALCOLM MACNAUGHTON, MD LL D FRCOG FRCP FRSE

WM MANN CA (6) (7)

Professor Sir DAVID MASON CBE LL D BDS MD FRCS, FDS FRCP Path FRSE

CHARLES MILLER SMITH MA ACCA LL D

The Very Revd Dr WILLIAM J MORRIS KCVO DD LL D

ADS ROLLAND CA FRCPs (Glasgow)

Dr MURRAY STUART CBE MA LLB, CA D Univ FCT FRSA

Professor NORMAN STONE MA

C W TURNER BSc AKC

The Lord VALLANCE OF TUMMEL MSc, DSc, D Tech DBA D Eng

Governors

Professor A H ANDERSON OBE MA PhD (3) Mrs M BRODIE, BA (Hons) (4) Mrs K F BROWN MBC SCITP (1) (5)

B G DUNCAN MRICS (1) JW GILCHRIST, BArch ARIAS (8)

Mrs E M KERR BSc MR Pharm S (1) (3) Professor C C KIDD FRHistS FRSE (3) DG LINDSAY ARIAS (1)

Dr G I McLAREN MB, ChB (Nominated by Glasgow Academical Club) (1) H A MILLAR (1)

G W SCOTT FCIBS (1) (5) (6) Professor M SIDDIQUI BA MA PhD DLitt FRSE, FRSA (3)

I R SPINNEY BA (Hons) Pg Dip PR Pg Dip Marketing (4)

Mrs A W SWANSON LLB (Hons) Dip LP Solicitor Advocate (1) I M VEITCH, BAcc, CA, FCIBS (2)

Secretary

T W GEMMILL LLB, N P (2)

Rector

P J BRODIE MA, MA (Ed)

General Manager

Dr WR KERR, FCIS FCIM FIH PhD, MBA MSc

Auditors	Baker Tilly UK Audit LLP Breckenridge House, 274 Sauchiehall Street Glasgow G2 3EH
Bankers	The Royal Bank of Scotland PLC 100 West George Street Glasgow G2 1PP
Legal Advisers	Carruthers Gemmill 81 Bath Street, Glasgow G2 2EH
Investment Advisers	Speirs & Jeffery, 36 Renfield Street Glasgow G2 1NA

NOTICE IS HEREBY GIVEN that the Eighty Eighth 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 9th November 2007 at 12 noon for the following purposes

- To receive and consider the Annual Statement of Accounts and the Reports of the Governors and the Auditors
- To re appoint Baker Tilly UK Audit LLP 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

27th September 2007

- (1) Member of Property Health & Safety Committee
- (3) Member of Education Committee
- (5) Member of Information Technology Committee
- (7) Member of Investment Committee

- (2) Member of Finance & Risk Committee
- (4) Member of Communications Committee
- (6) Member of Development Committee
- (8) Co opted to Board

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST

REPORT BY THE GOVERNORS

Year ended 30 June 2007

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 2007

The Governors at 30th June 2007 are set out on Page 1. All have served on the Board for the full financial year except Dr G I McLaren, Professor M Siddiqui, Mr I R Spinney and Mrs A W Swanson, all of whom were appointed on 10th November 2006. In addition Mr R de C Chapman and Drs W R Chatfield and A G Wade served as Governors from 1st July 2006 until their resignation on 10th November 2006. Professor D Goldberg served until his resignation on 15th January 2007.

Structure, Governance and Management

Governing Document

The Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11th June 1920 as subsequently amended. It is registered as a Scottish charity.

Board of Governors

The Board consists of thirteen elected Governors plus two Governors nominated by the Senates of Glasgow and Strathclyde Universities and The Glasgow Academical Club. The Board has the power to co-opt a further two Governors, giving a maximum total of seventeen Governors. Nominations for elected Governors are invited from members of the Board and other interested parties on the basis of the Board's specifications concerning eligibility, personal competence, specialist skills and local availability. Nominations are submitted to the Annual General Meeting for election.

Mr G W Scott, Mrs M Brodie and Mr D G Lindsay retire at the AGM on 9th November 2007. Mr Scott does not seek re-election. Mr J W Gilchrist has been co-opted to the Board on an annual basis since the last AGM. It is the Board's intention to co-opt Mr Gilchrist for a further year. Mr W Mitchell, current President of the Glasgow Academical Club, has been nominated as a Governor by The Club to replace Dr G I McLaren 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 Mrs M Brodie, Mr D G Lindsay and Dr G I McLaren and Mrs H Grierson 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 the 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 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.

Induction and Training

New Governors are inducted into the workings of The Trust, including Board policy and procedures, at an induction event conducted by the Chairman and General Manager which includes a familiarisation tour of the school's facilities. Governors also receive training on the various aspects of their role through regular briefings at Governors' Meetings and periodic refresher training on their roles and responsibilities delivered during an annual weekend meeting. Governors are also encouraged to attend relevant external courses.

Organisational Management

The Board of Governors administers the Trust and met 7 times during the year, including a weekend away meeting to review strategy and performance. Certain of the Trust's business is delegated to Committees of Governors including Finance & Risk, Property, Health & Safety, Investment, Education, Development and Information Communication Technology Committees which meet regularly. A review of the Committees' performance is taken each year to better serve current and future priorities.

The Rector is appointed by the Governors to manage the day to day operations of the Trust. To facilitate effective operations, the Rector and the General Manager have delegated authority, within terms approved by the Governors, for operational matters including finance, employment and educational matters.

Group Structure

The Trust owns all of the share capital of Glasgow Academical Services Limited, a company which undertook no significant activities during the year. The Trust also owns all the share capital of Dairie House School Limited which was acquired in the year to 30th June 2005.

Risk Management

A regular review of the risks facing the Trust and the controls in place to mitigate these risks is undertaken both by the Finance and Risk Committee and the full Board. Particular attention has focussed on financial risk including the project management of our new preparatory building, the purchase of further property to facilitate the achievement of our 2020 Vision, health and safety risks, child protection risks, reputational risk and the retention of our charitable status. The Governors are satisfied that the major risks identified have been mitigated as appropriate but recognise that systems can only provide reasonable and not absolute assurance in such areas.

Charitable Objectives and Activities

The Trust's principal objective is the advancement of education through 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 Glasgow Academy's aim is to provide a first class independent education. The School aims not only to encourage pupils towards achievement at the highest levels of academic and artistic distinction but also to introduce pupils to the contrasting demands and benefits 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. The Governors are committed to widening access to the school and its facilities. During the year ended 30th June 2007, 68 pupils received financial assistance 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.

The Academy has also cultivated a reputation as a "family school" whenever possible giving preference at entry to brothers and sisters of pupils already at the school provided this appears to be in the best interest of the individual pupil.

During the 2006/2007 session, the school has focussed on the continued achievement of academic performance and has continued to expand its new personal tutoring system to monitor and encourage every pupil. The drive to ensure excellence in our facilities has continued through an ambitious refurbishment programme, significant improvements to our information technology available for both education and administration but most particularly in the construction of our new Preparatory School at Kelvinbridge which should be completed by the end of 2007. The Development and External Relations function has forged closer links with our Academic community and is involved heavily in considering how future developments in the school estate may be funded.

In June 2007 we published our 2020 Vision document which sets out our longer term objectives and priorities for our future development. A project to acquire additional property adjacent to the School has also commenced to provide additional space to realise the ambitions set out in our 2020 Vision document.

Achievements and Performance

The 2007/2008 Session has begun with 1113 pupils (592 boys and 521 girls) on the school roll plus 85 pupils in the Nursery and Kindergarten facilities. We are pleased that we have been able to attract and retain healthy numbers of pupils in every year group.

Results in the 2007 SQA examinations reflected the high standards for which The Academy strives. At Standard Grade 86% of pupils gained credit passes. At Higher Grade we achieved a 91.5% pass rate and 89.7% at Advanced Higher.

The School has had many notable sporting achievements over the past year at both team and individual level with a number of players being selected for international duty.

Notable management achievements during the year include the consolidation of new personal support arrangements for pupils, the implementation of the new Health and Safety Plan, the launch of our new 2020 Vision, the construction of our new preparatory school and the purchase of property in Colebrooke Street/Colebrooke Place.

The Glasgow Academy also contributes to the public benefit in many ways. During the year we have undertaken fundraising for a number of charities including Hope and Homes for Children and Children First. Our sixth year pupils held a number of special events benefiting charities and the local community. In addition to maintaining our War Memorial at Kelvinbridge, we also continue to make The Academy's sporting facilities, performance rooms and other facilities available to growing numbers in our community.

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.

Financial Review

The group's net incoming resources from the year's operations excluding the performance of investment assets was £1 079 031 (2006 £694,870) after charging depreciation of £194 399 (2006 £193 828). The Governors had planned to achieve this increase in 2006/07 to offset increases in our bank overdraft during the construction of the new preparatory school.

The group's surplus for the year to 30th June 2007 was £2,406 325 (2006 £1 221 441) after crediting realised gains of £585 944 (2006 £176 329) and unrealised gains on investments assets of £741,350 (2006 £350,242). Included in the surplus are Bursary and Scholarship Fund income less grants and awards of £19 307 (2006 £139 553) and the capital levy and interest credited to the Development Fund of £366 665 (2006 £314 248). These results approximate to our expectations when original budgets were set.

A material sum continues to be spent each year on maintaining and upgrading premises including the construction of a new Preparatory School at the top of Colebrooke Terrace estimated at a total cost in excess of £7 million. Building work on the new Preparatory School undertaken during the year to 30th June 2007 was valued at £3.8m.

At 30th June 2007 net current liabilities are £471 026 (2006 net current assets were £1 404 546). Fixed Assets are shown in note 3 to the accounts. The Governors consider that the market value of land and buildings is not less than cost, and that any difference between the potential market and book values is not significant given the future intended use of these assets.

During the year the Trust's investment portfolio increased in value by 13% in line with improving markets. The Investment Committee aims to maximise the long term return on our investments while maintaining income. It also seeks to preserve the real value of endowed investments to ensure sufficient funds are available to maintain and increase grants from endowment funds in future years.

It is the policy of the Trust to accumulate and retain sufficient reserves each year to fund current refurbishment and future capital projects. All reserves at the end of the year will be fully utilised in the construction of our new Preparatory School, and our bankers have indicated that they will provide funding facilities of up to £6 million which should be sufficient to cover the shortfall during and following construction. A reassessment of our reserves policy will be required on completion of this major project.

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 2007 the funds were as follows:

	£
Investments at market value	1 301,200
Due by GAWMT	152 049
	<u>1 453 249</u>

The Kelly Trust

This Trust was set up to grant Bursaries to those pupils in need of financial assistance. It is a separate Scottish charity managed by separate Trustees. At 31st July 2007 the accounting date of the trust the funds were as follows:

	£
Investments at market value	24 805
Due to GAWMT	(44)
	<u>24,761</u>

Future Plans

Over the course of the next two years The Glasgow Academicals' War Memorial Trust will continue to implement existing strategies in relation to improvement in educational delivery and facilities, most significantly completing and occupying the new Preparatory School building in the early part of 2008, thereby freeing up space in the existing Preparatory School for alternative uses, and the purchase of adjoining property.

The Governors and Senior Management Team are currently working on business plans to ensure the delivery of our 2020 Vision to achieve state of the art delivery of education in the Arts, Sciences and Sports. Our first approach to our community to request financial help for these projects will take place in October 2007.

On Behalf of the Board of Governors
J G Jack Chairman
27th September 2007

The Glasgow Academy
Colebrooke Street
Glasgow G12 8HE

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME & EXPENDITURE ACCOUNT
For the year ended 30th June 2007

	Non-designated £	Designated £	Other £	2007 Total £	2006 Total £
INCOMING RESOURCES					
Incoming resources from charitable activities					
Fees receivable	8 096 027	356 324		8 452 351	7 816 686
Catering income	385 565			385 565	351,286
Incoming resources from generated funds					
Voluntary income					
Donations		163 430		163 430	1 150
Activities for generating funds					
Hire of facilities	52 741			52 741	50 961
Other income	25 558			25 558	24 162
Investment income	18 934	161 996		180 930	326,023
Total Incoming Resources	<u>8 578 825</u>	<u>681 750</u>		<u>9 260 575</u>	<u>8 570,268</u>
RESOURCES EXPENDED					
Charitable activities					
Teaching costs	5 523 680			5 523 680	5 398 902
Catering and medical costs	451 719			451 719	405 851
Premises	1,146 554		7 732	1 154 286	1,236 846
Grants awards and prizes	4,139	131 273		135 412	92 705
Administration of the school	897 034			897 034	723 385
Investment costs					
Finance costs	10 639			10,639	6 591
Governance costs					
Management and administration of the charity	7 916		858	8 774	11,118
Total Resources Expended	<u>8 041,681</u>	<u>131 273</u>	<u>8 590</u>	<u>8 181 544</u>	<u>7 875 398</u>
Net Incoming Resources for this year	537 144	550 477	(8 590)	1 079 031	694 870
Other Recognised Gains and Losses					
Realised gain/(loss) on investment assets	595,916	(9,972)		585,944	176 329
Net Income for the year	1,133 060	540 505	(8 590)	1 664 975	871,199
Unrealised gain on investment assets		741,350		741,350	350,242
Net movement in funds	1 133 060	1 281 855	(8 590)	2,406,325	1 221 441
Funds balance brought forward					
at 1st July 2006	10 497 683	2 425 543	23 790	12 947 016	11 725 575
Fund balances carried forward 30th June 2007	<u>11 630 743</u>	<u>3 707 398</u>	<u>15 200</u>	<u>15 353,341</u>	<u>12 947 016</u>

All operations are continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30th June 2007

2006 £		2007 £
871 199	Net income for the year	1 664,975
350 242	Gain on investment assets unrealised	741 350
<u>1 221 441</u>	Total gains and losses recognised since last annual report	<u>2 406,325</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
BALANCE SHEET as at 30th June 2007

GROUP	TRUST		GROUP	TRUST	
2006	2006	Note	2007	2007	
£	£		£	£	
FIXED ASSETS					
7,047 139	6 216 868	Tangible assets	3	10,729 946	9 928 528
4 529 081	4 858 419	Investments	6	5 124 421	5 453 759
<u>11,576 220</u>	<u>11 075 287</u>		<u>15 854 367</u>	<u>15 382 287</u>	
CURRENT ASSETS					
Amounts recoverable within one year					
90 406	90,406	Debtors	108 009	108,009	
3 091	3,091	Prepayments	6 107	6 107	
2,075 250	2 075 250	Cash at bank and in hand	9	104 062	104 062
Amounts recoverable after one year					
	391 300	Amounts owed by subsidiary company			391 300
84 050	84 050	Glasgow Academical Club	84,050	84 050	
<u>2 252 797</u>	<u>2,644 097</u>		<u>302 228</u>	<u>693 528</u>	
CREDITORS – amounts falling due within one year					
196 637	196 637	Trade creditors	258 152	258 152	
236 110	236 110	Accruals	132 013	132 013	
175 160	175 160	Taxes and social security costs	138 819	138 972	
240 344	240 146	Other creditors	244 270	244 119	
	128 333	Due to subsidiary company		127 276	
<u>848 251</u>	<u>976 386</u>		<u>773 254</u>	<u>900 532</u>	
<u>1 404 546</u>	<u>1 667,711</u>	NET CURRENT (LIABILITIES) / ASSETS	(471,026)	(207 004)	
12 980 766	12,742,998	TOTAL ASSETS LESS CURRENT (LIABILITIES) / ASSETS	15 383 341	15 175 283	
ACCRUALS & DEFERRED INCOME					
33 750	33 750	Deferred grant	30 000	30 000	
<u>12 947 016</u>	<u>12 709 248</u>	NET ASSETS	<u>15 353 341</u>	<u>15 145 283</u>	
FUNDS					
12,947 016	12 709 248	Unrestricted	8	15 353 341	15 145 283
<u>12 947 016</u>	<u>12 709,248</u>		<u>15 353 341</u>	<u>15 145 283</u>	

The financial statements on pages 5 to 11 were approved and authorised for issue by the Board on 27th September 2007

J G Jack

J M Veitch

) Governors

)

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June 2007

	2006		Note		2007
£	£			£	£
	537 845	Net cash inflows from operating activities	9		993 134
		Returns on investments and servicing of finance			
223 110		Investment income		140 844	
102 913		Bank and other interest		<u>40 086</u>	
	<u>326 023</u>				<u>180 930</u>
	863 868				1 174 064
		Capital expenditure and financial investment			
(1 543 164)		Purchase of tangible fixed assets		(3,906 290)	
		Sale of property		625 000	
(339 201)		Payment for investments		(728,535)	
454 720		Proceeds from sale of investments		<u>864 573</u>	
	<u>(1 427 645)</u>				<u>(3 145 252)</u>
	(563,777)	(Decrease) in cash	9		(1,971,188)

INDEPENDENT REPORT OF THE AUDITORS

We have audited the financial statements on pages 5 to 11, 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 (United Kingdom Generally Accepted Accounting Practice) 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 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 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 other transactions is not disclosed. We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Governors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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 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 affairs of the Trust and of the Group as at 30th June 2007 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

and have been properly prepared in accordance with the provisions of the Companies Act 2006.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP,
Chartered Accountants and Registered Auditors
Glasgow 27th September 2007

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS for the year ended 30th June 2007

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 (SORP 2005)*

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 ended 30th June 2007 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

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

h Pensions

The Trust participates in and the academic staff are members of the Scottish Teachers' Superannuation Scheme. Staff including higher paid employees contribute 6.4% of salary and the participating employers' contribution is 13.5%. Certain non-teaching staff are members of a defined contribution scheme whereby the Trust contributes 5% of salary. The charge included in the accounts amounts to £444,909 (2006: £397,345) being the contributions payable by the school for the year

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 2007

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Direct Charitable Expenditure				
Teaching costs	4 800,812	720 290	2 578	5 523,680
Catering and medical costs	217 880	233 839		451 719
Premises	192 976	769 489	191 821	1 154 286
Grants awards and prizes		135 412		135,412
Administration of the school	441 529	455 505		897 034
	<u>5 653 197</u>	<u>2 314 535</u>	<u>194 399</u>	<u>8 162,131</u>
Other Expenditure				
Finance costs		10 639		10 639
Management and administration of the charity		8 774		8 774
	<u>5 653 197</u>	<u>2 333 948</u>	<u>194 399</u>	<u>8 181 544</u>

3 TANGIBLE ASSETS

	Ground inc Athletic grounds £	Buildings £	Equipment £	Motor Vehicles £	Hockey Pitches £	Total £
GROUP						
Cost at 1st July 2006	156 172	7 779 372	295 336	57,065	1 125 839	9 413,784
Added during year		3 906 290				3 906 290
Sold during year		(56 100)				(56 100)
Cost at 30th June 2007	<u>156 172</u>	<u>11 629,562</u>	<u>295 336</u>	<u>57 065</u>	<u>1 125 839</u>	<u>13 263 974</u>
Depreciation at 1st July 2006		1,631 000	295 336	54,486	385 823	2,366 645
Depreciation charge for year		131 792		2 579	60 028	194,399
Written off during year		(27 016)				(27 016)
Depreciation at 30th June 2007		<u>1 735 776</u>	<u>295 336</u>	<u>57,065</u>	<u>445 851</u>	<u>2 534 028</u>
Net book value						
30th June 2007	<u>156 172</u>	<u>9 893 786</u>			<u>679 988</u>	<u>10 729 946</u>
1st July 2006	<u>156 172</u>	<u>6 148 372</u>		<u>2,579</u>	<u>740,016</u>	<u>7 047 139</u>
TRUST						
Cost at 1st July 2006	155 672	6 836 769	295 336	57 065	1 125 839	8 470 681
Added during year		3 906 290				3 906 290
Sold during year		(56 100)				(56 100)
Cost at 30th June 2007	<u>155 672</u>	<u>10,686 959</u>	<u>295 336</u>	<u>57 065</u>	<u>1 125 839</u>	<u>12 320 871</u>
Depreciation at 1st July 2006		1 518 168	295 336	54 486	385 823	2 253 813
Depreciation charge for year		102,939		2 579	60 028	165 546
Sold during year		(27 016)				(27 016)
Depreciation at 30th June 2007		<u>1 594 091</u>	<u>295 336</u>	<u>57,065</u>	<u>445 851</u>	<u>2,392 343</u>
Net book value						
30th June 2007	<u>155 672</u>	<u>9 092 868</u>			<u>679 988</u>	<u>9 928 528</u>
1st July 2006	<u>155 672</u>	<u>5 318 601</u>		<u>2 579</u>	<u>740 016</u>	<u>6,216 868</u>

At 30th June 2007 the Trust had entered into commitments to purchase property in Colebrooke Street and Colebrooke Place at a cost of £300 000 (2006 nil)

In addition commitments for completion of the new prep school at June 2007 totalled £3 0m (2006 £6 7m)

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS for the year ended 30th June 2007

4 EXPENDITURE

	2007	2006
	£	£
Direct charitable expenditure includes		
Depreciation	194,399	193,828
Assets written off	<u>194,399</u>	<u>14,400</u>
	<u><u>194,399</u></u>	<u><u>208,228</u></u>
Management and administration of the charity includes		
Auditors' remuneration	<u>8,321</u>	<u>8,248</u>

5 STAFF COSTS

	£	£
Wages and salaries	4,814,620	4,581,282
Social Security costs	393,668	386,659
Other pension costs	<u>444,909</u>	<u>397,345</u>
	<u><u>5,653,197</u></u>	<u><u>5,365,286</u></u>

The average number of employees in the year was Teaching Staff 105 (2006 – 105) and Support Staff 65 (2006 – 63).
Three employees of the Trust earned in excess of £60,000 during the year: two between £60,000 and £70,000 and one between £90,000 and £100,000. Employers' pension contributions in respect of these employees amount to £23,651 (2006 – £20,867).

None of the Governors received remuneration during the year.

Apart from normal school fees paid by parent governors there are no other related party transactions to disclose.

6 INVESTMENTS

	GROUP Listed Investments	TRUST Listed Investments
	2007	2007
	£	£
Investments		
Market value 1st July 2006	4,529,081	4,529,081
Additions	728,535	728,535
Net unrealised investment surplus	<u>741,350</u>	<u>741,350</u>
	<u>5,998,966</u>	<u>5,998,966</u>
Investments realised	(874,545)	(874,545)
Market value 30th June 2007	<u>5,124,421</u>	<u>5,124,421</u>
Subsidiary Undertaking		
30th June 2006 and 30th June 2007 at cost		329,338
Total Investments 30th June 2007	<u>5,124,421</u>	<u>5,453,759</u>
Total Investments 30th June 2006	<u>4,529,081</u>	<u>4,858,419</u>

The listed investments are all listed in the London Stock Exchange and had a cost value of £3,557,900 at 30th June 2007 (2006 – £3,703,911).

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 2007

7 ALLOCATION OF NET ASSETS

The net assets are held for the funds as follows

	Fixed Assets		Net Current Liabilities	Long Term Liabilities	Total
	Tangible	Investments			
	£	£	£	£	£
At 30 June 2007	<u>10 729 946</u>	<u>5 124 421</u>	<u>(471,026)</u>	<u>(30 000)</u>	<u>15 353 341</u>

All funds are unrestricted except for bursary and scholarship funds totalling £5 433 497

8 RECONCILIATION OF MOVEMENTS IN RESERVES

Group	Bursary & Scholarship	Designated Development	Non Designated	Total
	£	£	£	£
At 1st July 2006	4 681 422	1,525,884	6 739 710	12 947 016
Surplus for the year	<u>752 075</u>	<u>529 780</u>	<u>1 124,470</u>	<u>2,406 325</u>
At 30th June 2007	<u>5 433 497</u>	<u>2,055 664</u>	<u>7,864 180</u>	<u>15 353 341</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 £2 436 035 (2006 £1 255,356)

9 RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH FLOWS

	2007	2006
	£	£
Net income for the year	1 664 975	871 199
Depreciation charges	194 399	193 828
Assets written off		7 779
(Increase) / Decrease in debtors	(20,619)	12 294
(Decrease) in creditors	(74 997)	(41 153)
Interest received	(40 086)	(102 913)
Loss / (Gain) on investment realised	9 972	(176 329)
Gain on sale of fixed asset	(595,916)	
Income from listed investments	(140 844)	(223 110)
Grant released	<u>(3 750)</u>	<u>(3 750)</u>
	<u>993 134</u>	<u>537,845</u>

Operating Activities

Analysis of changes in net funds

	At 1st July 2006	Cash Flow	At 30th June 2007
	£	£	£
Cash in hand and at bank	<u>2 075 250</u>	<u>(1 971 188)</u>	<u>104 062</u>