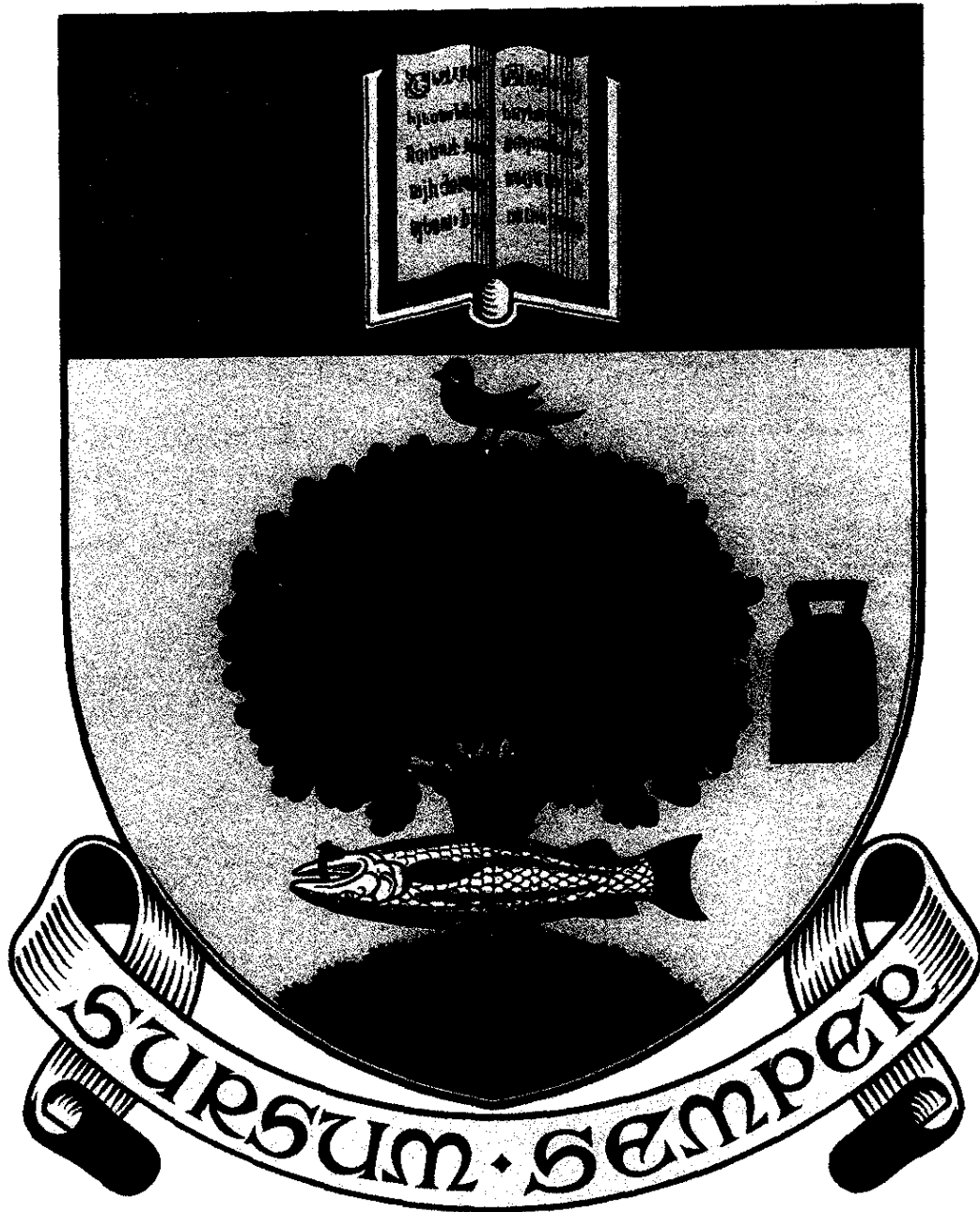


THE HIGH SCHOOL

of Glasgow Limited

REGISTERED IN EDINBURGH UNDER NO. 45882



REPORT AND ACCOUNTS
30 JUNE 2000



THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Directors' Report For The Year Ended 30 June 2000

STATUS AND ADMINISTRATION

The High School of Glasgow was founded at the Glasgow Cathedral in the twelfth century. Its incorporation date as a limited company and last change of name was 28 February 1974. It is registered in Edinburgh under number 45882. The company is also recognised as a charity under number SCO14768 by the Inland Revenue.

DIRECTORS

The Directors of the Company, who are also the Charity Trustees and the Governors of the School and who served during the year were:

G. A. Anderson, C.B.E., C.A., F.C.M.A. (Chairman)

B.C. Adair, T.D., LL.B.

G.A.F. Arthur, C.Eng., F.I.C.E., F.I.E.S.

Professor Sir Michael R. Bond, M.D., Ph.D., D.Sc., F.R.C.S. (Edin), F.R.C.Psych., F.R.C.P. (Glasgow), D.P.M., F.R.S.E. (Vice-Chairman)

Mrs. A.M.B. Currie, LL.B.

Mr. W. Dunlop, LL.B.

W.G. Gardiner, C.A.

Mrs S.C. Harkness, D.C.E., N.F.F., N.F.T.D.

Dr A. C. Kaye, M.B., B.S., D.CH.

Mrs. L. Keith, M.A., P.G.Cert.Ed., I.T.Q.

D.J. Maclay, B.Sc., C.A.

P. Morrison, M.A. B.Sc.

Professor V.A. Muscatelli, M.A., Ph.D., F.R.S.A.

T.F. O'Connell, C.A., A.T.I.I.

G. Russell

R.M. Williamson, M.A., LL.B., F.R.S.A.

On 6 December 1999 Mrs L. Keith was appointed as director. With effect from 1 July 2000 Dr A.C. Kaye retired from the Board and at the Annual General Meeting, 12 December 2000, Mr. G. Russell will retire as director.

Directors retiring by rotation, all of whom are eligible for re-election, are:

B.C. Adair

G.A.F. Arthur

T. O'Connell

R.M. Williamson

PROFESSIONAL ADVISORS AND KEY PERSONNEL

The Rector: Mr R.G. Easton, O.B.E., M.A., Dip.Ed.

The Headmistress: Miss E.N.D. Robertson, M.A., Cert.Ed.

The Bursar: Mr G. Simonis

Registered Office: 637 Crow Road
Anniesland
Glasgow
G13 1PL

Bankers: Clydesdale Bank PLC
124 Drymen Road
Bearsden
Glasgow
G61 3RB

Solicitors: MacRoberts
152 Bath Street
Glasgow
G2 4TB

Auditors: Ernst & Young
George House
50 George Square
Glasgow
G2 1RR

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Directors' Report Continued For The Year Ended 30 June 2000

OBJECTS

The objects as set out in the Memorandum are to provide the best possible education for boys and girls between the ages of 3 and 18.

ORGANISATION

The Directors determine the general policy. The day to day management is delegated to the Rector, the Headmistress and the Bursar.

POLICY

In accordance with the Memorandum, the High School of Glasgow is an independent, co-educational day school.

The aim of the School is to create a happy, caring and ordered community in which the individual can achieve his or her full potential both academically and socially.

REVIEW

The pupil numbers have been consistent with expectations at around 1035. It is expected that this number will remain at around 1040. A total of 54 pupils received awards through the Assisted Places Scheme and our Bursary Fund. The total value of this support excluding the Government's contribution was £ 61,612. The Senior School Drama Studio Extension was completed on 17 April 2000 and officially opened on 7 September 2000. The Glasgow High School Club Limited has continued to develop its project at Anniesland. The School has made payments of £854,474 towards the project during the year. Additional payments may be made from time to time depending on further developments and financial need.

THE FINANCIAL RESULTS

The year's financial result is satisfactory and, after charging all expenditure applicable to the year, including a provision of £ 265,532 for depreciation, there is a surplus of £ 400,598 added to the General Fund.

INVESTMENT POWERS

These are governed by the Memorandum and Articles which permit the funds to be invested in any security listed on the Stock Exchange.

RESOURCES

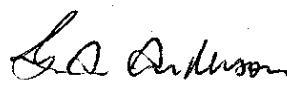
There are at present no restrictions on the resources for a specific purpose. The whole of the General Fund is therefore available for the day to day requirements. The assets are sufficient to meet its obligations.

AUDITORS

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

Approved by the Board of the Directors,
Signed on its behalf by:

Date: 7 November 2000

Chairman, 

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Statement of Directors' Responsibilities

The purpose of this statement is to distinguish the directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs and of the surplus or deficit for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that it will continue in business.

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

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Report of the Auditors to the Members of The High School of Glasgow Limited

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and accounting policies set out on page 8.

Respective Responsibilities of directors and auditors

As described on page 3 the directors (who also act as trustees for the charitable activities of The High School of Glasgow Limited) are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on the accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

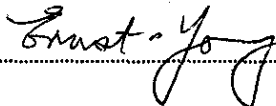
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the charitable company as at 30 June 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor
GLASGOW

Signed:



Dated:

7 November 2000

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Statement of Financial Activities For The Year Ended 30 June 2000

		Income and Expenditure Account				
		1999	2000	2000	2000	1999
		Unrestricted Funds	Unrestricted Funds	Endowment Funds	Total	Total
		£	£	£	£	£
INCOMING RESOURCES	Notes					
Fees Receivable		4,351,901	4,628,359	-	4,628,359	4,351,901
Other Income	2	128,252	131,021	-	131,021	128,252
Donations	1d & 10	-	-	709,431	709,431	1,052,175
		4,480,153	4,759,380	709,431	5,468,811	5,532,328
Bank and Other Interest		8,202	8,363	-	8,363	8,202
Total Incoming Resources		4,488,355	4,767,743	709,431	5,477,174	5,540,530
RESOURCES USED						
Direct Charitable Expenditure						
Teaching		3,001,481	3,166,734	-	3,166,734	3,001,481
Welfare		145,848	165,986	-	165,986	145,848
Premises		470,411	522,761	-	522,761	470,411
Support		274,982	306,293	-	306,293	274,982
Other Income Costs		185,093	222,093	-	222,093	185,093
Donations		41,000	-	-	-	41,000
		4,118,815	4,383,867	-	4,383,867	4,118,815
Other Expenditure:						
Management and Administration of the Charity		57,310	54,529	-	54,529	57,310
Interest		20,633	32,639	-	32,639	20,633
Total Resources Expended	3 & 4	4,196,758	4,471,035	-	4,471,035	4,196,758
Net incoming resources before transfers		291,597	296,708	709,431	1,006,139	1,343,772
Transfers		73,901	103,890	(103,890)	-	-
NET INCOMING RESOURCES		365,498	400,598	605,541	1,006,139	1,343,772
Balance brought forward at 1 July 1999		2,646,461	3,011,959	3,001,192	6,013,151	4,669,379
Balance carried forward at 30 June 2000		3,011,959	3,412,557	3,606,733	7,019,290	6,013,151

The Income and Expenditure Account is represented by the unrestricted funds columns

The notes on pages 8 to 12 form part of these accounts.

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Balance Sheet 30 June 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible fixed assets			
Land, buildings and equipment	5	8,011,277	6,251,909
CURRENT ASSETS			
Stocks	6	30,160	29,617
Debtors	7	82,411	70,099
Cash		1,757	187,661
		114,328	287,377
CREDITORS: Due within one year	8	(1,043,171)	(502,832)
NET CURRENT LIABILITIES		(928,843)	(215,455)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,082,434	6,036,454
CREDITORS: due after more than one year			
Hire Purchase	9	(63,144)	(23,303)
		(63,144)	(23,303)
		7,019,290	6,013,151
ENDOWMENT FUNDS			
	10	3,606,733	3,001,192
UNRESTRICTED GENERAL FUNDS			
	10	3,412,557	3,011,959
		7,019,290	6,013,151

Approved by the Board of the Directors,
Signed on its behalf by:

Date: 1 November 2000 Chairman, G. D. Anderson

The notes on pages 8 to 12 form part of these accounts.

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Cash Flow Statement For The Year Ended 30 June 2000

	Notes	2000 £	1999 £	
Net cash flow from operating activities	a	605,150	612,617	
Returns on investment and servicing of finance	b	(19,427)	(12,431)	
Capital expenditure	c	(1,283,484)	(232,898)	
Cash flow before financing		(697,761)	367,288	
Financing	d	(81,161)	(183,075)	
Increase / (Decrease) in cash		(778,922)	184,213	
Reconciliation of net cash flow to movement in net debt				
Increase (Decrease) in cash in the period		(778,922)	184,213	
Cash to repay loans		45,606	174,984	
Cash to repay capital element of hire purchase payments		35,555	8,091	
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS		(697,761)	367,288	
New hire purchase agreement		(101,599)	(34,174)	
MOVEMENT IN NET DEBT		(799,360)	333,114	
Net debt as at 1 July 1999		101,112	(232,002)	
NET FUNDS / (DEBT) as at 30 June 2000		(698,248)	101,112	
a) Reconciliation of operating surplus to net cash in flow from operating activities				
Net incoming resources		1,006,139	1,343,772	
Endowment income		(709,431)	(1,052,175)	
Interest received		(8,363)	(8,202)	
Interest paid		22,415	13,865	
Interest element of hire purchase agreement		10,224	6,768	
Loss on disposal of tangible fixed assets		552	4,000	
Depreciation		265,532	209,727	
Decrease / (Increase) in stock		(543)	1,920	
Decrease / (Increase) in debtors		(12,312)	44,144	
Increase / (Decrease) in creditors		30,937	48,798	
		605,150	612,617	
b) Returns on investment and servicing of finance				
Interest received		8,363	8,202	
Interest paid		(17,566)	(13,865)	
Interest element of hire purchase agreements		(10,224)	(6,768)	
		(19,427)	(12,431)	
c) Capital expenditure				
Payments to acquire tangible assets		(1,283,484)	(1,286,623)	
Receipts from sale of tangible assets		-	1,550	
Receipts from The High School of Glasgow Educational Trust		-	1,052,175	
		(1,283,484)	(232,898)	
d) Financing				
Repayment of capital element of loan		(45,606)	(174,984)	
Repayment of capital element of hire purchase agreements		(35,555)	(8,091)	
		(81,161)	(183,075)	
Analysis of changes in net debt				
	1 July 1999	Cash Flow	Other	30 June 2000
Cash in hand	187,661	(185,904)	-	1,757
Bank overdraft	-	(593,018)	-	(593,018)
Debt due within one year	(45,606)	45,606	-	-
Hire purchase agreements	(40,943)	35,555	(101,599)	(106,987)
	101,112	(697,761)	(101,599)	(698,248)

The notes on pages 8 to 12 form part of these accounts.

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Notes to the Accounts For The Year Ended 30 June 2000

1. ACCOUNTING POLICIES

a) Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting by Charities.

b) Tangible Fixed Assets

Depreciation on tangible fixed assets is provided at rates calculated to reduce their book values to estimated realisable value at the end of their useful lives.

Rates of depreciation - Permanent Buildings - 2 % per annum straight line.

- Furniture, Equipment,

Computers and Vehicles - Rates ranging from 33 1/3% to 10% p.a. straight line.

Additions not brought into use by the end of the year are not depreciated.

c) Stocks

BOOKS

These are valued at cost and are written off over a period of three years.

OTHER ITEMS

These are valued at the lower of cost and net realisable value. The cost consists of purchase cost on a first-in first-out basis. Net realisable value is based on estimated selling prices less further costs expected to be incurred on disposal.

d) Endowment Funds

Donations are received from the High School of Glasgow Educational Trust and the Drewsteignton School Development Trust towards the cost of building projects. These are classified as endowment income and a proportion is transferred to the unrestricted general funds annually over the expected life of the buildings. Any other donations towards fixed assets are treated in a similar manner to that described above.

e) Fees

Fees consist of all tuition and other charges for the school year ending 30 June 2000.

f) Teaching Costs

Supplies of books, stationery, sundry materials and games equipment are written off when the expenditure is incurred.

g) Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

h) Leasing and Hire Purchase Commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Assets subject to hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The corresponding hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

i) Pensions

Pension cost charges represent the contributions payable to the schemes concerned.

The School participates in the Scottish Teachers' Superannuation Scheme for Staff. This Scheme is notionally funded and provides members with defined benefits based on final pensionable salary. The employer's contributions are assessed every five years by the Independent Government Actuary. The current employer's rate is 6.9% (1998 - 6.9 %) and the employees contribute 6%.

The total pension cost in respect of this scheme for the year was £ 144,735 (1999 - £135,989) and represents a fair estimate of the annual pension cost as defined by SSAP 24. Accordingly, this is the amount charged in the accounts.

The School also operates a defined contribution scheme for administrative staff. The assets of the scheme are held separately from those of the School in an independently administered fund. The total pension cost of this scheme for the year was £ 25,395. (1999 - £24,487)

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Notes to the Accounts (Continued) **For The Year Ended 30 June 2000**

	2000	1999
	£	£
2. OTHER INCOME		
Registration Fees	5,175	4,516
Letting of Games Hall	1,993	3,098
Sundry Income	108,437	107,015
After School Care	15,416	13,623
Total other income received	131,021	128,252
3. STAFF COSTS		
Salaries and wages	2,751,633	2,594,093
Social security costs	201,925	192,158
Pension costs	170,131	160,476
	3,123,689	2,946,727
The average number of employees in the year was:	No.	No.
Teaching: Full time	66	65
Part time	32	33
Teaching Support	10	9
Welfare	14	15
Janitors	8	8
Cleaners	21	20
Administration	15	13
	166	163
The directors received no remuneration or reimbursement of expenses during the year.		
The number of employees whose emoluments exceeded £40,000 were:		
£40,000 - £50,000	2	2
£70,000 - £80,000	1	1
Management and Administration of the charity includes:		
Auditor's Remuneration: - For Audit	7,500	6,500

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Notes to the Accounts (Continued) For The Year Ended 30 June 2000

4. Analysis of Total Resources Expended

	Staff costs £	Other costs £	Depreciation £	Total £
Direct Charitable Expenditure:				
Teaching costs	2,607,596	431,571	127,567	3,166,734
Welfare costs	81,291	84,695	-	165,986
Premises costs	197,398	187,398	137,965	522,761
Support costs	218,089	88,204	-	306,293
Grants and Other Costs	-	222,093	-	222,093
	<u>3,104,374</u>	<u>1,013,961</u>	<u>265,532</u>	<u>4,383,867</u>
Other Expenditure:				
Charity administration	19,315	35,214	-	54,529
Interest	-	32,639	-	32,639
	<u>3,123,689</u>	<u>1,081,814</u>	<u>265,532</u>	<u>4,471,035</u>

5. Tangible Assets

Anniesland, Glasgow

	Freehold land and Buildings £	Furniture Fittings Equipment £	Vehicles £	Total £
Cost at 1 July 1999	3,770,616	1,163,666	70,484	5,004,766
Additions	1,648,407	189,494	-	1,837,901
Disposals	-	(18,186)	(1,400)	(19,586)
Cost at 30 June 2000	<u>5,419,023</u>	<u>1,334,974</u>	<u>69,084</u>	<u>6,823,081</u>
Depreciation at 1 July 1999	888,356	695,151	18,102	1,601,609
Depreciation for the year	74,711	99,279	8,429	182,419
Disposals	-	(18,186)	(848)	(19,034)
Aggregate at 30 June 2000	<u>963,067</u>	<u>776,244</u>	<u>25,683</u>	<u>1,764,994</u>
Book value at 30 June 2000	<u>4,455,956</u>	<u>558,730</u>	<u>43,401</u>	<u>5,058,087</u>
Book value at 1 July 1999	<u>2,882,260</u>	<u>468,515</u>	<u>52,382</u>	<u>3,403,157</u>

Ledcameroch Road, Bearsden

Cost at 1 July 1999	3,037,461	228,443		3,265,904
Additions	128,770	58,781		187,551
Cost at 30 June 2000	<u>3,166,231</u>	<u>287,224</u>		<u>3,453,455</u>
Depreciation at 1 July 1999	288,798	128,354		417,152
Depreciation for the year	63,254	19,859		83,113
Aggregate at 30 June 2000	<u>352,052</u>	<u>148,213</u>		<u>500,265</u>
Book value at 30 June 2000	<u>2,814,179</u>	<u>139,011</u>		<u>2,953,190</u>
Book value at 1 July 1999	<u>2,748,663</u>	<u>100,089</u>		<u>2,848,752</u>

Total Tangible Assets as at 30 June 2000

	<u>7,270,135</u>	<u>697,741</u>	<u>43,401</u>	<u>8,011,277</u>
Total Tangible Assets as at 30 June 1999	<u>5,630,923</u>	<u>568,604</u>	<u>52,382</u>	<u>6,251,909</u>

The net book value of fixed assets includes an amount of £137,874 (1999 - £ 58,344) in respect of assets held under hire purchase contracts.

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Notes to the Accounts (Continued) **For The Year Ended 30 June 2000**

	2000 £	1999 £
6. Stocks		
Books	22,762	22,341
Goods for re-sale	6,430	6,720
Other stock items, not for sale	968	556
	<u>30,160</u>	<u>29,617</u>
7. Debtors		
Fees	1,804	17,902
Other debtors	22,960	24,505
Prepayments and accrued income	57,647	27,692
	<u>82,411</u>	<u>70,099</u>
8. Creditors: Due within one year		
Bank overdraft / term loan	593,018	45,606
Hire Purchase (note 9)	43,843	17,640
Trade creditors	91,028	44,400
Other creditors	19,303	14,520
Other taxation and social security	89,947	92,600
Accruals and deferred income	206,032	288,066
	<u>1,043,171</u>	<u>502,832</u>
<i>Bank Overdraft</i>		
The bank overdraft is secured over all of the Company's Assets. After the balance sheet date the temporary overdraft has been converted to a term loan of £1,300,000. There is an additional overdraft facility of £700,000 with the Clydesdale Bank PLC, reviewable on 1 October 2001, which will enable the Company's liabilities to be met as they fall due.		
9. Creditors: Due after more than one year		
Clydesdale Bank Term Loan		
Amounts payable within one year	-	46,117
Amounts payable within two to five years	-	-
	-	<u>46,117</u>
Less: Finance charges allocated to future periods	-	(511)
	-	<u>45,606</u>
The Term Loan is analysed as follows:		
Current obligations (note 8)	-	45,606
Non-current obligations	-	-
	-	<u>45,606</u>
Obligations under Hire Purchase Contracts		
Amounts payable within one year	50,450	20,462
Amounts payable within two to five years	68,214	24,862
	118,664	45,324
Less: Finance charges allocated to future periods	(11,677)	(4,381)
	<u>106,987</u>	<u>40,943</u>
Hire Purchase contracts are analysed as follows:		
Current obligations (note 8)	43,843	17,640
Non-current obligations	63,144	23,303
	<u>106,987</u>	<u>40,943</u>

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Notes to the Accounts (Continued) For The Year Ended 30 June 2000

10. Allocation of the Net Assets	Unrestricted Funds	Endowment Funds	Total	1999
Fixed Assets	4,404,544	3,606,733	8,011,277	6,251,909
Current Assets	114,328	-	114,328	287,377
Creditors, due within one year	(1,043,171)	-	(1,043,171)	(502,832)
Creditors, due after one year	(63,144)	-	(63,144)	(23,303)
	<u>3,412,557</u>	<u>3,606,733</u>	<u>7,019,290</u>	<u>6,013,151</u>

Endowment Funds	Balance at 1 July 1999	Received this year	Transferred this year	Balance at 30 June 2000
High School of Glasgow Educational Trust	2,942,412	-	(99,480)	2,842,932
Drewsteignton Development Trust	39,072	-	(1,455)	37,617
Other Endowments	19,708	709,431	(2,955)	726,184
	<u>3,001,192</u>	<u>709,431</u>	<u>(103,890)</u>	<u>3,606,733</u>

11. Operating Lease Commitments

Commitments under operating lease arrangements to make payments in 2000/2001 on leases expiring:

Within one year	2,626	3,501
Within two to five years	-	2,626
	<u>2,626</u>	<u>6,127</u>

12. Contracts and Commitments

Capital Expenditure authorised by the Directors and contracted	<u>125,000</u>	<u>920,000</u>
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13. Contingent Liability

The final account for the Junior School Phase II Development has not yet been agreed. The contractor, John Dickie of Glasgow, is seeking a loss compensation of around £100,000. Wylie Shanks, architects acting on the School's behalf, are satisfied that the contract was completed out of time but on budget. It is possible that the matter may ultimately need to be referred to arbitration for a proposed settlement.

Two major capital projects are being undertaken by a third party at Old Anniesland. Funding has been secured in the form of various grants and donations and the continued fundraising programme. As these projects will benefit the School, it has been agreed to make payments in respect of the costs of the projects and to underwrite any shortfall between their final cost and other funds raised. The possible shortfall at the Balance Sheet date is estimated to be up to £100,000. This value assumes the recovery by the third party of VAT related to the projects. Should such a recovery not be achieved and alternative grants and donations not be secured the shortfall would increase by up to £400,000. Based on professional advice, no provision has been made in this respect.