
Directors' Report
For The Year Ended 30 June 2003

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 was 19 August 1968 and its last change of name was on 28 February 1974. It is registered in Edinburgh under number 45882 as a company not having a share capital and limited by guarantee. The company is also recognised as a charity under number SC014768 by the Inland Revenue. The High School of Glasgow is governed by its Memorandum and Articles of Association last reviewed in 1993.

Directors

The directors are drawn from the local community, local business community, education interests, parents of pupils and former pupils. The Board seek to ensure that the members possess the range of interest and skills relevant to the objectives of the The High School of Glasgow. The directors of the Company, who are also the Charity Trustees and the Governors of the School and who served during the year were:

Chairman

Professor Sir Michael R. Bond, M.D., Ph.D., D.Sc., D.Univ., F.R.C.S., F.R.C.Psych., F.R.C.P., F.R.C.A., D.P.M., F.R.S.E., F.R.S.A.

Vice-Chairman

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

Other Directors

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

Sherriff W. Dunlop, LL.B.

P. Forgie, M.C.I.B.S.

W.G. Gardiner, C.A.

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

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

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

J.Y. Miller, C.A.

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

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

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

K.A. Scott

Dr A.C.E. Short, M.B., Ch.B., F.R.C.G.P., D.R.C.O.G.

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

At the Annual General Meeting on 9 December 2003 Mrs. A.M.B. Currie and Mr K.A. Scott retire as directors.

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

Mr. B.C. Adair

Mrs. L. Keith

Mr. T.F. O'Connell

Dr A.C.E. Short

Mr. R.M. Williamson



THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Directors' Report For The Year Ended 30 June 2003

PROFESSIONAL ADVISORS AND KEY PERSONNEL

The Rector: Dr. R.G. Easton, O.B.E., D.Univ., M.A., Dip.Ed.

The Head Teacher of the Junior School Mrs. K.R. Waugh, B.A., D.C.E.

The Bursar: 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: Grant Thornton
95 Bothwell Street
Glasgow
G2 7JZ

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 2003

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 Head Teacher of the Junior School and the Bursar.

POLICY

In accordance with the Memorandum, The High School of Glasgow is an independent, co-educational day school. Its aim 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 number of pupils has been consistent with expectations at around 1050.

Forty-three pupils received awards totalling £79,905 by way of bursaries and the Assisted Places Scheme.

The Barlow Ramsay Building for Information and Communications Technology was completed during the year to 30 June 2003 and has been in use from the beginning of the Autumn Term 2003. The total cost of this facility was approximately £1,055,000, of which £955,000 was incurred up to 30 June 2003. A donation of £514,602 was received from Dr Alastair G Ramsay and Dr Anne Barlow Ramsay towards the cost of this facility.

THE FINANCIAL RESULTS

The year's financial result is satisfactory and, after charging all expenditure applicable to the year, including a provision of £ 371,419 for depreciation, there is a surplus of £ 317,224 added to the General Fund.

INVESTMENT POWERS

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

RESOURCES

The directors consider that the total resources at the disposal of the Company are sufficient to carry out their current plans for the School.

RESERVES POLICY

The total reserves of the company amount to almost £8.5m. These consist of endowment funds and retained reserves. They are wholly invested in school facilities. It is the directors' intention to continue the current practice whereby the reserves are increased to provide funds for the future development of the school.

RISK MANAGEMENT

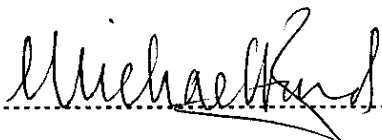
The Board is responsible for the management of the risks faced by the School. Risks are identified, assessed and controls established throughout the year. The School's risks review processes are undertaken annually. Through these processes the directors are satisfied that the major risks identified, have been adequately mitigated where necessary. It recognises that systems can only provide reasonable, but not absolute assurance that major risks have been adequately

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Grant Thornton as auditors will be put to the Annual General Meeting.

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

Date: 21 October 2003 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 of the Company 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 of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company 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

Independent Auditors' Report to the Members of THE HIGH SCHOOL OF GLASGOW LIMITED

We have audited the financial statements of The High School of Glasgow Limited for the year ended 30 June 2003 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 13. *These financial statements have been prepared under the accounting policies set out therein.*

This report is made solely to the company'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 company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' 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, in our opinion, the directors' 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. 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 OPINION

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the 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.

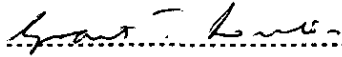
OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANT

GLASGOW

Dated: 21 October 2003

Signed: 

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 2003

		Income and Expenditure Account				
		2002	2003	2003	2003	2002
		Unrestricted Funds	Unrestricted Funds	Endowment Funds	Total	Total
		£	£	£	£	£
INCOMING RESOURCES	Notes					
Fees receivable		5,576,747	5,870,996	-	5,870,996	5,576,747
Other income	2	84,081	101,855	-	101,855	84,081
Donations	1d & 10	-		636,337	636,337	146,364
		5,660,828	5,972,851	636,337	6,609,188	5,807,192
Bank and other interest		1,603	852	-	852	1,603
Total incoming resources		5,662,431	5,973,703	636,337	6,610,040	5,808,795
RESOURCES USED						
Direct charitable expenditure						
Teaching		3,903,627	3,954,367	-	3,954,367	3,903,627
Welfare		111,298	154,731	-	154,731	111,298
Premises		825,692	914,809	-	914,809	825,692
Support		348,626	355,877	-	355,877	348,626
Other income costs		258,408	267,817	-	267,817	258,408
		5,447,651	5,647,601	-	5,647,601	5,447,651
Other expenditure:						
Management and administration of the Charity		106,862	119,373	-	119,373	106,862
Interest		66,813	52,660	-	52,660	66,813
Total resources expended	3 & 4	5,621,326	5,819,633	-	5,819,633	5,621,325
Net incoming resources before transfers		41,106	154,070	636,336	790,406	187,470
Transfers	1d	161,646	163,154	(163,154)	-	-
NET INCOMING RESOURCES		202,751	317,224	473,182	790,406	187,470
Balance brought forward at 30 June 2002		3,616,295	3,977,167	3,693,399	7,670,566	7,483,096
Balance carried forward at 30 June 2003		3,819,046	4,294,391	4,166,581	8,460,972	7,670,565

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

The notes on pages 8 to 14 form part of these accounts.

THE HIGH SCHOOL

of Glasgow Limited

A Company Limited by Guarantee and Registered as a Charity

Balance Sheet as at 30 June 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets			
Land, buildings and equipment	5	9,813,687	8,809,583
CURRENT ASSETS			
Stocks	6	39,518	34,544
Debtors	7	102,016	100,779
Cash		1,390	3,255
		142,924	138,578
CREDITORS: Due within one year	8	(1,035,253)	(615,645)
NET CURRENT LIABILITIES		(892,329)	(477,067)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,921,358	8,332,516
CREDITORS: due after more than one year			
Bank loan	9	(421,096)	(625,282)
Hire purchase agreements	9	(39,290)	(36,668)
		(460,386)	(661,950)
		8,460,972	7,670,566
ENDOWMENT FUNDS	10	4,166,581	3,693,399
UNRESTRICTED GENERAL FUNDS	10	4,294,391	3,977,167
		8,460,972	7,670,566

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

Date: 21 October 2003 Chairman,



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 2003

	Notes	2003 £	2002 £
Net cash inflow from operating activities	a	642,636	607,367
Returns on investment and servicing of finance	b	(51,808)	(70,147)
Capital expenditure	c	(664,313)	(188,646)
Cash flow before financing		(73,485)	348,574
Financing	d	(263,574)	(245,653)
Increase / (Decrease) in cash		(337,059)	102,921

Reconciliation of net cash flow to movement in net debt

Increase (Decrease) in cash in the period	(337,059)	102,921
Cash to repay loans	192,272	186,243
Cash to repay capital element of hire purchase payments	71,302	59,410
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(73,485)	348,574
New hire purchase agreement	(77,953)	(8,688)
MOVEMENT IN NET DEBT	(151,438)	339,886
Net debt as at 1 July 2002	(942,821)	(1,282,707)
NET FUNDS / (DEBT) as at 30 June 2003	(1,094,259)	(942,821)

a) Reconciliation of operating surplus to net cash in flow from operating activities

Net incoming resources	790,405	345,591
Endowment income	(636,336)	(146,364)
Interest received	(852)	(1,603)
Interest paid	41,353	56,210
Interest element of hire purchase agreement	11,307	10,403
Loss on disposal of tangible fixed assets	3,081	779
Depreciation	371,419	360,168
Decrease / (Increase) in stock	(4,974)	(1,298)
Decrease / (Increase) in debtors	(1,237)	(23,141)
Increase / (Decrease) in creditors	68,470	6,622
	642,636	607,367

Interest received	852	1,603
Interest paid	(41,353)	(61,347)
Interest element of hire purchase agreements	(11,307)	(10,403)
	(51,808)	(70,147)

c) Capital expenditure

Payments to acquire tangible assets	(670,363)	(191,646)
Receipts from sale of tangible assets	6,050	3,000
	(664,313)	(188,646)

d) Financing

Repayment of loans	(192,272)	(186,243)
Repayment of capital element of hire purchase agreements	(71,302)	(59,410)
	(263,574)	(245,653)

Analysis of changes in net debt

	30 June 2002	Cash Flow	Other	30 June 2003
Cash in hand	3,255	(1,865)	-	1,390
Bank overdraft	(48,500)	(335,194)	-	(383,694)
Debt due within 5 years	(813,757)	192,272	-	(621,485)
Hire purchase agreements	(83,819)	71,302	(77,953)	(90,470)
	(942,821)	(73,485)	(77,953)	(1,094,259)

The notes on pages 8 to 14 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 2003

1. ACCOUNTING POLICIES

a) **Basis of Preparation**

The accounts are prepared in accordance with The Charities (Accounts and Reports) Regulations 2002 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in November 2000 (the Charities SORP), and with applicable accounting standards. The accounts are prepared on a historical cost basis.

b) **Fixed Assets**

Depreciation on 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.

The High School of Glasgow does not capitalise repairs or renewals of a capital nature with values of below £300.

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 to mitigate the effects of the depreciation charge. Any other donations towards the costs of fixed assets are treated similarly.

e) **Fees**

Fees consist of all tuition and other charges for the school year ended 30 June 2003.

f) **Teaching Costs**

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

g) **Expenditure**

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (direct charitable)
- expenditure incurred in the management and administration of the charity.

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 costs represent the contributions payable to the schemes concerned.

Defined Benefit Scheme

The School participates in the national Scottish Teachers' Superannuation Scheme for Staff. This Scheme is notionally funded and provides members with defined benefits based on final pensionable salary. The Scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 17 therefore, the Scheme is accounted for as a defined contribution scheme. The employer's contributions are assessed every five years by the Independent Government Actuary. The current employer's rate is 7.40% (2002 - 7.15%) and the employees contribute 6%. The total pension cost in respect of this scheme for the year was £ 194,777 (2002 - £ 177,088) and represents a fair estimate of the annual pension cost as defined by SSAP 24. Accordingly, this is the amount charged in the accounts.

Defined Contribution Scheme

The School also operates a Contract Based Stakeholder Pension Plan for support 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 £ 44,032 (2002 £ 39,045).

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 2003

	2003 £	2002 £
2. OTHER INCOME		
Registration fees	5,425	5,292
Letting of games hall	5,723	1,031
Sundry income	48,800	53,486
After school care	41,907	24,272
	<u>101,855</u>	<u>84,081</u>
3. STAFF COSTS		
Salaries and wages	3,540,390	3,327,586
Social security costs	249,369	247,135
Pension costs	238,809	216,133
	<u>4,028,568</u>	<u>3,790,854</u>
	No.	No.
The average number of employees in the year was:		
Teaching	98	98
Support	65	62
	<u>163</u>	<u>160</u>
The number of employees whose emoluments exceeded £ 50,000 were:		
£50,000 - £60,000	1	1
£90,000 - £100,000	1	1
	<u>11,231</u>	<u>10,168</u>
Pension contributions incurred for these two employees		

The directors received no remuneration or reimbursement of expenses during the year.

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 2003

4. Analysis of total resources expended

	Staff costs £	Other costs £	Depreciation £	Total £
Direct charitable expenditure:				
Teaching costs	3,384,561	390,897	178,908	3,954,367
Welfare costs	58,244	96,487	-	154,731
Premises costs	259,130	463,168	192,511	914,809
Support costs	275,153	80,724	-	355,877
Grants and other costs	-	267,817	-	267,817
	<u>3,977,088</u>	<u>1,299,094</u>	<u>371,419</u>	<u>5,647,601</u>
Other expenditure:				
Charity administration	51,480	65,543	-	117,023
Interest	-	52,660	-	52,660
	<u>4,028,568</u>	<u>1,417,297</u>	<u>371,419</u>	<u>5,817,284</u>

	2003	2002
Total resources expended include:		
Auditors' remuneration		
Audit services	8,813	7,638
Non-audit services	990	793
Depreciation:		
Fixed assets, owned	347,475	344,467
Fixed assets, held under HP contracts	23,944	15,702
Operating lease payments in this year	30,572	28,137

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 2003

5. Tangible assets

Anniesland, Glasgow	Freehold land and Buildings £	Furniture Fittings Equipment £	Vehicles £	Total £
Cost at 1 July 2002	6,372,553	1,449,515	57,906	7,879,974
Additions	1,078,083	210,936	2,344	1,291,363
Disposals	-	-	(13,672)	(13,672)
Cost at 30 June 2003	<u>7,450,636</u>	<u>1,660,451</u>	<u>46,578</u>	<u>9,157,665</u>
Depreciation at 1 July 2002	1,213,264	784,162	20,187	2,017,613
Depreciation for the year	126,224	146,314	6,698	279,236
Disposals	-	-	(4,541)	(4,541)
Aggregate at 30 June 2003	<u>1,339,488</u>	<u>930,476</u>	<u>22,344</u>	<u>2,292,308</u>
Book value at 30 June 2003	<u>6,111,148</u>	<u>729,975</u>	<u>24,234</u>	<u>6,865,357</u>
Book value at 1 July 2002	<u>5,159,289</u>	<u>665,353</u>	<u>37,719</u>	<u>5,862,361</u>
 Ledcameroch road, Bearsden				
Cost at 1 July 2002	3,237,796	391,645		3,629,441
Additions	76,491	16,800		93,291
Cost at 30 June 2003	<u>3,314,287</u>	<u>408,445</u>		<u>3,722,732</u>
Depreciation at 1 July 2002	480,936	201,283		682,219
Depreciation for the year	66,287	25,896		92,183
Aggregate at 30 June 2003	<u>547,223</u>	<u>227,179</u>		<u>774,402</u>
Book value at 30 June 2003	<u>2,767,064</u>	<u>181,266</u>		<u>2,948,330</u>
Book value at 1 July 2002	<u>2,756,860</u>	<u>190,362</u>		<u>2,947,222</u>
Total tangible assets as at 30 June 2003	<u>8,878,212</u>	<u>911,241</u>	<u>24,234</u>	<u>9,813,687</u>
Total tangible assets as at 30 June 2002	<u>7,916,149</u>	<u>855,715</u>	<u>37,719</u>	<u>8,809,583</u>

The written down value of assets held under HP contracts included here is £ 178,795 (£ 104,586).

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 2003

	2003 £	2002 £
6. Stocks		
Books	23,990	24,446
Goods for re-sale	7,237	9,060
Other stock items, not for sale	8,291	1,038
	<u>39,518</u>	<u>34,544</u>
7. Debtors		
Fees	17,683	24,241
Other debtors	27,198	34,394
Prepayments and accrued income	57,135	42,144
	<u>102,016</u>	<u>100,779</u>
8. Creditors: Due within one year		
Bank overdraft	383,694	48,500
Term loan (note 9)	200,389	188,475
Hire purchase agreements (note 9)	51,180	47,151
Trade creditors	105,957	68,826
Other creditors	24,101	17,215
Other taxation and social security	92,443	84,936
Pension creditors	39,669	38,624
Accruals and deferred income	137,820	121,919
	<u>1,035,253</u>	<u>615,645</u>

Bank Overdraft

The bank overdraft is secured over all of the Company's Assets. There is an overdraft facility of £1,000,000 with the Clydesdale Bank PLC, reviewable on 31 August 2004, which will enable the Company's liabilities to be met as they fall due.

9. Creditors: Due after more than one year

Loans

Bank loan, wholly repayable within five years	621,485	813,757
Less: included in creditors due within one year	(200,389)	(188,475)
	<u>421,096</u>	<u>625,282</u>
Amounts repayable:		
In one year or less	200,389	188,475
In more than one year but not more than two years	208,284	198,119
In more than two years but not more than five years	212,812	427,163
	<u>621,485</u>	<u>813,757</u>

The loan is secured by a fixed charge on the land and buildings and a floating charge over the assets of the Company.

Obligations under Hire Purchase Contracts

Amounts payable within one year	56,629	53,373
Amounts payable within two to five years	41,993	36,828
	98,622	90,201
Less: Finance charges allocated to future periods	(8,152)	(6,382)
	<u>90,470</u>	<u>83,819</u>
Hire Purchase contracts are analysed as follows:		
Current obligations (note 8)	51,180	47,151
Non-current obligations	39,290	36,668
	<u>90,470</u>	<u>83,819</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 2003

10. Allocation of the net assets	Unrestricted Funds	Endowment Funds	Total	2002
Fixed assets	5,647,106	4,166,582	9,813,687	8,809,583
Current assets	142,924	-	142,924	138,578
Creditors, due within one year	(1,035,253)	-	(1,035,253)	(615,645)
Creditors, due after one year	(460,386)	-	(460,386)	(661,950)
	<u>4,294,390</u>	<u>4,166,582</u>	<u>8,460,971</u>	<u>7,670,566</u>

Endowment funds	Balance at 1 July 2002	Received this year	Transferred this year	Balance at 30 June 2003
The High School of Glasgow Educational Trust	3,625,561	613,875	(153,757)	4,085,679
The Drewsteignton School Development Trust	34,707	-	(1,455)	33,252
Other Endowments	33,131	22,462	(7,943)	47,650
	<u>3,693,399</u>	<u>636,337</u>	<u>(163,154)</u>	<u>4,166,582</u>

11. Operating lease commitments	2003	2002
Commitments under operating lease arrangements to make payments in 2003/2004 on leases expiring:		
Within one year	29,143	30,501
Within two to five years	18,643	82,613
	<u>47,786</u>	<u>113,115</u>

12. Contracts and commitments	2003	2002
Capital expenditure authorised by the directors	<u>235,000</u>	<u>160,000</u>

13. Contingent liability

The School has contributed to development projects at Old Anniesland undertaken by The Glasgow High School Club Limited ("the Club") and has agreed to underwrite any shortfall between their cost and the value of funds raised. The shortfall is dependent partly upon the recovery by the Club and its subsidiaries of VAT in relation to part of the development costs. H M Customs & Excise is contesting the recovery and if they are successful the shortfall to be met by the School would amount to some £203,700. Based on professional advice, the directors consider that the reclaims of VAT by the Club are correct in law and accordingly no provision has been made in these accounts for any shortfall.