

SC181779

The Edinburgh Academy Foundation
(A company limited by guarantee)
Annual report
for the year ended 28 June 2000

Registered Number SC027543



The Edinburgh Academy Foundation

(A company limited by guarantee)

Annual report

for the year ended 28 June 2000

Contents

Directors and Advisors for the year ended 28 June 2000	1
Directors' report for the year ended 28 June 2000	2
Auditors' report to the members of The Edinburgh Academy Foundation (A company limited by guarantee) ...	4
Income and expenditure account for the year ended 28 June 2000	5
Balance sheet as at 28 June 2000.....	6
Statement of financial activities for the year ended 28 June 2000.....	7
Cash flow statement for the year ended 28 June 2000.....	8
Notes to the financial statements for the year ended 28 June 2000	9

The Edinburgh Academy Foundation

(A company limited by guarantee)

Directors' and advisors for the year ended 28 June 2000

Chairman of the Board of Directors

Professor J P Percy CBE

Board of Directors

Professor J P Percy

J Light

R Wight

T Cook

T Dyer

J F Richardson

Mrs E Keith (resigned 21 September 2000)

M W Gregson

N Franklin (resigned 21 September 2000)

R Lutton

J Scaife (appointed 21 September 2000)

G Franklin (appointed 8 November 2000)

The Directors receive no remuneration for their services.

Secretary

Ken Grant

Registered Auditors

PricewaterhouseCoopers

Erskine House

68-73 Queen Street

Edinburgh

EH2 4NH

Solicitors

Murray, Beith, Murray WS

39 Castle Street

Edinburgh

EH2 3BH

Registered office

The Edinburgh Academy

42 Henderson Row

Edinburgh

EH3 5BL

The Edinburgh Academy Foundation

(A company limited by guarantee)

Directors' report for the year ended 28 June 2000

The Directors' present their report and the audited financial statements for the year ended 28 June 2000.

Formation of company and accounting reference date

The Edinburgh Academy Foundation is a Scottish company incorporated as a company limited by guarantee on 29 December 1997. The Company has no shareholders.

Principal and future activities

The principal activity is to raise funds for specific capital projects within The Edinburgh Academy and to establish an endowment fund for educational purposes.

25% of the Foundation's unrestricted income from donations and legacies is allotted to an endowment fund for educational purposes, together with all dividend income arising from the shares underlying the endowment fund. The remainder of the money collected is available for capital projects.

Results for the year

The income and expenditure account for the year is set out on page 5.

Directors and Directors' interests in share capital

The Directors of the Foundation during the financial year are given on page 1.

The Directors received no remuneration during the year. The company is limited by guarantee and therefore none of the Directors can have any interest in share capital of the Company.

Statement of responsibilities of the Board of Directors

The Board of Directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Foundation as at the end of the financial year and of the surplus or deficit for that year. In preparing these financial statements the Board 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 departure disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

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

The Edinburgh Academy Foundation

(A company limited by guarantee)

Auditors

A resolution proposing the reappointment of PricewaterhouseCoopers will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'K Grant', written over a horizontal line.

K Grant
Secretary

The Edinburgh Academy Foundation

(A company limited by guarantee)

Auditors' report to the members of The Edinburgh Academy Foundation

(A company limited by guarantee)

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The directors who also act as trustees for the charitable activities of The Edinburgh Academy Foundation are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable 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 is not disclosed.

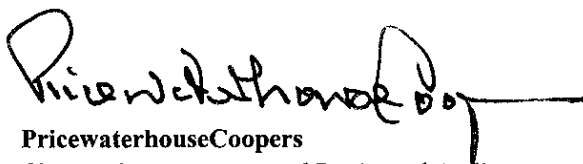
Basis of audit opinion

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 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 at 28 June 2000 and of its net outgoing resources, including its income and expenditure, and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Edinburgh

4. December. 2000

The Edinburgh Academy Foundation
(A company limited by guarantee)

Income and expenditure account for the year ended 28 June 2000

	Notes	Year ended 28 June 2000	18 months ended 28 June 1999
		£	£
Income	1	88,280	165,943
Expenditure on capital projects		(172,468)	(10,498)
Gross (deficit)/surplus		(84,188)	155,445
Administrative expenses		(4,452)	(44,477)
Operating (deficit)/surplus	2	(88,640)	110,968
Bank interest receivable		1,086	2,376
Bank interest payable		(1,465)	-
(Deficit)/surplus on ordinary activities for the financial year		(89,019)	113,344
Transfer to Endowment fund		(11,963)	(42,080)
Retained general revenue fund for the financial year		(100,982)	71,264

Statement of total recognised gains and losses

	Year ended 28 June 2000	18 months ended 28 June 1999
	£	£
(Deficit)/surplus for the year	(89,019)	113,344
Unrealised (losses)/gains on investments	(15,565)	13,113
Total gains and losses recognised since 29 June 1999	(104,584)	126,457

All operations during the year are continuing activities.

There is no difference between the (deficit)/surplus on ordinary activities and the (deficit)/surplus for the year stated above, and their historical cost equivalents.

The Edinburgh Academy Foundation
(A company limited by guarantee)

Balance sheet as at 28 June 2000

	Notes	2000 £	1999 £
Fixed assets			
Investments	4	38,798	54,363
		38,798	54,363
Current assets			
Debtors	5	374	4,200
Cash at bank		31,745	77,394
		32,119	81,594
Liabilities: amounts falling due within one year	6	(9,044)	(9,500)
Net current (liabilities)/assets		(23,075)	72,094
Liabilities: amounts falling due after one year	7	(40,000)	-
Net assets	9	21,873	126,457
Funds			
Unrestricted			
General	8	(21,899)	74,377
Designated "Endowment"	8	39,810	42,080
Total unrestricted		17,911	116,457
Restricted	8	3,962	10,000
		21,873	126,457

The financial statements on pages 5 to 13 were approved by the Board of Directors on 8th Nov 2000 and signed on its behalf by

Director



The Edinburgh Academy Foundation
(A company limited by guarantee)

Statement of financial activities
for the year ended 28 June 2000

		2000			18 months ended 1999
	Notes	Unrestricted Funds General £	Endowment £	Restricted Funds £	Total Funds £
Incoming resources					
Donations and gifts		62,643	-	19,000	81,643
Legacies		5,000	-	-	5,000
Investment income		1,086	1,332	-	2,418
Other income		305	-	-	305
Total incoming resources		69,034	1,332	19,000	89,366
Resources expended					
Direct charitable expenditure		147,430	-	25,038	172,468
Fundraising and publicity		-	-	-	-
Management and administration of the charity	3(b)	4,452	-	-	4,452
Interest payable		1,465	-	-	1,465
Total resources expended		153,347	-	25,038	178,385
Net (outgoing)/incoming resources before transfers		(84,313)	1,332	(6,038)	(89,019)
Transfer to Endowment fund		(11,963)	11,963	-	-
Net (outgoing)/incoming resources for the year		(96,276)	13,295	(6,038)	(89,019)
Other recognised gains and losses					
(Losses)/gains on investments unrealised		-	(15,565)	-	(15,565)
Net movement in funds		(96,276)	(2,270)	(6,038)	(104,584)
Funds brought forward at 29 June 1999		74,377	42,080	10,000	126,457
Fund balances carried forward at 28 June 2000		(21,899)	39,810	3,962	21,873

The Edinburgh Academy Foundation
(A company limited by guarantee)

Cash flow statement for the year ended 28 June 2000

	Notes	2000	2000	18 months ended	
		£	£	1999	1999
				£	£
Net cash (outflow)/inflow from operating activities	10		(77,638)		106,768
Returns on investment and servicing of finance					
Investment income received		-		2,376	
Interest received		981		-	
Interest paid		(935)		-	
Dividends received		1,443		-	
Net cash flow from returns on investment and servicing of finance			1,489		2,376
Capital expenditure and financial investment					
Equity investments gifted to The Edinburgh Academy Foundation			-	-	(41,250)
Net cash flow before use of liquid resources and financing			(76,149)		67,894
Financing					
Movement in the loan provided by The Edinburgh Academy		30,500		9,500	
Net cash flow from financing			30,500		9,500
(Decrease)/increase in net cash	11		(45,649)		77,394

The Edinburgh Academy Foundation

(A company limited by guarantee)

Notes to the financial statements

for the year ended 28 June 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the statement of Recommended Practice for Charities. A summary of the more important accounting policies which have been applied consistently is set out below.

Basis of accounting

The accounts are prepared in accordance with the historical cost convention.

Donations and other income

Donations received and recoverable income tax thereon are credited to income.

Endowment fund

The Board of Directors have allocated 25% of all unrestricted income from donations and legacies to a designated fund which has been termed an "Endowment Fund". In addition all dividend income, arising from the shares underlying the Endowment Fund, has been allocated to this Fund which is being held for future educational expenditure.

Expenditure

Expenditure is accounted for on an accruals basis.

Investments

Investments donated to the Company are initially recorded at the market value on the day ownership passes. Thereafter they are included at their market value at the year end in accordance with the Statement of Recommended Practice for Charities.

Taxation

The company is a charity for the purposes of Section 505 ICTA 1988 and is exempt from taxation on the whole of its income.

Restricted funds

Certain donations are received with specific criteria attached regarding their use. These donations are disclosed separately from other income received and their use restricted to their specified purposes.

2 Operating (deficit)/surplus

The operating (deficit)/surplus is stated after charging:-

	2000	18 months ended 1999
	£	£
Auditors' remuneration	910	500

The Edinburgh Academy Foundation

(A company limited by guarantee)

3 Employees

- (a) The average number of persons working on behalf of the Company, excluding directors, during the year is as follows:-

	2000	18 months ended 1999
Administration	1	1

(b) Employee costs

All persons working on behalf of the Company are direct employees of The Edinburgh Academy. The Edinburgh Academy recharged The Edinburgh Academy Foundation £1,074 (1999: £23,508) for the salary costs for the year.

(c) Directors' emoluments

The Directors receive no emoluments.

4 Fixed asset investments

	2000	18 months ended 1999
	£	£
Quoted investments		
Market value at 29 June 1999	54,363	-
Donations	-	41,250
Unrealised investment (losses)/gains	(15,565)	13,113
Market value at 28 June 2000	38,798	54,363
 Historical costs as at 28 June 2000	 41,250	 41,250

The Board of Directors do not consider there to be any material restrictions on the realisation of these assets.

These investments are equity shares in two listed UK companies. Within the total market value of £38,798, £8,198 (21%) represents the investment in one company and £30,600 (79%) represents the investment in the other.

The Edinburgh Academy Foundation
(A company limited by guarantee)

5 Debtors: amounts falling due within one year

	2000	1999
	£	£
Income tax recoverable	-	3,820
Other debtors	374	380
	374	4,200

6 Creditors: amounts falling due within one year

	2000	1999
	£	£
Loan owed to The Edinburgh Academy	-	9,000
Other amounts owed to The Edinburgh Academy	1,337	500
Other creditors and accruals	7,707	-
	9,044	9,500

7 Creditors: amounts falling due after one year

	2000	1999
	£	£
Loan owed to The Edinburgh Academy	40,000	-

8 Funds

	Movement in Funds:			
	Balance 28 June 1999	Incoming Resources	Expenditure Gains, Losses and Transfers	Balance 28 June 2000
	£	£	£	£
Restricted Funds:				
Preparatory School	-	14,000	(14,000)	-
New Field pavilion	10,000	5,000	(11,038)	3,962
	10,000	19,000	(25,038)	3,962
Unrestricted Funds:				
General	74,377	57,071	(153,347)	(21,899)
Endowment	42,080	13,295	(15,565)	39,810
	116,457	70,366	(168,912)	17,911
Total Funds	126,457	89,366	(193,950)	21,873

The restricted funds represent specific capital projects undertaken by the Foundation for the benefit of The Edinburgh Academy.

The Edinburgh Academy Foundation
(A company limited by guarantee)

9 Net assets

	Unrestricted funds			
	General Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Fund balances at 28 June 2000 are represented by:-				
Investments	-	38,798	-	38,798
Current assets	27,145	1,012	3,962	32,119
Current liabilities	(49,044)	-	-	(49,044)
Total net assets	(21,899)	39,810	3,962	21,873

Unrealised gains and losses included above:

Loss on investment assets	-	(15,565)	-	(15,565)
Total unrealised losses at 28 June 2000	-	(15,565)	-	(15,565)

10 Net cash flow from operating activities

	2000 £	18 months ended 1999 £
Operating (deficit)/surplus before interest	(88,640)	110,968
Decrease/(increase) in debtors	3,820	(4,200)
Increase in creditors	8,514	-
Dividends receivable	(1,332)	-
Net cash (outflow)/inflow from operating activities	(77,638)	106,768

11 Analysis of change in net funds

	At 29 June 1999 £	Cash flows £	At 28 June 2000 £
Cash at bank	77,394	(45,649)	31,745
Debt:			
Loan with The Edinburgh Academy	(9,500)	(30,500)	(40,000)
Net funds	67,894	(76,149)	(8,255)

The Edinburgh Academy Foundation
(A company limited by guarantee)

11 Analysis of change in net funds (continued)

	2000 £	1999 £
Analysed in balance sheet		
Cash at bank	31,745	77,394
Debt falling due within one year	-	(9,500)
Debt falling due after one year	(40,000)	-
	(8,255)	67,894

12 Reconciliation of net cash flow to movement in net funds

	2000 £
Decreased in cash in the year	(45,649)
Change in net debt arising from cash flows	(30,500)
Movement in net funds in the year	(76,149)
Net funds at 29 June 1999	67,894
Net funds at 28 June 2000	(8,255)

13 Members' guarantee

The Edinburgh Academy Foundation, being a company limited by guarantee of £1 per member, has no share capital.

14 Capital commitments

At 28 June 2000 The Edinburgh Academy Foundation had no authorised contracts for future capital expenditure (1999: £195,700).

15 Related parties

The Edinburgh Academy Foundation is a related party of The Edinburgh Academy by virtue of the Academy's representation on the Board of Directors and the administration of the Foundation by employees of the Academy.

All donations of the Foundation during the year were made to the Edinburgh Academy. The Academy donated £14,000 during the year to fund certain capital projects. Amounts owed at 28 June 2000 by the Foundation to the Academy and recharges for salaries are disclosed in notes 6 and 3(b) respectively.