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A list of donors to the Mackintosh Conservation and Access project can be found on the rear inside cover

**ANNUAL REPORT AND ACCOUNTS  
YEAR ENDED 31 JULY 2008**

**Contents:**

Office Bearers and Governors .....	1 and 2
Chairman's Statement .....	3 to 5
Operating and Financial Review .....	6 to 8
Corporate Governance .....	9 and 10
Governors' Biographies .....	11 to 14
Responsibilities of the Governing Board .....	15
Independent Auditor's Report .....	16
Income and Expenditure Account .....	17
Statement of Historical Cost Surpluses and Deficits .....	18
Statement of Total Recognised Gains and Losses .....	18
Balance Sheet .....	19
Cash Flow Statement .....	20
Statement of Principal Accounting Policies .....	21 to 22
Notes to Accounts .....	23 to 33

**A COMPANY LIMITED BY GUARANTEE  
(Company Register No.SCO 2271)**

Patron	H.R.H. The Prince of Wales, Duke of Rothesay
Hon. President	The Lord Macfarlane of Bearsden KT
Hon. Vice President	Professor Anthony Jones
Hon. Vice President	Emeritus Professor Andrew MacMillan
Hon. Vice President	Eleanor Taffner
Chairman	Professor Nick Kuenssberg OBE BA FCIS CCMI FloD FRSA
Vice Chairs	Professor Janice M Kirkpatrick MA (Des) BA (Des) FRSA D& AD Fred Shedden MA LLB
Director	Professor Seona Reid CBE BA (Hons) D.Arts D.Litt FRSA
Deputy Director	Professor Allan Walker MA (Hons) Dip LA
Director of Finance and Resources	Eliot S Leviten BSc. (Hons) FCA

**Conveners of Committees**

Audit	Alison Lefroy Brooks BA (Hons) ACA MCT
Business	Professor Nick Kuenssberg OBE BA FCIS CCMI FloD FRSA
Estates	Fred Shedden MA LLB
Human Resources	Linda McTavish CBE
Investment	Fred Shedden MA LLB
Museums & Archives	Professor Pamela Robertson FRSE
Nomination	Professor Nick Kuenssberg OBE BA FCIS CCMI FloD FRSA
Remuneration	Fred Shedden MA LLB

Registered Office  
167 Renfrew Street  
Glasgow  
G3 6RQ

Solicitors  
McClure Naismith  
292 St Vincent Street  
GLASGOW  
G2 5TQ

External Auditor  
Grant Thornton UK LLP  
95 Bothwell Street  
GLASGOW  
G2 7JZ

Bankers  
Royal Bank of Scotland plc  
393 Sauchiehall Street  
GLASGOW  
G2 3ND

Registered Charity Number  
SCO 12490

Copies of these accounts can be obtained by contacting the registered office

## Board of Governors & Directors

### Governors Ex Officiis

E,B	Professor Seona Reid CBE BA (Hons) D.Arts D.Litt FRSA	Director of the School
B,M	Professor Allan Walker MA (Hons) Dip LA	Deputy Director of the School

### Appointed by the Governing Board

	Sharon Bamford (appointed 8 October 2007)*	
A	John A Batters LLB (Hons) NP (resigned 8 December 2008)*	
A,I	Alison Lefroy Brooks BA (Hons) ACA MCT*	
	Dr Janet Brown BSc PhD FRSE (appointed 14 April 2008)*	
H	Katrina Brown MA (Hons) DipMus Gall Studs*	
	Professor Sir Graeme Davies FEng FRSE (retired 16 June 2008)*	
B,N,R	Roberta Doyle BA*	
E	Thomas A Elder FRIAS*	
	Christine Hamilton MA (Hons)*	
	Blair Jenkins MA (appointed 8 December 2008)*	
	Douglas Kinnaird CA (appointed 8 October 2007)*	
E	Professor Janice M Kirkpatrick MA (Des) BA (Des) FRSA D&AD*	
B,E,I,N,R	Professor Nick Kuenssberg OBE BA FCIS CCMi FIoD FRSA*	
E,B	Eleanor McAlister OBE MA MSc FRSA*	
H	Linda McTavish CBE (appointed 16 June 2008)*	
E	Paul Mugnaioni BSc (Hons) Arch AA Dip MSc (Econ) *	
M	Professor Pamela Robertson BA (Hons) FRSE FRSA*	
B,I,N,R	David J B Shearer B Acc CA FRSA *	
A,B,E,I,N,R	Fred Shedden MA LLB *	
B,E,H	Colin McKean BA (Hons) (re-appointed 1 August 2008)	President Students' Representative Council
A	Nicholas Oddy BA (Hons) PGDipDes MA(RCA)	Elected by the full-time Academic Staff
B,N	Dr Tim Sharpe BSc BArch PhD ARIAS (appointed 14 November 2008)	Appointed by the Academic Council
B,N	Paul Cosgrove BA(Hons) PGDip (Retired 16 June 2008)	Appointed by the Academic Council
A	Kathy Molloy	Elected by the full-time Support Staff
	Eliot S Leviten BSc (Hons) FCA	Secretary to the Board of Governors

**A – Member of Audit Committee**  
**E – Member of Estates Committee**  
**I – Member of Investment Committee**  
**N – Member of Nominations Committee**

**B – Member of Business Committee**  
**H – Member of Human Resources Committee**  
**M – Member of Museums & Archive Committee**  
**R – Member of Remuneration Committee**

\* denotes Independent Board Members

## Chairman's Statement

### Summary

2007/8 has further reinforced the Glasgow School of Art's standing as one of the UK's leading higher education institutions for education and research in art, design and architecture.

Our "secure" financial performance underpins another year of achievement in terms of high levels of applications, the acknowledged merits of our students, graduates and staff and the recognised contributions the School makes to the creative industries in Scotland and beyond. The real progress made in our estates redevelopment in plan, commitments and implementation provides an exciting platform for the long term future.

### Finance

The accounts for the year ended 31 July 2008 show revenue of £18.3m up by 5.1% (previous year £17.4m) with expenditure of £18.3m also up by 5.1%, (previous year £17.4m) largely caused by increased staff costs of 5.4% which will have an even greater influence in 2008/09 as the full impact of the national pay settlement becomes apparent.

Careful management ensured a surplus on continuing operations of £33k (previous year £34k) which converts to a historical cost surplus of £411k (previous year £412k). The balance sheet has grown by 14.9% from £18.9m to £21.7m with cash balances increasing by 34.9% to £3.2m.

### Strategic Plan

Academic year 2007/8 saw the development of our new four-year Strategic Plan (see [www.gsafuture.com](http://www.gsafuture.com)) Developed with input from staff, students and representatives of the creative industries, our aims for 2008-2012 are -

- to provide innovative, fresh, externally engaged and relevant learning and teaching;
- to achieve international excellence and recognition in research and knowledge transfer/exchange in key areas of strength;
- to create active and responsible engagement with communities, industry, professional sectors, policy makers and the City;
- to increase the diversity of the School in order to engender a dynamic creative environment and to support an egalitarian ethos;
- to embed an international and intercultural ethos in all aspects of the School's activities; and
- to be a transparent, responsive, courageous, confident and well-resourced organisation able to change to achieve our objectives.

The staff, ably led by our Director Professor Seona Reid, believe in the vision, values and aims and are committed to the delivery of this ambitious plan. Progress to date is encouraging.

### Student, Staff and Alumni Success

Following the trend of recent years, 2007-8 saw continued success and achievement for GSA students and graduates. Cathy Wilkes was shortlisted for the Turner Prize. This means that since 2005, 25% of all shortlisted artists have been GSA graduates with Simon Starling winning in 2006 and Douglas Gordon in 1997. Martin Boyce was selected to represent Scotland at the 2009 Venice Biennale, another year in which GSA graduates predominated in Scotland's presence at one of the world's major art fairs.

Venice was also the setting for a commission from Gareth Hoskins who was selected to design Scotland's presence at the Architectural Biennale. His practice also won a British Construction Industry Award and was shortlisted, along with Gordon Murray and Alan Dunlop Architects for the World Architecture Awards.

GSA graduates won a significant number of this year's Scottish Design Awards including Stand taking Best Corporate Literature for their work with Maclay Murray Spens, Graven Images for best Interior Design for the BBC Scotland HQ on Pacific Quay and Emeritus Professor Andy McMillan received a lifetime achievement award.

GSA graduates play key leading roles in many internationally recognised companies such as Dyson, Ford, Mazda and Gap. Ian Callum, Design Director at Jaguar Cars received international recognition for the new Jaguar XF, winning Car of the Year in 2008. Louise Gray won best New Talent Awards at the Scottish Fashion Awards and is one of several graduates of GSA making a stir in British Fashion. The International Herald Tribune proclaimed that Scotland is "having a fashion moment" listing five GSA graduates including Gray alongside Jonathan Saunders, Jamie Bruski Tetsill, Scott Ramsay Kyle and Mairi McNicol.

And GSA students continue to achieve great things. James Porteous, (Product Design Engineering), won the Student Photographer of the Year at the Herald's 12<sup>th</sup> Scottish Student Press Awards; Samuel Smith, also PDE, won a prestigious Engineering Leadership Advanced Award and Lesley Barnes (Digital Design Studio) won the ANIMEX Motion Graphic Award at the international festival of Animation and Computer Games.

## Chairman's Statement –continued

At the Glasgow School of Art graduation ceremony in June, addressed by Nick Barley, Director of The Lighthouse, we were delighted that Glasgow University conferred Honorary Degrees on Professor Andy McMillan and Professor Isi Metzstein, the famous pair who led the hugely influential architectural practice of Gillespie Kidd & Coia.

And it was pleasing that Professor Seona Reid's substantial contribution to society and the creative industries was recognised by the award of the CBE in the 2008 New Year Honours.

### Research Success

During 2007/8 the School submitted itself to the UK wide Research Assessment Exercise 2008. The School's research performance has met or exceeded every target set and that of RAE2001 by some distance. The proportion of research active staff now exceeds 84% and the increase in quality of research outputs ensured that 71% were returned to RAE 2008. RAE-eligible research income has virtually doubled from £1.7m in 2001 to more than £3.2m in 2007 and the School has radically expanded the provision for Research Degree Supervision with more than 50 staff trained to supervise and 23 staff with research degrees themselves.

The range of research activity is extensive and impressive. A major grant of £522k was secured from the Engineering and Physical Sciences Research Council by the Mackintosh School of Architecture for research into an "Environmental Assessment of Domestic Laundering" undertaken in collaboration with Glasgow Caledonian University and the University of Strathclyde. In architecture a feasibility study funded by the Scottish Funding Council has resulted in the establishment of the Glasgow Urban Lab and the Fulbright Commission agreed to institute a Distinguished Chair for the Lab.

A UK Research Councils grant was secured by the School of Design, for a joint research project with the Universities of Reading and Newcastle-upon-Tyne into malnutrition in old people and Design Innovation Scotland, a research network promoting innovation through design in the public and private sectors led by GSA in partnership with Scottish Enterprise, Scottish Government and the Universities of Glasgow and Strathclyde continued to develop. Digital Design Studio completed a feasibility study to establish a major new network for Medical Visualisation, secured a major Arts and Humanities Research Council grant for the Living Canvas research project and produced a publication on the 1938 Glasgow Empire Exhibition to accompany the 3D digital reconstruction of the exhibition site, both funded by the Arts and Humanities Research Council. A design history book on the liner Queen Elizabeth II was commissioned by Cunard and a website on Mackintosh's Northern Italian Sketchbook was launched.

### Student applications and international partnerships

The School's international applications increased by 11% for undergraduate and 7% for postgraduate, reflecting the continuing attractiveness of the GSA to international students and the reality of the 20% overseas student participation target we have set ourselves by 2014.

Memoranda of Understanding signed with the National Institute of Design in Ahmadabad and the National Institute for Fashion Textiles in Delhi will complement the partnership with the Central Academy of Fine Arts in Beijing as part of our growing international programmes.

Supporting the drive for postgraduate growth is the development of a series of additional postgraduate programmes to be launched in 2008-9. They include a Masters in Art and Context, a Masters of Design with pathways in service design, transformation design, environmental design and fashion, an M.Litt. in Creative Culture Critique and Pathways in Creative Urban Practices and Architectural History and Theory within the Masters in Architectural Studies.

### Real estate strategy and plans

We have been working on three major areas in order to ensure that the GSA has a campus fit for an international creative institution in the 21<sup>st</sup> century and it is particularly gratifying to be able to report significant and concrete progress on all three.

The £8.7m Mackintosh Conservation and Access Project to restore areas of the interior of the grade A listed Mackintosh Building, conserve the School's outstanding collections and archives, enhance exhibition space, increase visitor numbers and build an interpretation area is two thirds of the way through its programme. It is on budget and on schedule with completion targeted for December 2009, in time to celebrate the centenary of the completion of the building. This project is supported substantially by the Heritage Lottery Fund alongside a portfolio of public and private funders without recourse to support from the Scottish Funding Council.

The purpose-built facility for the Digital Design Studio in the Hub at the Digital Media Quarter on Pacific Quay is currently in its final stages of construction so that the DDS will be able to move in early 2009, thus providing a base for growth in research and postgraduate programmes.

## Chairman's Statement -continued

The major programme and the School's overwhelming priority is the wholesale redevelopment of the Garnethill Campus. We are excited at the in principle commitment of the Scottish Funding Council for up to £50m to Phase 1 of our ambitious plans, the site opposite the Mackintosh Building, to fulfil a vision for studio-centred education and research, underpinned by a forward-looking model for academic, financial and environmental sustainability. If confirmed, there will be an international competition for the design team during the second quarter of 2009 which should see builders on site from 2011 and completion in 2013.

### Funding

The board acknowledges with grateful thanks the very real contributions of various key partners to our strategic development including the Scottish Funding Council, Heritage Lottery Fund, City of Glasgow, Scottish Enterprise and the wide range of trusts, companies and individuals who continue to support our efforts. We are conscious of the need to generate more philanthropic income, including the longer term options of legacies, and have appointed Paul Rickett from the Oxford University Development Fund as Development Director to drive our programme forward.

In the face of a disappointing funding outcome for higher education from the last comprehensive spending review, the Cabinet Secretary for Education established a Joint Future Thinking Task Force on Universities. Its report heralds a lighter regulatory touch from the Scottish Funding Council which is most welcome. It also acknowledges the needs of higher education institutions of differing scale and specialism which bodes well for this Small Specialist Institution and the introduces the prospect of a new Horizon Fund through which the Scottish Government will incentivise the universities in areas of Government priority. Without additional funding, however, the economic contribution which our sector can make will be undermined when faced with challenges of escalating salaries and utility costs, top-up fees in England and increasing international competition.

### Board of Governors

The GSA is blessed with an engaged board of governors and I would like to thank them all most sincerely for their contributions and commitment. While John Batters stands down after twelve years of faithful service which I acknowledge with thanks, we are pleased to welcome Dr Janet Brown Chief Executive of the Scottish Qualifications Agency, Linda McTavish, Principal of Anniesland College and Blair Jenkins, Chair of the Scottish Broadcasting Commission, as new governors while Colin McKean, who sits in his capacity as President of the Students Representative Council, has been re-elected for a second year.

We were also delighted when Professor Anthony Jones, Chancellor of the School of the Arts in Chicago accepted our invitation to become the School's Honorary Vice President.

### Staff

It is imperative to acknowledge the huge debt that the GSA owes to its staff. Academic, technical and support staff are vital to the well-being and future of the GSA and on behalf of the board of governors I wish to thank Director Professor Seona Reid and all her team for what they have delivered and for their continuing commitment to the GSA.

Nick Kuenssberg  
Chairman  
8 December 2008



## Operating and Financial Review

### Results for the year ended 31 July 2008

#### Status and Mission

The School was incorporated as a company limited by guarantee and has charitable status and is committed to being a world leader in the study and advancement of Architecture, Design and Fine Arts. The School aims to produce creative, confident, highly motivated graduates able to flourish in their chosen field whilst ensuring that the School and its graduates play a leading role in the cultural, economic, social and educational life of the city, the nation and beyond.

#### Income & Expenditure Account

The Income and Expenditure Account on page 15 shows a surplus of £411k (£412k 2006/07) on a historical cost basis and a surplus of £2k (£12k 2006/07) on a revaluation basis, for the year ended 31 July 2008 as commented in the Chairman's statement.

#### Balance Sheet

The total net assets of the School increased by £2,876k to £21,731k and the cumulative Income and Expenditure Account reserve increased from £1,354k as at 31 July 2007 to £1,734k as at 31 July 2008 with cash balances at the year-end increasing by £832k from £2,412k to £3,244k.

#### Financial Health Category

The Scottish Funding Council categorise Higher Education Institutions into three categories of Financial Health, using a scoring system i.e. "Very Weak", "Weak" and "Secure" categories. The School has been categorised as "Secure" on this basis.

#### Key Performance Indicators

The Board is presented with Key Performance Indicators covering areas such as income (overseas fees, research grants and contracts and Knowledge Transfer), cash generation and student related matters including applications and enrolments.

#### Endowment Assets

The return on Endowment asset Investments comprising dividend and bank interest, was 3.36%, compared with 2.24% last year. The market value of the total Endowment assets held by the School fell from £2,532k to £2,470k a decrease of £62k. The Board has appointed an Investment Committee to ensure appropriate investment strategies and monitor performance.

#### Capital Projects

Capital Expenditure in the year was £3,249k, up on the previous year's figure of £634k. This reflects the work carried out as part of the Access and Conservation Project for the Mackintosh building.

#### Cash Flow

The Cash Flow Statement shows a net outflow of £436k in the financial year (2006/07 inflow £2,489k) primarily due to the reduction in the level of cash held by our investment managers.

#### Creditor Payment Policy

It is the School's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the School and its suppliers, provided that all trading terms and conditions have been complied with. The School endorses the CBI Prompt Payment Code. At 31 July 2008 the School had an average of 9 days purchases outstanding in trade creditors. With regard to the late payment of Commercial Debts (Interest) Act 1998 there are no matters to disclose.

## Operating and Financial Review – continued

### Financial Risk Management

#### Foreign Currency Risk

The School does not enter into any significant foreign currency transactions. The Governors therefore consider the School is not exposed to any foreign currency movement risk.

#### Credit Risk

The School is exposed to credit related losses in the event of non-performance by transaction counterparties but mitigates such risk by selecting only counterparties with high credit ratings.

#### Liquidity Risk

Operations are financed by SFC, grants, research and consultancy contracts and bank balances. In addition the School has an overdraft facility which it has not utilised. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the School.

#### Cash Flow Risk

The School has arranged a bank overdraft facility, which it does not currently utilise, with a floating rate of interest plus an agreed margin.

#### Risk Register

The board reviews the risk register annually in a joint workshop with senior staff and this is monitored regularly by the audit committee.

### Future Developments

#### Estate

As covered in the Chairman's statement the School has received confirmation from the Scottish Funding Council that it is willing, in principle, to commit up to £50m towards funding the first phase of the redevelopment of the School's estate. This first phase of redevelopment is expected to start in 2011 and be completed in 2013.

#### Student Recruitment

The School continues to receive more applications than it has funded places. The School is able to attract a proportion of overseas students and it is the intention, that over the period of the five year plan, the School should increase significantly the number of full-fee paying overseas students. The marketing strategy for recruitment of students is regularly reviewed as future recruitment may be significantly affected by changes to the tuition fees systems, the state of the economy and difficulties in obtaining visas in certain countries from which we recruit on a regular basis.

#### Research Assessment Exercise (RAE)

As covered in the Chairman's statement the School has met or exceeded every target set for its Research performance. The proportion of research active staff now exceeds 84% and the increase in quality of research outputs ensured that 71% were returned to RAE 2008

#### Small Specialist Institution Status

The School has been designated by SFC as a Small Specialist Institution (SSI) which has led to additional funding to compensate for recognised diseconomies of scale.

### Health and Safety

The Director, on behalf of the Board of Governors, is responsible for the health and safety of all staff, students and visitors to the School and for adherence to the School's health and Safety Policy. The School employs a full time Health and Safety officer to provide advice and assistance. Under the School's Health and Safety Policy, managers, staff and students all have individual responsibilities for health and safety.

## Operating and Financial Review – continued

### Employment of Disabled Persons

People with disabilities are offered equal opportunities to enter employment and progress within the School. The School follows procedures designed to provide for fair consideration and selection of disabled applicants and to support their training and career development needs.

### Employee and Student Involvement

Academic employees of the School elect one Governor to the Board of Governors and through the Academic Council appoint a second Governor. Support staff elect one Governor to the Board. The Students' Representative Council plays a full role in the life of the School and the President is a full member of the Board of Governors. Lay Governors are not remunerated.

Governors, academic and support staff and students are represented on the Human Resources Committee together with union representatives.

Professor Seona Reid  
Director

Eliot S Leviten  
Director of Finance & Resources

8 December 2008

## Corporate Governance Statement

The School is committed to employing best practice in all aspects of corporate governance. This summary describes the manner in which the School has applied the principles set out in the revised Combined Code on Corporate Governance issued by the Financial Reporting Council in July 2003. The Board of Governors is satisfied that the School has complied throughout the period with the provisions of the Code so far as they apply to the Higher Education sector. The purpose of the summary is to help the reader of the financial statements understand how the principles have been applied.

The School's Board of Governors is responsible for the School's system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The process for reviewing the effectiveness of the system of internal control is through management reports to the various committees and, in particular, the Audit Committee.

The Board, through its Audit Committee, reviews and monitors its Risk Management Policy, the Risk Register and its Business Continuity Plan and complies with the control guidance published by the Turnbull Committee for identifying, evaluating and managing risks.

The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the full year and for approval of the annual report and accounts. This process is regularly reviewed by the Board of Governors and accords with the internal control guidance for delivery on the Combined Code as amended by the British Universities Finance Directors Group.

The Board of Governors comprises lay and academic persons appointed under the Statutes of the School, the majority of whom are non-executive and independent (see page 2). Lay Governors are not remunerated. The Clerk to the Board maintains a Register of Interests of members of the Board. All governors are able to take independent professional advice in furtherance of their duties at the School's expense and have access to the Secretary to the School, who is responsible for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Secretary are matters for the Board as a whole.

The roles of Chairman and Vice-Chairs of the Board are separated from the role of the School's chief executive, the Director. The matters specially reserved to the Board for decision are set out in the Statutes of the School, by custom and under the Financial Memorandum with the Scottish Funding Council. The Board holds to itself the responsibilities for the ongoing strategic direction of the School, approval of major developments and receipt of regular reports from Executive Officers on the day-to-day operations of its business. The Board meets at least five times a year and has eight Committees, Business, Audit, Investment, Human Resources, Estates, Museums and Archives, Remuneration and Nominations. All of these Committees are formally constituted with terms of reference and comprise mainly lay members of the Board, one of whom is the Chair. Members of each of the Committees are identified on pages 1 and 2.

The Business Committee, *inter alia*, recommends to the Board the School's annual revenue and capital budgets and monitors performance in relation to the approved budgets together with the Audit Committee. It also recommends to the Board the Annual Accounts for approval. The Business Committee is responsible for the preparation of policy for the adequate provision of space to meet the requirements of the strategic plan and the monitoring of the effective management of the buildings of the School.

The School has an internal audit service, outsourced to a professional firm of auditors, which operates in accordance with the requirements of the SFC's Financial Memorandum. The work of the internal audit service is informed by an analysis of the risks to which the School is exposed, and annual audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit Committee. Annually the Internal Auditors provide the governing body with a report on internal audit activity in the School. The report includes their independent opinion on the adequacy and effectiveness of the School's system of risk management, controls and governance processes.

The Audit Committee is responsible for meeting with the External Auditors and Internal Auditors of the School and reviewing their findings. They consider detailed reports together with recommendations for the improvement of the School's systems of internal control and management's response and implementation plans. They also receive and consider reports from the Scottish Funding Council as they affect the School's business and monitor adherence with the regulatory requirements. The senior management team receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and are reinforced by risk awareness training. The senior management team and the Audit Committee receive regular reports from internal audit which include any recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal financial control.

## Corporate Governance Statement – continued

The Audit Committee's agenda includes regular consideration of risk and control and will receive reports thereon from the senior management team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Audit Committee reports annually to the Board on risk management. The Committee met on four occasions during the year.

The establishment of an Investment Committee, its remit and membership was determined after the year end. It will recommend investment strategy to the Board and monitor investment performance.

The Human Resources Committee is responsible for the preparation of policy relating to the employment of staff and the monitoring of the effective management of these affairs and recommending policy to the Board. The School is responsible for ensuring that appropriate training is provided as required. The Committee met on five occasions during the year.

The Estates Committee is responsible for overseeing the development and implementation of the School's Estate Strategy and met six times during the year.

The Museums and Archives Committee considers and makes recommendations on all matters relating to the Museum Collection belonging to the School. The Committee met on four occasions during the year.

The Remuneration Committee determines the remuneration of the most senior staff, including the Director. Details of remuneration for the year ended 31 July 2008 are set out in note 7. The Committee met once during the year.

The Nominations Committee seeks out and recommends new independent lay governors for appointment to the Board. Members are appointed for a term of office not exceeding three years at the conclusion of which they may seek re-election for a further two terms.

### Guide to Governing Bodies

The Board confirms that the School complies with the recommendations contained within the Guide for Members of Higher Education Governing Bodies in the UK issued by the Committee of University Chairmen in 2004.

### Quality assurance

Through the delegated powers of the Board, the responsibilities of the Director, the reports of the Academic Council, the Annual Report to the Senate of the University of Glasgow, the monitoring of Key Performance Indicators on an annual basis, all being reported to the Board on a regular basis, student participation, presentations by and discussions with senior members of staff from Academic and Support Departments and briefings on the Enhancement Led Institutional Review for QAA planned for 2009/10, the Board is satisfied that the range of formal and informal structures and mechanisms enable the Board to ensure that:

- its strategic responsibilities for quality are discharged effectively;
- the GSA continues to maintain a high quality learning experience for its students, and that both students and external agencies are satisfied with the quality of education provided.

### Senior Management

This comprises the Director, Deputy Director and Director of Finance & Resources. They are responsible to the Board for the School's day-to-day management, policy and for the development and execution of the Strategic Plan. In respect of its strategic direction and responsibilities, the Board receives recommendations and advice from the Director.

The Director is the School's "Designated Officer" and has the responsibility for reviewing the effectiveness of the system of internal control. The Director chairs the Directorate, the Executive Group and the Academic Council. The Director represents the School on Universities Scotland and other external bodies. Academic policy is devolved to the Director by the Board, as advised by Academic Council.

The Deputy Director has responsibility for overseeing the School's academic development, quality assurance procedures and research. He is chair of the Learning & Teaching and Research Committees and deputises for the Director in her absence.

The Director of Finance & Resources is responsible for financial, estates, IT and personnel matters in support of the School's academic purposes, acts as Secretary to the Board and Company and also has responsibility for reviewing the effectiveness of the system of internal control.

### Going Concern

The Board considers that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Nick Kuenssberg  
Chairman

8 December 2008

## Governors' Biographies

### **Professor Nick Kuenssberg OBE, BA, FCIS, CCMI, FloD, FRSA**

#### **Chairman**

Nick is a businessman with an extensive international career and wide experience on many boards including Coats Viyella, Dynacast International, Dawson International, Scottish Power, Bank of Scotland (West) and Standard Life. He is currently chairman of eTourism Ltd, Canmore Partnership Ltd and VegaStream Holdings Ltd, director Quality Assurance Agency for Higher Education (chair QAA Scotland), Public Interest Member of Council, ICAS and honorary professor at the University of Glasgow and was previously a visiting professor at Strathclyde University and chairman Institute of Directors (Scotland), Scottish Networks International, ScotlandIS and Scotland the Brand, deputy chair Scottish Environment Protection Agency and director of Scottish Legal Aid Board.

### **Professor Janice Kirkpatrick MA (Des), BA (Des), FRSA, D & AD**

#### **Vice Chair**

Janice graduated from Glasgow School of Art winning the Newberry Medal in 1984 and continues her relationship with the School as Visiting Professor. She also acts as an external examiner at institutions throughout the UK.

In 1986 she co-founded Graven Images design consultancy where she is designer and director working on projects worldwide. She is also a director of the workplace expert company 3FOLD.

Janice is also a curator, writer and broadcaster and has recently written a book on international packaging design for Laurence King Publishing due for release in Autumn 2009. She was a Conran Foundation Collector in 1996, a Trustee of NESTA and Chairman of The Lighthouse, Scotland's Centre for Architecture, Design and the City.

### **Fred Shedden MA, LLB**

#### **Vice Chair**

Fred spent his entire professional career with McGrigor Donald (now McGrigors). He was managing partner from 1984 to 1992 and senior partner from 1993 until his retirement from the firm in April 2000. He is now a non-executive director of iomart Group plc, Murray International Trust plc and Equitable Life Assurance Society. He is also a Board member of the Glasgow Housing Association and of The Centre for Confidence and Well-being Limited.

### **Professor Seona Reid CBE BA (Hons) D.Arts D.Litt FRSA**

#### **Director**

Appointed in September 1999, Seona was previously Director of the Scottish Arts Council for 9 years, and before that Assistant Director (Strategy and Regional Development) of Greater London Arts, Director of Shape, Head of press and publicity, Ballet Rambert and Northern Dance Theatre, business manager, Lincoln Theatre Royal and a freelance arts consultant working with the Arts Council of Great Britain and the London Contemporary Dance Trust.

She is currently on the Scottish Government's Scottish Broadcasting Commission and the Higher Education Task Force; a member of the Knowledge Evaluation Committee of the Arts and Humanities Research Council and on the board of Cove Park Artists Retreat. She was previously Vice Chair of the Lighthouse Centre for Architecture, Design and the City and on the Boards of the Arches and Suspect Culture Theatre.

### **Professor Allan Walker MA (Hons) Dip LA**

#### **Deputy Director and Director of Academic Development**

Allan Walker joined GSA in June 2004 and is a member of the Scottish Higher Education Enhancement Committee, the ELIR Steering Committee and is a QAA appointed reviewer. Allan studied at Oxford and Edinburgh Universities before qualifying as a member of the Landscape Institute and was formerly Vice Principal at Wimbledon School of Art. He has extensive experience of collaborative project work and is on the management groups for the Centre for Creative Education, the International Drawing Research Centre and the Mackintosh Research Centre for Archives and Collections.

### **Sharon Bamford**

Sharon is the founding CEO of the UK-India Business Council, UK's lead business organisation supporting the UK government in the promotion and facilitation of bilateral trade between the two countries. Previously she was the Chief Executive of the Scottish Institute for Enterprise, Director the Edinburgh Technopole at the University of Edinburgh and lectured in the Centre for Entrepreneurship at Robert Gordon University. Earlier roles included Managing Director, Panmure Consulting Ltd, Director of the charity Challenges Worldwide; Head of Grampian Technology Development Unit, Director of International Marketing for Drilling Systems (Rigsim) Ltd and Principal of Gateside Schools.

## Governors' Biographies continued

### **John Batters LLB NP**

Educated at Hamilton Academy and Glasgow University John is a solicitor in private practice in Glasgow. Since 1991 he has practised on his own account and specialises in the fields of licensing, betting and gaming. He is a member of the Law Society of Scotland Working Party on Licensing Law, of the Accreditation Panel for licensing specialists and a member of the Glasgow Licensing Forum. A consultant editor of Scottish Licensing Law and Practice, he is also an occasional contributor to seminars. John was chairman of the former Art Lovers' House Trust and has been a director of House for an Art Lover since its inception.

### **Alison Lefroy Brooks BA (Hons) ACA MCT**

Alison is a chartered accountant and worked for KPMG in London before specialising in treasury. She worked for the BOC Group plc and was Assistant Treasurer at the TPG Group NV based in the Netherlands prior to moving to Scotland to take up her current role as Group Treasurer for Aggreko plc, the global leader in the rental of power, temperature control and oil-free compressed air systems to customers around the world. She is a committee member of the Scottish discussion group for the Association of Corporate Treasurers.

### **Dr Janet Brown BSc PhD FRSE**

Janet is Chief Executive of the Scottish Qualifications Authority having previously been Managing Director of Industries at Scottish Enterprise. Janet joined Scottish Enterprise in January 2000 after 19 years working in the private sector in the United States and has extensive experience in science research & technology as well as business management acquired in her previous positions with Motorola, SEMATECH and AT&T Bell Laboratories. A graduate of the University of Birmingham with a BSc in Physics and a PhD in Physical Metallurgy & Materials Science, Janet is also a Fellow of the Royal Society of Edinburgh.

### **Katrina Brown MA (Hons), Dip Mus & Gall Stud**

Director of The Common Guild, a new visual arts organisation based in Glasgow, Katrina was previously Curator/Deputy Director at Dundee Contemporary Arts (1997 - 2007). Her earlier posts included Exhibitions Curator at the Tate Liverpool and Exhibitions Organiser at Tramway, Glasgow. A former Committee member of Transmission Gallery, Glasgow, Katrina has written extensive papers, articles and reviews on contemporary visual art, including a monograph on Douglas Gordon, and is an advisor to the Arts Council Collection (England) and the FRAC des Pays de la Loire (Nantes, France). In 2007 she curated the 'Jardins Publics' exhibition for Edinburgh International Festival. Katrina gained an MA (Hons) in French Language & Literature at the University of Glasgow and a Post-graduate Diploma in Museum and Gallery Studies at the University of St Andrews.

### **Roberta Doyle BA**

Roberta graduated in Business Administration from the University of Strathclyde and has occupied senior marketing and communications' roles with Scotland's largest cultural organisations. She is currently Director of External Affairs with the National Theatre of Scotland, having previously held the same post with Scottish Opera. From 2000 to 2004 she was Director of Public Affairs with the National Galleries of Scotland and has held similar posts with Scottish Ballet, Glasgow City Council's Department of Performing Arts and Venues and the Citizens' Theatre. She has lectured and taught widely in the UK and abroad on strategic issues relating to arts audiences, marketing, communications, audience development and management.

### **Tom Elder FRIAS**

Tom studied Architecture at the Glasgow School of Art from 1963-70. He has worked in private practice in England and Scotland and was a design tutor at both the Mackintosh School of Architecture and Strathclyde University and external examiner for the Interior Design degree course at Caledonian University. In 1981 he co-founded the award-winning practice of Elder and Cannon Architect, where he takes an active involvement in all aspects of design and production and the administration of the practice.

### **Christine Hamilton MA (Hons)**

Christine is Director of the Institute for Creative Enterprise, Coventry University having previously been Director of the Centre for Cultural Policy Research at the University of Glasgow, which she established in 2001. Previously she worked for 25 years in the cultural sector in areas of cultural development, policy and management for Glasgow City Council and Scottish Arts Council and previously arts officer for the Scottish TUC. Earlier she held management and administration roles in TAG Theatre Company, Glasgow Arts Centre, Third Eye Centre, 7:84 Theatre Company and the Citizens' Theatre. She is a graduate of the University of Glasgow in Drama and English with a Diploma in Arts Administration from City University, London and is a Director of the Traverse Theatre, Edinburgh.

## Governors' Biographies continued

### **Blair Jenkins MA**

Blair Jenkins has recently chaired the Scottish Broadcasting Commission and is one of the most experienced figures in Scottish media. He was previously Director of Broadcasting at STV and Head of News and Current Affairs at BBC Scotland from 2000 to 2006. From 1998 to 2003 he was Chairman of BAFTA Scotland and he has also been a member of the Royal Television Society's steering group on current affairs.

### **Douglas Kinnaird CA**

Douglas is a business graduate from Strathclyde University and a Chartered Accountant. He runs MacDonald Kinnaird which has the reputation of recruiting for many of the major roles in Scotland's public and private sectors. In 2004 he bought the former Lady Artists Society building in Blythswood Square whose door and entrance is featured in every Charles Rennie Mackintosh book in the world. He occasionally returns to Strathclyde to lecture in Marketing, he was on Cancer Research UK's Scottish Council, a Director of Scotland the Brand, a governor of Hutchesons School and is founder and Deputy Chairman of Scotland International.

### **Eleanor McAlister OBE MA MSc FRSA**

Eleanor is an economist and town planner and has used both areas of expertise in a number of urban regeneration projects throughout her career. She is currently Managing Director of Clydebank Rebuilt, which was designated as one of the Scottish Government's 'Pathfinder' urban regeneration companies in 2004. She is responsible for the master planning and partial development of 450 acres of derelict industrial land on the Clydebank riverside and for the improvement of the existing commercial areas in the town centre. Eleanor was awarded the OBE for Services to Architecture in 2007 and is currently on a number of professional bodies; Executive Director of Clydebank Property Company, Director of Architecture & Design Scotland, Board Member of Strathclyde European Partnership Limited and Chair of the Lighthouse, Scotland's Centre for Architecture, Design and the City.

### **Colin McKean BA (Hons)**

Colin graduated with a BA (Hons) in Painting and Printmaking from Glasgow School of Art in 2007. He was elected as president of the Students' Association during his final year of study and was re-elected for 2008-09. He has exhibited in Edinburgh and Glasgow and was awarded the Adam Bruce Thomson award at the 2007 Royal Scottish Academy Student Exhibition.

### **Linda McTavish CBE**

Linda is Principal of Anniesland College in Glasgow, educated in Paisley, Linda studied at Strathclyde University, BA (Hons) in Geography and Economics followed by two years at Edinburgh University as a Research Student and TQFE (with distinction) from Jordanhill College. She taught at Cardonald College, then Langside College before becoming Depute Principal at Anniesland in 1993 and Principal in 1997. She has been an assessor/verifier with SQA, a member of Scottish Executive Lifelong Forum, New Deal Taskforce (Welfare to Work Taskforce), Scottish Refugee Integration Forum, Ethnic Minorities and Labour Market Strategic Group and other bodies including SE Glasgow, Community Learning Scotland and the Glasgow Economic Forum and is currently a member of the Education Commission for Glasgow which seeks to improve attainment and achievement in Glasgow schools. Linda was awarded the Lord Provost's Medal for education in 2000, a CBE in 2003 for services to Further Education and a Fellowship of the SQA in 2005.

### **Kathy Molloy**

Kathy joined the Glasgow School of Art in September 1980 as a Library Assistant and became Library Administrator in 2001. She has been involved in many of the major changes which have occurred in the library over the years including moving to a new location and significant expansion of the department.

She has negotiated on behalf of Unison members for the past 12 years, serving on various school committees in this capacity.



## Governors' Biographies continued

### **Paul Mugnaioni BSc (Hons) Arch AA Dip MSc (Econ)**

Paul is Executive Chairman of Quality Street. He founded the company in 1987 after five years as Director of Housing for the City of Glasgow to develop, own and manage one of the largest portfolios of quality privately rented homes in the UK. In 1995 the European Foundation for Entrepreneurship Research designated "*Paul Mugnaioni and his Company Quality Street Limited as a member of Europe's 500 Dynamic Entrepreneurs*". In 1997 Paul sold the rental portfolio and since then Quality Street has focused more narrowly on residential investment, creating a series of innovative developments throughout Scotland including Glasgow's award-winning *Galleria* and *Aspire*. Paul is a graduate of Strathclyde University, the Architectural Association School of Architecture, and University College London and has taught at the AA Graduate School.

### **Nicholas Oddy BA (Hons) PGDipDes MA (RCA)**

Nicholas studied Ceramics and Glass at Edinburgh College of Art (BA Hons and PG Dip) and was awarded the Associates of the V&A scholarship to the Royal College of Art and Victoria & Albert Museum to study design history. He taught at Tees-side and Duncan of Jordanstone before taking up current post in Glasgow in 1993. Related roles are Regional Representative of the Design History Society and President of the GSA UCU. His research interests focus on late 19<sup>th</sup> and 20<sup>th</sup> century mass manufactures, particularly the cycle and toy industries. Chair of the Cycle Touring and Countryside Trust and member of the steering group of the International conference of Cycling History, he also advises auction rooms for specialist sales of cycles and cycling memorabilia and collectors' items.

### **Professor Pamela Robertson BA Hons FRSE FRSA**

Pamela was appointed to her present role as Senior Curator, Hunterian Art Gallery, University of Glasgow in 1998 and is responsible for the Mackintosh and Whistler Collections and previously for the Hunterian's Scottish Collections. In 2000 Pamela was awarded a Readership and in 2003 was appointed Professor of Mackintosh Studies. Between 1992 and 1997 she was guest co-curator for Glasgow Museums' exhibition 'Charles Rennie Mackintosh'. She has curated exhibitions, delivered lectures worldwide and published widely on Mackintosh and his circle. She has served on a large number of committees including the Charles Rennie Mackintosh Society Council and the Historic Buildings Council and is currently a member of the Reviewing Committee for the Export of Works of Art and the National Trust for Scotland's Interiors and Collections Advisory Panel'

### **David J B Shearer B Acc CA FRSA**

David is a chartered accountant and an experienced corporate financier and was previously Senior Partner of Deloitte & Touche for Scotland & Northern Ireland and a UK Executive Board member of Deloitte & Touche. He is chairman of Crest Nicholson Group Limited, Senior Independent Director of Renold plc, SMG plc and Superglass Holdings plc and a Non Executive Director of Aberdeen New Dawn Investment Trust plc, Mithras Investment Trust plc and Scottish Financial Enterprise. He is also an Advisory Board member of Martin Currie Limited and was previously a Non Executive Director of HBOS plc.

### **Dr Tim Sharpe BSc BArch PhD ARIAS**

Dr Sharpe is currently Senior Lecturer and also Research Developer at the Mackintosh School of Architecture. He teaches Architectural Science, Structures and Construction and undertakes research with the Mackintosh Environmental Architecture Research Unit (MEARU). His research interests include Participatory and Environmental Design, including passive and active energy techniques, solar strategies and building integrated wind energy. He studied at the University of Dundee/ Duncan of Jordanstone College of Art, graduating with a BscArch in 1983 and a BArch(Hons) in 1985. Whilst an undergraduate, he worked with the innovative Skarne Unit which developed participatory procedures in the rehabilitation of the Whitfield estates in Dundee. He gained a PhD from the University of Strathclyde in 1988.

## Responsibilities of the Board of Governors

In accordance with the School's Memorandum and Articles of Association, the Board of Governors is responsible for the administration and management of the affairs of the School and is required to present audited accounts for each financial year.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and to enable it to ensure that the accounts are prepared in accordance with the School's Memorandum and Articles of Association, the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Board of Governors, the Board, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the surplus or deficit and cash flows for that year. The Board is also responsible for the appointment of the Director, Deputy Director and the Director of Finance & Resources.

In causing the accounts to be prepared, the Board has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- accounts are prepared on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The Board has taken all reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the School and prevent and detect fraud;
- secure the economical, efficient and effective management of the School's resources and expenditure.

In accordance with company law, as the company's Board we certify that:

- so far as we are aware, there is no relevant audit information of which the School's auditors are unaware; and
- as Governors of the School we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the School's auditors are aware of that information.

By order of the Board

Nick Kuenssberg  
Chairman

Professor Seona Reid  
Director

Eliot S Leviten  
Director of Finance & Resources

8 December 2008

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF GLASGOW SCHOOL OF ART

We have audited the financial statements of the Glasgow School of Art for the year ended 31 July 2008 which comprise the principal accounting policies, the income & expenditure account, the statement of historical cost surpluses and deficits, the statement of recognised gains and losses, the balance sheet, the cashflow statement and notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the Board of Governors, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we may state to the members of the Board those matters we are required to state to them in an auditors report and for no other purposes. 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 the Board of Governors and Auditors

The Board of Governors is responsible for preparing the annual report. As described on page 15, this includes responsibility for preparing the accounts in accordance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibilities, as independent auditors, are to audit the financial statements in accordance with relevant legal and regulatory requirements, International Standards on Auditing (UK and Ireland), the requirements of the Scottish Funding Council's *Code of Audit Practice* and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and the Companies Act 1985. We also report to you if, in our opinion, the Board of Governors' report is not consistent with the accounts, if the School has not kept proper accounting records, if the accounting records do not agree with the accounts or if we have not received all the information and explanations we require for our audit.

We also are required to report to you our opinion as to whether:

- funds from whatever source administered by the School for specific purposes have, in all material respects, been properly applied to those purposes and managed in accordance with any other terms and conditions attached to them; and
- income has in all material respects, been applied in accordance with relevant legislation and with the School's *Financial Memorandum*, dated 1 August 1999, with the Scottish Funding Council.

We review whether the Corporate Governance Statement on pages 9 and 10 complies with the requirements of the Scottish Funding Council. We report if the statement is misleading or inconsistent with the other information we are aware of from our audit.

We read the other information contained in the annual report and consider whether it is consistent with the audited accounts. This other information comprises only the Chairman's Statement, the Review of the year by the Governors and the Responsibilities of the Governing Board. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### Basis of Audit Opinions

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) and the Scottish Funding Council's *Code of Audit Practice*. 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 significant estimates and judgements made by the Board of Governors in the preparation of the accounts, and of whether the accounting policies are appropriate to the School'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 accounts are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinions we also evaluated the overall adequacy of the presentation of information in the accounts.

### Opinions

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the School as at 31 July 2008 and of its deficit of income over expenditure and cash flows for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and the Companies Act 1985;
- funds from whatever source administered by the School for specific purposes have, in all material respects, been properly applied to those purposes and managed in accordance with any other terms and conditions attached to them; and
- income has, in all material respects, been applied in accordance with relevant legislation and with the School's *Financial Memorandum*, dated 1 August 1999, with the Scottish Funding Council.
- the information given in the Governors' Statement is consistent with the financial statements for the year ended 31 July 2008

THE GLASGOW SCHOOL OF ART  
INCOME AND EXPENDITURE ACCOUNT  
For the year ended 31 July 2008

	<i>Notes</i>	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
<b>INCOME</b>			
Funding Council Grants	1	10,668	10,327
Tuition fees and education contracts	2	4,958	4,143
Research grants and contracts	3	836	976
Other income	4	1,594	1,788
Endowment and Investment income	5	274	203
		<hr/>	<hr/>
<b>Total income</b>		<b>18,330</b>	<b>17,437</b>
<b>EXPENDITURE</b>			
Staff pay costs	6	11,720	11,124
Pension revaluation	16	-	-
Depreciation	11	1,139	1,085
Other operating expenses	8	5,338	5,092
Interest payable	9	100	102
		<hr/>	<hr/>
<b>Total expenditure</b>		<b>18,297</b>	<b>17,403</b>
Surplus/(deficit) on continuing operations after depreciation of assets at valuation		33	34
Taxation		-	-
<b>Surplus/(deficit) on continuing operations after depreciation of assets at valuation and taxation</b>		<b>33</b>	<b>34</b>
Accumulated income retained within specific endowments	18	(31)	(22)
<b>Surplus / (deficit) for the year retained within general reserves</b>		<b>2</b>	<b>12</b>

The income and expenditure account is in respect of continuing activities.

STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS  
For the year ended 31 July 2008

	<i>Notes</i>	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Surplus/(deficit) on continuing operations after depreciation of assets at valuation		33	34
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the re-valued amount	20	378	378
		<hr/>	<hr/>
<b>Historical cost surplus before and after taxation</b>		<b>411</b>	<b>412</b>

The accompanying accounting policies and notes form part of these financial statements

THE GLASGOW SCHOOL OF ART

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
For the year ended 31 July 2008

	<i>Notes</i>	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Surplus/(deficit) on continuing operations after depreciation of assets at valuation and taxation		33	34
Appreciation of endowment asset investments	18	(93)	200
New endowments	18	-	-
		<hr/>	<hr/>
<b>Total recognised gains relating to the period</b>		<b>(60)</b>	<b>234</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation</b>			
Opening reserves and endowments		16,565	16,331
Total recognised gains for the year		(60)	234
		<hr/>	<hr/>
<b>Closing reserves and endowments</b>		<b>16,505</b>	<b>16,565</b>
		<hr/> <hr/>	<hr/> <hr/>

The accompanying accounting policies and notes form part of these financial statements

THE GLASGOW SCHOOL OF ART

BALANCE SHEET  
As at 31 July 2008

	<i>Notes</i>	2008 £000	2007 £000
<b>Fixed Assets</b>			
Tangible assets	11	21,322	19,212
<b>Endowment Assets</b>	12	2,470	2,532
<b>Current Assets</b>			
Stocks		80	76
Debtors	13	1,212	1,320
Cash at bank and in hand		3,244	2,412
		<hr/>	<hr/>
		4,536	3,808
<b>Creditors: amounts falling due within one year</b>	14	<hr/> (3,818) <hr/>	<hr/> (3,685) <hr/>
<b>Net current assets/(liabilities)</b>		<hr/> 718 <hr/>	<hr/> 123 <hr/>
<b>Total assets less current liabilities</b>		24,510	21,867
<b>Creditors: amounts falling due after more than one year</b>	15	(1,700)	(1,754)
<b>Provisions for liabilities and charges</b>	16	(1,149)	(1,258)
		<hr/>	<hr/>
<b>NET ASSETS</b>		<hr/> <b>21,661</b> <hr/>	<hr/> <b>18,855</b> <hr/>
<b>Deferred capital grants</b>	17	5,156	2,290
<b>Endowments</b>			
Specific	18	2,188	2,228
General	18	282	304
		<hr/>	<hr/>
		2,470	2,532
<b>Reserves</b>			
Revaluation reserve	19	12,301	12,679
Income and expenditure account	20	1,734	1,354
		<hr/>	<hr/>
<b>Total reserves</b>		<hr/> 14,035 <hr/>	<hr/> 14,033 <hr/>
<b>TOTAL</b>		<hr/> <b>21,661</b> <hr/>	<hr/> <b>18,855</b> <hr/>

The accompanying accounting policies and notes form part of these financial statements

The financial statements on pages 17 to 33 were approved on 8 December 2008 and signed on behalf of the Board by:

Nick Kuenssberg, Chairman

Professor Seona Reid, Director

Eliot Leviten Director of Finance & Resource

THE GLASGOW SCHOOL OF ART

CASH FLOW STATEMENT  
For the year ended 31 July 2008

	<i>Notes</i>	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Cash flow from operating activities	21	956	2,000
Returns on investments and servicing of finance	22	174	101
Capital expenditure and financial investment	23	(1,518)	436
Financing	24	(48)	(48)
		<hr/>	<hr/>
<b>Increase in cash in the year</b>		<b>(436)</b>	<b>2,489</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of net cash flow to movement in net funds/(debt)</b>			
Increase in cash in the period		(436)	2,489
Movement in capital debt		48	48
		<hr/>	<hr/>
Change in net debt		(388)	2,537
Net debt at 1 August		2,041	(496)
		<hr/>	<hr/>
Net funds/(debt) at 31 July	25	<b>1,653</b>	<b>2,041</b>
		<hr/> <hr/>	<hr/> <hr/>

The accompanying accounting policies and notes form part of these financial statements

## Statement of Principal Accounting Policies

### 1 Accounting Convention

The accounts have been prepared under the historical cost convention, modified to include the revaluation of endowment asset investments and land and buildings at valuation, and in accordance with the Statement of Recommended Practice: Accounting in Further and Higher Education Institutions 2003 (SORP) and applicable Accounting Standards.

### 2 Recognition of Income

Recurrent grants from the SFC represents the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Non-recurrent grants from the SFC or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned. Income from specific endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to specific endowments.

### 3 Pension Schemes

Members of the academic staff are covered by the Scottish Teachers' Superannuation Scheme to which the School contributes. Other staff of the School are covered by the Strathclyde Pension Fund (Local Government Superannuation Scheme). Again, the School contributes as the employer. Each of these is a defined benefits scheme for which payments are made and charged annually in the accounts as part of the employment costs. Under statute, accounts for these schemes are prepared by the relevant bodies. A small number of staff are in other pension schemes but the School would only contribute if the employee was ineligible to join one of the two main public sector schemes.

### 4 Land and Buildings

Tangible Fixed Assets land and buildings are stated at cost or valuation, less a provision for depreciation. The basis of the valuation is depreciated replacement cost. The last valuation was carried out on 31 July 1995 by Grimleys, Chartered Surveyors. All additions since that date have been included at historic cost and their value is deemed to be at least equal to the cost incurred. Buildings are depreciated over their expected useful lives of up to 50 years.

Costs incurred in increasing the value of a building are capitalised if the cost of the improvement is over £5,000. If the cost incurred is over £5,000, but not considered to increase the value of the building, it will be written off in the year it is incurred. Where the property improvement cost that is to be capitalised has been incurred with the aid of a specific grant, it is depreciated as above. The related grant is treated as a deferred capital grant and released to the income and expenditure account over the period stated above.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

### 5 Equipment

All equipment and minor building improvements costing less than £5,000 for an individual item, or group of related items, is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated over its useful economic life as follows:

Telephone equipment	10 years	straight line
Other IT equipment and software	4 years	straight line
Furniture, fittings and minor building improvements	10 years	straight line
Other equipment	5 years	straight line

Where the equipment that is to be capitalised has been acquired with the aid of a specific grant, it is depreciated as above. The related grant is treated as a deferred capital grant and released to the income and expenditure account over the period stated above. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of any fixed assets may not be recoverable.

### 6 Leased assets

Operating leases and the total payments made under them are charged to the income and expenditure account on a straight line basis over the lease term.

### 7 Investments

Endowment Asset Investments are included in the balance sheet at market value as at the year-end.



## Statement of Principal Accounting Policies continued

- 8 Stocks**  
Stocks are stated at the lower of cost or net realisable value.
- 9 Maintenance of Premises**  
The cost of routine maintenance is charged to the Income and Expenditure account as incurred.
- 10 Taxation Status**  
The School has been granted charitable status by the Inland Revenue. Irrecoverable Value Added Tax on expenditure is charged to the Income and Expenditure account or, in the case of capitalised buildings and equipment costs, in the balance sheet.
- 11 Provisions**  
Provisions are recognised when the School has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

NOTES TO ACCOUNTS

1 Funding Council Grants	<i>Notes</i>	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
SFC recurrent teaching grant		7,336	7,232
Funding for increased STSS contributions		80	122
SFC research grant		1,610	1,557
SRIF grant		201	46
Small specialist institution grant		517	446
Other SFC grants		756	781
Deferred capital grant released in year			
Buildings	17	97	97
Equipment	17	71	46
		<u>10,668</u>	<u>10,327</u>
<b>2 Tuition Fees and Education Contracts</b>		<b>Year Ended 31 July 2008 £000</b>	<b>Year Ended 31 July 2007 £000</b>
UK higher education students		2,262	2,061
European Union (EU) (excluding UK) students		163	135
Non EU students		2,138	1,680
Other contracts		395	267
		<u>4,958</u>	<u>4,143</u>
<b>3 Research Grants and Contracts</b>		<b>Year Ended 31 July 2008 £000</b>	<b>Year Ended 31 July 2007 £000</b>
Research councils		176	181
European Commission		46	50
UK governmental contracts		123	28
Other grants and contracts		1	96
UK industrial and commercial contracts		490	621
		<u>836</u>	<u>976</u>
<b>4 Other Income</b>	<i>Notes</i>	<b>Year Ended 31 July 2008 £000</b>	<b>Year Ended 31 July 2007 £000</b>
Residences		626	594
Release from deferred grants ( Non SFC)	17	3	3
Other income generating activities		223	228
Other income		742	963
		<u>1,594</u>	<u>1,788</u>
<b>5 Endowment and Investment Income</b>		<b>Year Ended 31 July 2008 £000</b>	<b>Year Ended 31 July 2007 £000</b>
Income from specific endowments	18	75	62
Income from general endowments	18	8	9
Bank interest		191	132
		<u>274</u>	<u>203</u>

NOTES TO ACCOUNTS - continued

6 Staff Costs

Year Ended  
31 July 2008

Year Ended  
31 July 2007

The average monthly number of persons (including senior postholders) employed by the School during the period, expressed as full-time equivalents, was:

	Number	Number
Teaching departments	126	130
Teaching support services	66	68
Other support services	35	35
Administration and central services	31	32
Premises	47	48
Residences	1	1
<b>Total</b>	<b>306</b>	<b>314</b>

Analysed as

Staff on permanent contracts	270	275
Staff on temporary and other contracts	36	39
<b>Total</b>	<b>306</b>	<b>314</b>

Staff costs for the above persons:

Year Ended  
31 July 2008  
£000

Year Ended  
31 July 2007  
£000

Wages & salaries	9,833	9,464
Social security costs	772	697
Pensions	1,115	963
<b>Total</b>	<b>11,720</b>	<b>11,124</b>

Analysed as

Staff on permanent contracts	10,978	10,312
Staff on temporary and other contracts	742	813
<b>Total</b>	<b>11,720</b>	<b>11,124</b>

Staff costs by activity

Year Ended  
31 July 2008  
£000

Year Ended  
31 July 2007  
£000

Teaching departments	6,245	6,007
Teaching support services	1,807	1,649
Other support services	1,181	1,028
Administration and central services	1,396	1,365
Premises	1,046	1,035
Residences	45	40
<b>Total</b>	<b>11,720</b>	<b>11,124</b>

The number of staff, excluding governors, who received emoluments, including pension contributions, in the following ranges was:

£70,001 - £80,000	3	3
£80,001 - £90,000	2	2
	<b>5</b>	<b>5</b>

NOTES TO ACCOUNTS - continued

7 Governors' Emoluments

The emoluments of the Governors, including pension contributions, fall into the following bands:

		Year Ended 31 July 2008 Number	Year Ended 31 July 2007 Number
NIL		19	19
£35,001	- £40,000	1	1
£40,001	- £45,000	-	1
£45,001	- £50,000	1	1
£50,001	- £55,000	1	-
£85,001	- £90,000	-	1
£90,001	- £95,000	1	-
£115,001	- £120,000	-	1
£135,001	- £140,000	1	-
		<u>24</u>	<u>24</u>

The Governors' emoluments are made up as follows:

	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Salaries	315	289
Pension contributions	<u>46</u>	<u>38</u>
Total emoluments	<u><u>361</u></u>	<u><u>327</u></u>

The above emoluments include amounts payable to the Director (who is also the highest paid post-holder) of:

	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Highest paid Director		
The Director of the School	117	101
Pension contributions	<u>19</u>	<u>15</u>
<b>Total</b>	<u><u>136</u></u>	<u><u>116</u></u>

The pension contributions in respect of the Director of the School and senior post holders are in respect of employers contributions to the respective schemes and are paid at the same rate as for other employees.

NOTES TO ACCOUNTS - continued

8 Other Operating expenses by Activity

	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Teaching departments	1,696	1,620
Contracted-out lecturing services	13	14
Teaching support services	275	289
Other support services	456	415
Administration and central services	809	789
General education	40	38
Premises costs	1,213	1,020
Planned maintenance	317	316
Other income generating activities	65	82
Catering and residence operations	442	401
Other expenses	12	108
	<hr/>	<hr/>
	<u>5,338</u>	<u>5,092</u>

Other Operating expenses include:

	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Auditors' remuneration		
external audit	17	16
external audit other services	5	4
internal audit	13	11
	<hr/>	<hr/>

9 Interest Payable

	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Mortgages and loans not repayable within five years	100	102
	<hr/>	<hr/>
	<u>100</u>	<u>102</u>

10 Taxation

The Board do not believe the School was liable for any Corporation Tax arising out of its activities during this period (2006/07 Nil)

NOTES TO ACCOUNTS - continued

11 Tangible Fixed Assets

	Freehold Land and Buildings £000	Equipment £000	Total £000
<b>Valuation / Cost</b>			
At 1 August 2007	28,938	3,737	32,675
Additions at Cost	2,537	712	3,249
At 31 July 2008	<u>31,475</u>	<u>4,449</u>	<u>35,924</u>
At valuation 1995	17,933	-	17,933
At cost	13,542	4,449	17,991
	<u>31,475</u>	<u>4,449</u>	<u>35,924</u>
<b>Depreciation</b>			
At 1 August 2007	11,255	2,208	13,463
Charge for Year	673	466	1,139
At 31 July 2008	<u>11,928</u>	<u>2,674</u>	<u>14,602</u>
<b>Net Book Value</b>			
At 31 July 2008	<u>19,547</u>	<u>1,775</u>	<u>21,322</u>
At 1 August 2007	<u>17,683</u>	<u>1,529</u>	<u>19,212</u>

The School's policy is that assets are retained at either their 1995 valuation or their historic cost since that date.

Land and Buildings were valued in 1995 by a firm of independent chartered surveyors on a depreciated replacement cost basis.

All additions since that date have been included at historic cost and their value is deemed to be at least equal to the cost incurred.

Buildings with a net book value of £13,234,178 have been funded from Treasury sources. Should these particular buildings be sold, the School would either have to surrender the proceeds to the Treasury or use them in accordance with the Financial Memorandum with the Scottish Funding Council.

If inherited land and buildings had not been valued they would have been included at the following amounts

	2008 £000
Cost	13,543
Aggregate depreciation based on cost	6,293
Net book value based on cost	<u>7,250</u>

Heritage assets:

It is the view of the School that there is no regular and active market for the School's heritage assets and as a consequence there is insufficient reliable valuation information available to the School for it to provide a meaningful disclosure in these accounts and as such the heritage assets are excluded from the balance sheet.

NOTES TO ACCOUNTS - continued

12 Endowment Assets	31 July 2008 £000	31 July 2007 £000
Balances as at 1 August 2007	2,532	2,310
Additions (note 23)	1,569	562
Disposals (note 23)	(263)	(529)
(Decrease) / increase in cash balances held at fund managers	(1,275)	(11)
Bequest due in respect of Mr C Fyfe	-	-
Appreciation of endowment asset investments	(93)	200
Balances as at 31 July 2008	<u>2,470</u>	<u>2,532</u>
Represented by:		
Fixed Interest Stocks (listed)	699	251
Equities (listed)	1,610	845
Bequest funds received post year end	-	-
Bank balances (note 25)	161	1,436
Total	<u>2,470</u>	<u>2,532</u>

13 Debtors	31 July 2008 £000	31 July 2007 £000
Trade debtors	340	397
European funding	-	-
Debts due from students	47	38
Prepayments and accrued income	825	885
	<u>1,212</u>	<u>1,320</u>

Included in prepayments and accrued income above is £442k relating to the costs of preparing the GSA Estates strategy which will either be capitalised when the project proceeds or will require to be written off if the project does not proceed

14 Creditors: Amounts Falling Due Within One Year	31 July 2008 £000	31 July 2007 £000
Trade creditors	134	118
Social security and other taxes payable	68	255
Other creditors	88	72
Loans (secured) (note 15)	52	52
Payments in advance	181	136
Accruals	3,295	3,052
	<u>3,818</u>	<u>3,685</u>

NOTES TO ACCOUNTS - continued

15 Creditors: Amounts Falling Due After One Year	31 July 2008 £000	31 July 2007 £000
Combined loan (secured)	1,752	1,806
Less: amount falling due within one year (note 14)	52	52
	<u>1,700</u>	<u>1,754</u>
Instalments on the loans above are payable as follows		
Between one and two years	56	56
Between two and five years	189	189
After five years	1,455	1,509
	<u>1,700</u>	<u>1,754</u>

Details of loans  
Combined loan

Loan repayable by quarterly instalments until December 2026

Loan rate 5.59 % (fixed) secured on the Sir Harry Barnes Building and the Margaret MacDonald House Residence

16 Provision for Liabilities and Charges

	Provision for past service pensions £000	Total £000
Balances as at 1 August 2007	1,258	1,258
Expenditure in year	(109)	(109)
<b>At 31 July 2008</b>	<u>1,149</u>	<u>1,149</u>

The provision for past service pensions relates to unfunded enhanced early retirals given in prior years. The provision was calculated by a firm of actuaries in 2006 and reviewed in 2008.

17 Deferred Capital Grants

	Funding Council £000	Other Grants and Benefactions £000	Total £000
At 1 August 2007			
Buildings	1,759	108	1,867
Equipment	423	-	423
	<u>2,182</u>	<u>108</u>	<u>2,290</u>
Capital grants received in year			
Buildings	489	2,464	2,953
Equipment	84	-	84
	<u>573</u>	<u>2,464</u>	<u>3,037</u>
Released to Income and Expenditure			
Buildings	(97)	(3)	(100)
Equipment	(71)	-	(71)
	<u>(168)</u>	<u>(3)</u>	<u>(171)</u>
<b>At 31 July 2008</b>			
Buildings	2,151	2,569	4,720
Equipment	436	-	436
	<u>2,587</u>	<u>2,569</u>	<u>5,156</u>



NOTES TO ACCOUNTS - continued

18 Endowments

	Specific £000	General £000	Total £000
At 1 August 2007	2,228	304	2,532
Income for year	75	8	83
Expenditure for year	(44)	(8)	(52)
Accumulated income retained	31	-	31
Additions	-	-	-
Appreciation of endowment asset investments	(71)	(22)	(93)
<b>At 31 July 2008</b>	<b>2,188</b>	<b>282</b>	<b>2,470</b>
<b>Representing</b>			
Prizes funds	2,188	-	2,188
Other funds	-	282	282
	<b>2,188</b>	<b>282</b>	<b>2,470</b>

19 Revaluation Reserve

	31 July 2008 £000	31 July 2007 £000
Balances as at 1 August 2007	12,679	13,057
Released in year to Income & Expenditure Account	(378)	(378)
<b>At 31 July 2008</b>	<b>12,301</b>	<b>12,679</b>

20 Income and Expenditure Account

	General Funds £000	Departmental Balances £000	Total £000
Balances as at 1 August 2007	1,272	82	1,354
Surplus after depreciation at valuation	2	-	2
Transfer from departmental balances	46	(46)	-
Release of Revaluation Reserve	378	-	378
<b>At 31 July 2008</b>	<b>1,698</b>	<b>36</b>	<b>1,734</b>

21 Reconciliation of operating surplus/(deficit) to Net Cash Flow from Operating Activities

	31 July 2008 £000	31 July 2007 £000
Surplus/(deficit) after depreciation of assets at valuation	33	34
Depreciation	11	1,085
Deferred grants released to income	17	(146)
Endowment & investment income		(203)
Interest payable	9	102
Increase in stock		(1)
Decrease/(increase) in debtors		119
Increase in creditors		1,124
(Decrease)/increase in provisions	16	(114)
<b>Net cash inflow from operating activities</b>	<b>956</b>	<b>2,000</b>

NOTES TO ACCOUNTS - continued

22 Returns on Investments and Servicing of Finance	<i>Notes</i>	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Income from endowments	18	83	71
Interest received on current accounts		191	132
Interest paid on long term loans	9	(100)	(102)
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>174</b>	<b>101</b>

23 Capital Expenditure and Financial Investments	<i>Notes</i>	Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Payments to acquire tangible assets	11	(3,249)	(634)
Payments to acquire fixed asset investments	11		-
Payments to acquire endowment investments		(1,569)	(562)
Deferred capital grants received	17	3,037	287
Receipt from sale of endowment investments		263	529
Endowments received in year		-	816
<b>Net cash inflow/(outflow) from capital expenditure and financial investments</b>		<b>(1,518)</b>	<b>436</b>

24 Financing		Year Ended 31 July 2008 £000	Year Ended 31 July 2007 £000
Capital element of loan repayments		(48)	(48)
<b>Net cash outflow from financing</b>		<b>(48)</b>	<b>(48)</b>

25 Analysis of Changes in Net (Debt)/Funds		As at 1 Aug 2007 £ 000	Cash Flow £ 000	Other Changes £ 000	As at 31 July 2008 £ 000
	<i>Notes</i>				
Endowment Assets	12	1,436	(1,275)	-	161
Cash in hand, and at bank		2,412	832	-	3,244
		3,848	(443)	-	3,405
Due within one year	15	(52)		-	(52)
Due after one year	15	(1,755)	55	-	(1,700)
<b>Total</b>		<b>2,041</b>	<b>(388)</b>	<b>-</b>	<b>1,653</b>

26 Related Party Transactions

The Board of Governors consider the relationships that the School has with GSA Enterprises Ltd has the characteristics of related parties under the Financial Reporting Standard (FRS) 8

**GSA Enterprises Ltd.**

In the year ended 31 July 2008 the School received income from GSA Enterprises of £50,000 (2005/06 £75,000) including Gift Aid contributions

27 Pensions

All Members of the staff are covered by two principal pension schemes, the Scottish Teachers Superannuation Scheme (STSS) for academic staff and the Strathclyde Pension Fund (SPF) for other staff. Each of these schemes is a defined benefits scheme. Under statute, accounts for these schemes are prepared by the relevant bodies.

The total cost of both schemes was £1,115,000 (2006/07- £963,000). The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

**Strathclyde Pension Fund (SPF)**

The School participates in the Strathclyde Pension Fund (SPF) scheme, which is a funded defined benefit pension scheme where contributions payable are held in a trust separately from the School. The main results and assumptions of the most recent valuation of the Local Government Scheme are as follows:

Valuation date	31 March 2005
Valuation method	Projected unit method
Market value of assets	£ 7,005 million
Investment return per annum	6.7%
Salary scale increases per annum	4.4%
Pension increases per annum	2.9%

The School paid contributions of 16.4% of pensionable salaries for the accounting period as recommended by the actuary. Surpluses and deficits are spread over employees' future service lives, and the pensions charge recorded by the School was equal to the contributions payable.

The SPF is a multi employer scheme where the share of assets and liabilities applicable to each employer is not identified. The School accounts for its pension costs on a defined contribution basis as permitted by Financial Reporting Standard No.17.

**Scottish Teachers' Superannuation Scheme (STSS)**

The School participates in the STSS, which is an unfunded defined benefit pension scheme where contributions payable are credited to the Exchequer and a notional set of investments maintained. The pension cost is assessed every five years by the Government Actuary. The main results and assumptions of the most recent valuation of the STSS are as follows:

Valuation date	31 March 2001
Valuation method	Entry age method
Market value of assets	£ 10,769 million
Gross rate of return per annum	7.0%
Salary scale increases per annum	5.0%

The contributions payable by the School during the accounting period were equal to 13.5% of total pensionable salaries. The pensions charge recorded by the School during the accounting period was equal to the contributions payable

The STSS is a multi employer scheme where the share of assets and liabilities applicable to each employer is not identified. The School accounts for its pension costs on a defined contribution basis as permitted by Financial Reporting Standard No.17.

NOTES TO ACCOUNTS - continued

28 Post Balance Sheet Events

The Board considered that there were no material post balance sheet events requiring disclosure.

29 Capital Commitments

	31 July 2008 £000	31 July 2007 £000
Committed and contracted as at 31st July 2008	<u>-</u>	<u>-</u>

30 Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

31 Bursary and Other Student Support Funds

	Hardship £000	2006 - 2007 Total £000	2005 - 2006 Total £000
Balance brought forward at 1 August 2007	2	2	8
Funds received in year	105	105	89
Expenditure	<u>(100)</u>	<u>(100)</u>	<u>(95)</u>
Balance carried forward at 31 July 2008	<u>7</u>	<u>7</u>	<u>2</u>

Grants are available solely for students; the School acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

## Donors to the Mackintosh Conservation & Access Project

Alan Ramage	Jennifer Phillips	Sylvia Aitken Charitable Trust
Alan Thornton	Jimmy Rexter	Teresa Bridgit McLaughlin
Alexander James Quine	John J O'Connor	The 29th May 1961 Charitable Trust
Alexandra Redmond	John Manson McRoberts	The Alan Evans Memorial Trust
Alice Steffen	Judith Hurst	The AMW Charitable Trust
Alicia Reid	Kalman Bookman	The Bellahouston Bequest Fund
Ann Packard	Kathryn A Allan	The Brownlie Charitable Trust
Ann Sutton	Kevin Dorren	The Dalrymple Donaldson Fund
Anna Maher	Kyle Napoli	The Gordon Fraser Charitable Trust
Anton Sterenborg	Lesley Barnes	The Horace W Goldsmith Foundation
Archibald & Rita Henderson	Lesley-Anne Hutchison	The JTH Charitable Trust
Audrey Gardner	Linda Collins	The Margaret Murdoch Charitable Trust
Aurelius Charitable Trust	Linda Miller	Thomas & Gunnel Palmeer
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Corinna R Gage	Lindsay Swann	Una Davenhill
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David Millar	Maggie Sale	W M Mann Foundation
David Page	Malcolm Inglis	
Derek Palmer	Malcolm Kenneth Park	
Donna McKinnon	Margaret Brandon	
Eddie Bell	Margaret Dougan	
Eileen Russell	Melanie Reeves	
Eliena Sagasti	Michael Kilkelly	
Elizabeth Harkins	Miss E C Hendry's Charitable Trust	
Ellie Harrison	Morven Rae	
Eve Parsons	Myra McCredie	
Fiona Perry	Natasha Leask	
Flora Ann Cipullo	Natasha Smith	
Florence W Rix	Nick Kuenssberg	
Frank Houston	Nigel Lowey	
Fred Shedden	Pamela Davenhill	
George Grant	Pamela Robertson	
Gladys Noble	Patricia Jeffries	
Glasgow Antique & Fine Art Society	Ray & Moira Ward	
Glasgow Dean of Guild Court Trust	Raymond O'Connor	
Glenis Kerr Elliot	Rita Cummings	
HBOS Foundation	Roger Perman	
Helen Starling	Rosemary Trollope	
Institute of Directors Scotland	Ross Vitale	
Isobel Alexander	Ruth A Morrison	
Isobel MacKinnon	Sandy Nelson	
James McDonald	Sara Allbright	
Jana Goldman	Sarah Wilkinson	
Jane Wood	Sharp Family	
Janice Kirkpatrick	Sharp Family	
Janice Smith	Shelley Macartney	
Janine Kerr	Stephanie Stolton	
Jemma & Rhys Myors	Susan Brook	
Jennifer Davenhill	Susan Hay	



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