

identified by the name of "The Consolidated Scholarship Exhibition and Prize Fund" or any other distinctive name which the Governing Body from time to time may decide.

Initial Valuation

(ii) Notwithstanding that this Statute does not come into operation until approved by Order in Council it shall when so approved be deemed for all purposes of accounting including the initial ascertainment of the shares in the Fund of specific trusts to have come into operation on 31st July 1966 and accordingly the initial valuation of the Fund shall be drawn up as at that date.

Yearly Valuation

(iii) There shall be a yearly valuation of the Fund as at 31st July in each year commencing with 31st July 1966 with power however for the Governing Body from time to time to substitute such other yearly date. The date the 31st July or such substituted date is hereinafter called "the accounting date". On each yearly valuation there shall be recorded the total value of the Fund, the proportion of the Fund which belongs to each of the specified trusts, the value of the shares of each specified trust and the value or amount of reserves and provisions. Such yearly valuation shall be made in accordance with the following rules:

- (a) Loans and mortgages comprised in the Fund shall (unless for special reason) be included at their face value and deductions in respect of loans and mortgages owing by the Fund shall be made at face value.
- (b) Investments quoted on a stock exchange shall be revalued every year and shall be included at the mid-market price on the accounting date or if there is no published price on that date the mid-market price on the last day preceding the accounting date for which there is a published price.
- (c) Land and any other assets not above mentioned shall if acquired on or before 31st July 1966 be actually valued for the purposes of the initial valuation and, if acquired subsequently, be included in the first yearly valuation after acquisition at the price of acquisition. Thereafter such land or other assets need not be actually revalued more than once in every ten years but shall in years in which they are not actually revalued be brought into the yearly valuation at the respective figures at which they appeared in the preceding years subject to proper adjustment in respect of capital spent on improvements partial realization and like matters.
- (d) All values and adjustments to values for the purposes of a yearly valuation shall be certified in the case of land by a Chartered Surveyor or other person nominated by the Governing Body and in the case of stock exchange investments and all other assets by the Auditors for the time being of the accounts of the School.
- (e) The proportions in which the fund is treated as belonging to the separate trusts shall be ascertained on the initial valuation being in each case the proportion which the value of the capital assets of that trust bears to the aggregate value of the Fund. The proportions so ascertained shall thereafter continue subject to proper adjustment where necessary in respect of any advance of capital out of or addition of capital to particular trusts.
- (f) Reserve funds and provisions and accumulations of interest may be accounted for either as proportionate parts of the total assets or as amounts of money payable thereout according to convenience.
- (g) Fractions of £1 may be disregarded or rounded off to the nearest £1.

Distribution of Income

(iv) Subject to the provisions hereinafter contained, and to appropriate adjustments in respect of capital withdrawn from or added to a particular trust between two accounting dates the net income of the Fund (and of any reserve) shall be allocated to and periodically distributed among the specified trusts in proportion to the shares of the Fund for the time being belonging to such trusts respectively and any income placed to a reserve account shall be treated as belonging to the trusts concerned in the like proportion.

Advances of Capital

(v) In the case of any trust by the terms of which capital is authorized to be advanced, advances by withdrawal of capital from the fund may be made for any purpose authorized by such terms up to the value of the shares of the Fund for the time being belonging to such trust (or the less amount authorized by the said terms) and for the purpose of any such advance the values of the Fund and of the shares thereof at the date of the advance shall be treated as being those shown in the yearly valuation made at the accounting date last before the date of the advance except that any addition to or withdrawal from the Fund made since such accounting date shall be taken into account and that in any case in which the Governing Body shall consider a new valuation to be required in fairness (by reason of recent change of general values or any other special circumstances) the Fund shall be valued as at the date of the advance in the same manner as prescribed by paragraph (iii) hereof. The shares of the specified trusts in the Fund shall be readjusted accordingly in the next yearly valuation. The provisions of this clause shall apply (*mutatis mutandis*) in the same way to the withdrawal for any trust of money representing income belonging to such trust which may have been accumulated or left by way of addition to the Fund.

Reserve Account

(vi) The Governing Body in its discretion may at any time or times when it shall consider such course to be prudent and advisable retain and invest and place to a reserve account (for the purpose of eliminating or reducing fluctuations of income) such part or parts of the net income of the Fund (and of any reserve) as it may think expedient. And the Governing Body in its discretion may at any time or times resort to and realise and apply any such reserve or any part or parts thereof for supplementing the actual income derived from the Fund by the Trusts concerned.

Provision against Capital Depreciation or Reduction of Income on Changes of Investment

(vii) The Governing Body in its discretion may at any time or times when it shall consider such a course prudent and advisable withhold from allocation to and distribution among the trusts concerned and retain in and invest as part of the capital of the Fund (as a provision against capital depreciation or a reduction of income on changes of investment) such part or parts of the net income of the Fund as it shall think expedient.

Unexpended Income of Trusts

(viii) If the income of any trust is more than the amount required for the purposes of the trust in that year the surplus not so required may at the discretion of the Governing Body be applied as income in any subsequent year or be invested and added to the capital of the Fund; and in the latter case the appropriate increase shall be made to the share of that trust in the Fund by reason of such addition in the next yearly valuation.

Reimbursement of Expenses

(ix) The Governing Body may retain for itself in or towards reimbursement of the expenses incurred by it in administration of the Fund any yearly sum not exceeding 4 per cent. of the gross income for the time being of the Fund (and of any reserve).