

shall be and hereby are from and after the date above mentioned; transferred and made over to the said School Board, and the said Trustees of Dr. Bell shall at the said date transfer to the said Board any titles to the said buildings and others to which they themselves may have right.

#### 24. Vested Interests.

#### Application of Income.

25. Application of Income.—The governors, after paying the necessary expenses of management and the burdens and taxes affecting the Endowment, shall apply the free income of the Endowment in the manner hereinafter provided.

26. Free Scholarships.—The governors may, so long as they continue to receive any payment or revenue or benefit from the estate of the said Alexander Bogie, but no longer, apply a sum not exceeding £30 yearly in paying, in whole or in part as they may think fit, the fees of scholars, with books and stationery, at public or State-aided schools in the parish of Cupar, both landward and burgh, for elementary education as defined in the Educational Endowments (Scotland) Act, 1882. The free scholars shall be children whose parents or guardians, not being in receipt of parochial relief, are in such circumstances as to require aid for providing elementary education, and are persons who, in the opinion of the governors, ought not to be required to apply to the Parochial Board for such aid.

In the case of children under ten years of age, the selection of free scholars shall be made with due regard to merit, as ascertained by such examination, suited to the age of the candidates, as the governors may from time to time prescribe; or in the case of children for whom such examination is unsuitable, by evidence that the children possess such qualifications as to justify their selection; and in the case of children who have been in attendance at school during one or more school years, the governors shall, in making their selection, give special weight to good conduct, attendance, and progress at school during the previous year. The fees in respect of children under ten years of age shall not be paid for more than one school year without reappointment, and the amount to be expended in paying fees for such children shall not exceed one-third of the amount to be applied under this section.

In the case of children under ten years of age and upwards, the free scholars shall be selected by competitive examinations, which shall be open to all of the same age who are eligible in terms hereof, whether they have or have not previously been beneficiaries; and for such children the school fees may continue to be paid for such period, not exceeding three years, as the governors may determine. If any scholar gain a school bursary his school fees shall no longer be paid under this section.

The governors, at the end of every school year, shall obtain from the teacher or teachers a special report as to the conduct, regularity of attendance, and progress of all scholars whose school fees are paid in whole or in part under this section, and the fees of no scholar shall continue to be paid in regard to whom such report is not satisfactory.

27. School Bursaries.—The governors shall apply an annual sum not exceeding £40 in establishing school bursaries, one-half of which shall be called the Gray Bursaries, each of the yearly value of not less than £5 nor more than

£10. These bursaries shall be awarded by competitive examination among pupils attending public or State-aided schools in the parish of Cupar, both burgh and landward, who have passed the fifth standard of the present Scotch Code, or such standard as may from time to time be fixed by the Scotch Education Department, pursuant to the Education (Scotland) Acts, as that entitling children to total exemption from the obligation to attend school, and whose parents or guardians are in such circumstances as to require aid for giving them higher education, and the Gray Bursaries shall be tenable exclusively by girls so qualified; these bursaries shall be tenable for two years at the Madras School, or in the event of its being closed at public or State-aided schools in which efficient instruction is given in the higher branches.

#### 28. Payment of Free Income to School Board.

—The governors shall pay the whole residue of the free annual income of the Endowment to the Burgh School Board of Cupar, subject to the following conditions:—(1) The School Board shall maintain and keep in good repair the buildings of the Madras Academy, and maintain a school therein which may be as hereinafter provided divided into an upper and lower department. The lowest class in the upper department shall correspond to the sixth standard of the present Scotch Code, and it shall be in the power of the School Board, with consent of the governors, to maintain in the lower department preparatory junior classes under the teaching or superintendence of the head master of the school, provided that the fees in such lower department shall cover the whole cost of education in that department, and that neither the teaching of the head master in the upper department, nor the accommodation of said department be unduly interfered with. (2) The annual sum paid to the School Board by the governors, together with the whole fees drawn from the upper department, and any Government grant which may at any time be drawn therefor, shall be wholly applied to salaries and other educational expenses in the upper department. (3) The head master shall be a graduate of some University in the United Kingdom, and shall receive a salary of not less than £200. (4) The accounts of the school, so far as they relate to the higher department, shall be annually submitted to the governors. (5) The fees in the higher department shall be fixed on such a scale as the parents of children attending the department may reasonably be expected to pay, and shall not be reduced so as to impair the efficiency of the department for higher instruction. The table of fees in the department shall be subject to the approval of the governors, and in the event of a difference of opinion between the governors and the School Board, the questions shall be referred to the determination of the Scotch Education Department. (6) The School Board shall give free education in the higher department to such number of children not exceeding ten as the governors may determine, whose parents or guardians require aid in giving them higher education. These children shall be elected by the governors from among the children attending public or State-aided schools in the burgh or parish of Cupar or parish of Springfield, and in the event of there being more candidates than vacancies, the free scholarships shall be awarded on the result of such examination as the governors may determine.