

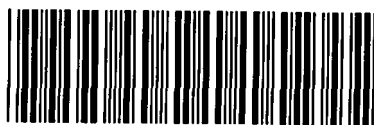
# THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST

THE GLASGOW ACADEMY IS ADMINISTERED BY THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST  
A COMPANY LIMITED BY GUARANTEE AND AN EDUCATIONAL CHARITY REGISTERED IN SCOTLAND  
COMPANY NUMBER: SC 11313 CHARITY NUMBER: SC015638

## REPORT AND ACCOUNTS

For Year ended 30th June 2014

SC11313



SCT 14/10/2014 #553  
COMPANIES HOUSE

### Chairman

GRAHAM SCOTT, F.C.I.B.S. <sup>(2) (4) (5)</sup>

### Honorary Governors

ROY de C. CHAPMAN, M.A.

DAVID COMINS, M.A.

Sir ANGUS M. M. GROSSART, Q.C., C.B.E., LL.D., D.Litt., F.R.S.E., D.L., D.B.A., M.A., LL.B., C.A., F.S.A. (Scot), F.C.I.B.S.

ELIZABETH K. HENDERSON, M.A., M.Ed.

ANDREW L. HOWIE, C.B.E., F.R.Ag.S.

Sir JEREMY ISAACS, M.A., D.Litt., LL.D., F.R.S.A., F.R.S.A.M.D., F.G.S.M.,  
Com. de l'Ordre des Arts et des Lettres (France), Mem. Ordre pour le Mérite (France)

J. GORDON JACK, M.A., C.A., C.T.A.

The Lord KERR OF KINLOCHARD, G.C.M.G., M.A., LL.D (St Andrews), LL.D (Glasgow)

Professor Sir MALCOLM MACNAUGHTON, M.D., LL.D., F.R.C.O.G., F.R.C.P., F.R.S.E.

WILLIAM M. MANN, C.A.

Professor Sir DAVID MASON, C.B.E., LL.D., B.D.S., M.D., F.R.C.S., F.D.S., F.R.C.Path., F.R.S.E.

CHARLES MILLER SMITH, M.A., A.C.C.A., LL.D.

ALASTAIR D.S. ROLLAND, C.A., F.R.C.P.S. (Glasgow)

Professor NORMAN STONE, M.A.

C. MURRAY STUART, C.B.E., M.A., LL.B., C.A., D.Univ., F.C.T., F.R.S.A.

COLIN W. TURNER, B.Sc., A.K.C.

The Lord VALLANCE OF TUMMEL, M.Sc., D.Sc., D.Tech., D.B.A., D.Eng.

### Governors

CHRISTINE ABERCROMBIE, B.Acc., C.A. <sup>(1)</sup>

ALEX BARR. BRYAN DUNCAN, M.B.A., M.R.I.C.S. <sup>(6)</sup>

JEREMY GLEN, LL.B., Dip L.P., N.P. <sup>(1)</sup>

GORDON HENRY, C.A. <sup>(1) (5)</sup>

GAVIN SMITH, M.R.I.C.S. (nominated by Glasgow Academical Club) MATTHEW LEE, M.A. <sup>(3)</sup>

STUART McCAFFER, B.Com., C.A. <sup>(2)</sup>

Dr MOIRA McDONALD, M.B., Ch.B., M.R.C.P., F.R.C.Path. <sup>(3)</sup> ROBIN McNAUGHT, B.Acc., C.A.

NEENA MAHAL, M.A., D.C.G. <sup>(3)</sup>

GRAHAM SHANKLAND, C.A., M.C.T. <sup>(2) (4) (5)</sup>

WILLIAM SINCLAIR, M.A., M.F.B., M.I.D.E., M.I.O.D., M.S. ExpE., M.I.C.M., M.A.P.S. <sup>(1)</sup>

ANDREW WADDELL, M.A., C.A., A.S.I.P. <sup>(3)</sup>

### Secretary:

THOMAS W. GEMMILL, LL.B., N.P. <sup>(2) (5)</sup>

### Rector:

PETER J. BRODIE, M.A., M.A. (Ed)

### General Manager

Dr WILLIAM R. KERR, LL.B., M.Sc., M.B.A., Ph.D., F.C.I.S., F.C.I.M., F.I.H.

### Auditors:

Baker Tilly UK Audit LLP, Breckenridge House, 274 Sauchiehall Street, Glasgow G2 3EH

### Bankers:

The Royal Bank of Scotland Plc, Kirkstane House, 139 St Vincent Street, Glasgow, G2 5JF

### Legal Advisers:

Carruthers Gemmill, 81 Bath Street, Glasgow G2 2EH

### Investment Advisers:

Standard Life Wealth, Standard House, 30 Lothian Road, Edinburgh, EH1 2DH

- (1) Member of Property, Health & Safety Committee  
(3) Member of Education Committee  
(5) Member of Nominations Committee

- (2) Member of Finance & Risk Committee  
(4) Member of Investment Committee  
(6) Co-opted to Board

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
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A COMPANY LIMITED BY GUARANTEE AND AN EDUCATIONAL CHARITY REGISTERED IN SCOTLAND  
COMPANY NUMBER: SC 11313 CHARITY NUMBER: SC015638

**REPORT AND ACCOUNTS**

For Year ended 30th June 2014

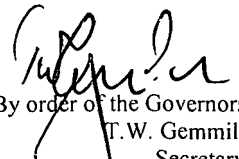
NOTICE IS HEREBY GIVEN that the Ninety Fifth Ordinary General Meeting of the Members of The Glasgow Academicals' War Memorial Trust will be held within the Music Department Performance Room of The Glasgow Academy, Colebrooke Street, Glasgow, on Friday 7th November 2014 at 12 noon for the following purposes:

- 1) To receive and consider the Annual Statement of Accounts and the Reports of the Governors and the Auditors
- 2) To pass if thought fit a Special Resolution being the following amendment to the Company's Articles of Association specifically:-
  - a) In the interpretation section (2) add the words "or General Manager" after the word "Bursar" being the 4<sup>th</sup> last word thereof.
  - b) In Article 23:-
    - i) the word "two" where it occurs on the fourth paragraph thereof shall be delete and the number "three" substituted therefor.
    - ii) The first six words of the second sentence thereof shall be delete and the words "There shall be a maximum of 14 Governors, 12....." shall be substituted therefor.
    - iii) To delete the fifth paragraph thereof and replace with the following words:-

"The nominated Governors shall retire from office after six calendar years' service at the 6<sup>th</sup> successive Annual General Meeting occurring after their appointment as Governors was confirmed at an Annual General Meeting of the Trust. They shall not be eligible for re-election as Governors unless specifically requested to remain or co-opted by the Governors and that for a period of time as determined by the Governors and approved at an Annual General Meeting of the Trust. The Secretary of the Governors shall give two months' notice to the nominated bodies of any requirement to nominate Governors. If any such nomination should not be made one month prior to the relevant Annual General Meeting then the Governors may nominate a Governor or Governors to meet any vacancy or vacancies arising and such nomination or nominations shall be treated as if they had been duly made by the nominated body or bodies concerned.."
  - c) To remove Article 24 and replace it with the following:-

"At the Annual General Meeting of the Trust in every year there shall retire from office four of the elected Governors. The four to retire in every year shall be the two who have been longest in office, except where any other elected Governor or Governors proposes or propose to retire. They shall not be eligible for re-election as Governors unless specifically requested to remain or co-opted by the Governors and that for a period of time as determined by the Governors and approved at an Annual General Meeting of the Trust and the other two retiring Governors will be those who have reached their third successive Annual General Meeting occurring after their appointment as Governors is confirmed and they shall be eligible for re-election for a further period of three years."
- 3) To re-appoint Baker Tilly UK Audit LLP as Auditors and
- 4) To elect Governors and other Officers and to transact the ordinary business of the Trust.

Registered Office of the Trust  
The Glasgow Academy  
Colebrooke Street  
Glasgow G12 8HE

  
By order of the Governors  
T.W. Gemmill  
Secretary  
25<sup>th</sup> September 2014

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**REPORT BY THE GOVERNORS**  
**Year ended 30th June 2014**

The Governors, who are also charitable Trustees and Directors of the company for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 30th June 2014.

The Governors at 30th June 2014 are set out on Page 1. All have served on the Board for the full financial year except Mrs C. Abercrombie, Mr A. Barr and Mr G. Smith who were appointed on 8<sup>th</sup> November 2013. In addition, Professor N. Nic Daeid resigned in May 2014. Dr G. McLaren, Mrs H. Grierson and Mr I Jarvie served as Governors during the year until their retirement on 8<sup>th</sup> November 2013. The Honorary Governors listed on page 1 are patrons of the Trust and are not appointed as Directors or Trustees.

## **Structure, Governance and Management**

### *Governing Document*

The Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11th June 1920 as subsequently amended. It is registered as a Scottish charity.

### *Board of Governors*

The Board consists of up to twelve elected Governors plus two Governors nominated by (i) The Senates of Glasgow and Strathclyde Universities; and (ii) The Glasgow Academical Club. The Board has the power to co-opt three further Governors giving a maximum total of seventeen Governors. The Board operates a Nominations Committee and suggestions for nominations are encouraged from all members of the Board according to the Board's specifications concerning eligibility, personal competence, specialist skills and local availability. Nominations are submitted to the Annual General Meeting for election.

Mr G. Henry, Mr. M. Lee, Mr S. McCaffer, Mr R. McNaught and Mr G. Scott retire from the Board at the AGM on Friday, 7<sup>th</sup> November 2014. Mr G. Henry, Mr M. Lee and Mr R. McNaught do not seek re-election. One Governor, Mr B. G. Duncan, is co-opted to the Board and it is the intention to co-opt Mr B. G. Duncan for a further year.

Mr D. Robinson, current President of the Glasgow Academical Club, has been nominated to replace Mr G. Smith who retires at the AGM. The contribution of all those Governors retiring at the AGM is gratefully acknowledged.

Following the resignation of Professor N. Nic Daeid, a nomination from the Senates of Glasgow and Strathclyde Universities is awaited.

Resolutions to re-elect Mr S. McCaffer and Mr G. Scott and to elect Ms K. Dinardo and Mrs S. Binns as Governors will be put to the AGM.

### *Responsibilities of Governors*

The Governors (who are also directors of The Glasgow Academics' War Memorial Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and,
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**REPORT BY THE GOVERNORS**  
**Year ended 30th June 2014**

### *Induction and Training*

New Governors are inducted into the workings of The Trust, including Board policy and procedures, at an induction event conducted by the Chairman and General Manager which includes a familiarisation tour of the school's facilities. Governors also receive training on the various aspects of their role through regular briefings at Governors' Meetings and periodic refresher training on their roles and responsibilities delivered during an annual weekend meeting. Governors are also encouraged to attend relevant external courses.

### **Organisational Management**

The Board of Governors administers the Trust, and meets five times during the year, including a weekend away meeting to review strategy and performance. Certain of the Trust's business, including Finance & Risk, Property, Health & Safety, Investment, Education and Nominations is delegated to Committees of Governors which meet regularly. A review of the Committees' performance is undertaken each year to better serve current and future priorities.

The Rector is appointed by the Governors to manage the day to day operations of the Trust. To facilitate effective operations, the Rector and the General Manager have delegated authority, within terms approved by the Governors, for operational matters including finance, employment and educational matters.

### **Risk Management**

A review of the risks facing the Trust and the controls in place to mitigate these risks is undertaken on an on-going basis by the Finance and Risk Committee and reviewed by the full Board on an annual basis. This process includes the production of a risk register which identifies and categorises the main risks, the likelihood of recurrence, the potential impact and what measures are in place to control and mitigate these risks. During the past year, particular attention has focussed on our Sci-Tech project and the resultant risks in respect of construction and finance, emphasising the need to generate sufficient future cash flows to meet borrowing repayment targets. In addition, the sensitivity of future cash flows, particularly in terms of pupil numbers, and the impact on our 2020 Vision plans for the campus, together with health and safety risks, child protection risks, reputational risk and the retention of our charitable status have been of particular focus during the year. The Governors are satisfied that the major risks identified have been mitigated as appropriate, but recognise that systems can only provide reasonable and not absolute assurance in such areas.

### **Charitable Objectives and Activities**

The Trust's principal objective is the advancement of education through the development and administration of The Glasgow Academy as a school for boys and girls. The Trust was set up in 1920 as a Memorial to those former pupils of the school who gave their lives during the 1914-1918 war and the memory of that sacrifice is honoured by our community in various ways and at special events during the year.

The Glasgow Academy's aim is to provide a first-class independent education. The School aims are not only to encourage pupils towards achievement at the highest levels of academic, sporting and artistic distinction, but also to introduce pupils to the contrasting demands and benefits of teamwork and leadership in expeditions, community activities and sport.

The School admits pupils from a wide range of backgrounds, including a significant number from ethnic minorities. The Governors are committed to widening access to the school and its facilities. During the year ended 30th June 2014, 126 pupils received financial assistance from our Scholarship and Bursary funds and the School's facilities were made available to a wide range of community groups. The Academy's inherited ethos of public service and self-sacrifice dictates that its pupils and staff dedicate themselves not only to high academic standards, but also to realising the wider communal obligations bequeathed to succeeding generations by its founders.

We are pleased to report that during the year, following the OSCR review, charitable status of the Trust has been maintained.

The Academy has also cultivated a reputation as a "family school", whenever possible giving preference at entry to brothers and sisters of pupils already at the school provided this appears to be in the best interest of the individual pupil.

During the 2013/2014 session, the school has continued to focus on enhancing academic performance and encouraging pupils to fulfil their potential.

### **Achievements and Performance**

The 2014/15 session has begun with 1341 pupils on the roll.

The 2014 Higher results were the school's best ever. We presented more candidates than ever before and they gained significantly more A grades (346, a record 61.5% of entries) than any previous year group. They also gained our highest-ever pass rate (94.7%) and our highest-ever AB rate (84%). Around 30 pupils clocked up five, six or seven A grades (Philip Cai, Adam Kidd and David Wu achieving 6 (and in Philip's case) 7 band 1s). Over half of our subject departments achieved 100% pass rates, with particularly outstanding results in History. These results are all the more pleasing given that nationally success rates were lower than last year. We also had good results in the new National 5 exams taken in S4, where our children gained 72.9% A grades and a 95.3% pass rate. Advanced Higher results were broadly comparable to recent years.

Our Maths teams again represented Scotland, at both Senior and Junior levels, in the UK Mathematics Trust finals in London.

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**REPORT BY THE GOVERNORS**  
**Year ended 30th June 2014**

With a record 21 internationalists across a record 12 sports, we had a particularly strong year of sport. Our rowers had our most successful rowing season yet, with spectacular performances: we were the most successful school at the British Championships, being top school in the Victor Ludorum, and winning one Gold (Josh Armstrong J16 sculls), and three Silver British Championship medals (India Somerside, Becky Neilson, Alex Rankin and Holly Wicklow (J16 coxed fours and J18 coxless fours); Callum Urquhart, Finlay Watson, Andrew Dickson and Seb Glen (J18 coxless fours)).

Five of our pupils rowed for Great Britain, and eight for Scotland. Josh Armstrong established himself as the fastest J16 sculler in Britain by emphatic wins at the GB trials. At the GB France Match in Nantes both Josh and our girls' four won their respective events. At the Home International Match in Cork, Alex Rankin and Holly Wicklow won J18 coxless pairs, and Alex, Holly, India and Becky won the coxed fours.

At the Scottish Rowing Championships we had a record 19 wins, making us top school in the country again. Over the winter we won 23 events, and our eight finished the season undefeated. Our scullers dominated the Scullers head and at the Schools head we won the Peter Grieve Cup for the best overall school, the St Mungo Quaich for the fastest boys four and the Neil cup for the fastest girls four.

Cross-country enjoyed a terrific season too. Catriona Graves retained her U17 National title, won the Celtic Nations Cross-country, running for Scotland U20s, ran the London Mini Marathon for Scotland U17s and the Karrimor Great Trail Challenge for Scotland U20s, and represented Great Britain at the European Hill Running Championships in France. Our U14 girls were crowned Scottish champions at the Scottish Schools Cross-country Championships, with our U14 boys winning bronze. We had our biggest-ever medal haul at the Glasgow Schools Cross-country Championships. Over 2300 pupils from 66 schools ran, and we won 1<sup>st</sup> team in S1 girls, S2 boys and Senior girls. Our S1 girls (and P6 boys) won the Scottish Schools Road Relays, with the S1 boys missing gold by just 1 second.

Our S1s won the Glasgow Schools Athletics league and we collected a record 45 individual medals at the Glasgow Schools Secondary Athletics Finals.

At the World Ice Climbing Championships in France, Tim Miller, representing Great Britain, came fourth. Melissa Sleight became Scottish Schools Senior Climbing Champion. Fraser Middleton became Scottish Schools Ski Cross Boys Champion and in the British Championships won 2<sup>nd</sup> in Slalom, 2<sup>nd</sup> in Giant slalom, 2<sup>nd</sup> in Super G and 2<sup>nd</sup> in Combined. He also won 3<sup>rd</sup> place at World Schools 2014.

In a fine hockey season, our teams won 3 of the 4 West District Tournaments - at 1<sup>st</sup> XI, 2<sup>nd</sup> XI and S1 level. Our S1 team has never been beaten in the last two years.

Our girls won the HSOG Girls' Tennis trophy yet again, for the eighth time in nine years. Our U15 Cricket team won the West District Cup and went on to finish 3<sup>rd</sup> in the National finals. Our boys' Hockey 1<sup>st</sup> XI won the High School of Glasgow tournament, and the S1 Rugby 7 won the Hutchesons' invitational tournament.

Our golfers enjoyed their finest year ever, our 1<sup>st</sup> team being finalists in the prestigious HMC foursomes, facing 7 other regional winners from around the UK, and our three-man team playing in the National Independent Schools Golfing Association plate finals.

We achieved an impressive medal collection at Glasgow Schools Swimming Finals, and in Scottish Schools Finals Iain Fletcher won double gold.

At the Scottish Robotic Games in Edinburgh, our pupils won the prize for the Best Engineered Robot. At Bisley David Elder came first out of 550 competitors, winning the Solenta Trophy, based on the highest aggregate score on Ashburton day. Four out of our nine shooters were placed in the top 100 scores during the week and David also finished 3<sup>rd</sup> in the Fox Quaich.

The Senior School productions of 'Evita' and 'Tally's Blood' were widely acclaimed and the Music Department tour to the Netherlands, Belgium and Germany was a great success.

The school played a significant role in the Commonwealth Games through the use of both its rugby and its hockey facilities as training venues and the involvement of 8 staff in a variety of roles. Our Director of Sport, Rhona Simpson, was Chair of the Athlete's Advisory Committee on behalf of Glasgow 2014.

Around £27,000 was raised for charities by pupils over the session and the school continues to contribute to public benefit in many ways. The school was recognised by Investors in People as a Gold organisation.

#### **Financial Review**

The Trust's net incoming resources from the year's operations, excluding the performance of investment assets, was a surplus of £2,583,105 (2013 £1,744,222). The surplus achieved exceeded the original budget estimates due to a steady growth in pupil numbers and considerable donations.

Continuing careful management of school resources has meant costs have increased only marginally. Expenditure on bursaries increased by 5.9% and finance costs reduced substantially due to a large proportion of a prior loan being paid off and the remainder being renegotiated on more favourable terms.

The Trust's surplus for the year to 30<sup>th</sup> June 2014 was £2,864,069 (2013 £1,940,335) after including realised investment gains of £207,773 (2013 £150,747) and unrealised gains on investment assets of £73,191 (2013 £371,134).

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**REPORT BY THE GOVERNORS**  
**Year ended 30th June 2014**

During the year, the Trust's investment portfolio increased by 9.7% reflecting an improvement in stock market conditions across the world. The investment performance continues to outperform the benchmark. Our Investment Committee aims to maximise the long term return on our investments whilst maintaining income to fund our bursary activities. It also seeks to preserve the real value of endowed investments to ensure sufficient funds are available to maintain and increase grants from endowment funds in future years.

At 30<sup>th</sup> June 2014, net current liabilities were £380,164 (2013 £3,484,884). In long term liabilities, the bank loan of £3.3m relates to the construction of our state-of-the-art Science and Technology Building and was negotiated on favourable terms.

The balance sheet total of group net assets increased from £17,489,350 at June 2013 to £20,353,419 at June 2014. Fixed Assets are shown in note 3 to the accounts. Additions include the cost of a brand new elite water-based hockey pitch.

The Governors consider that the market value of land and buildings is not less than cost, and that any difference between the potential market and book values is not significant given the future intended use of these assets.

**Annual Giving and Other Donations**

The Board of Governors expresses its sincere thanks to all those members of the Trust and friends who so generously supported our regular giving appeal or gave single donations and legacies. The total of donations received during the financial year amounted to £1,142,754, including an initial sum of £500,000 from the estate of Lieutenant Colonel Frank Saunders MBE ERD (class of 1923). A further amount of £200,000 is expected within the financial year to June 2015.

**Montrose Educational Trust and Kelly Trust**

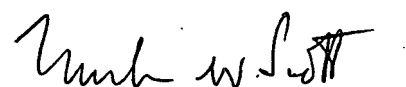
The Montrose Educational Trust awards bursaries and scholarships to existing and prospective pupils at The Glasgow Academy. The J D Kelly Trust awards bursaries only. These Trusts are separate Scottish charities managed by separate Trustees. At 30<sup>th</sup> June 2014, the funds were as follows:

|                            | Montrose Trust   | Kelly Trust   |
|----------------------------|------------------|---------------|
|                            | £                | £             |
| Investment at market value | 938,532          | 21,688        |
| Due by GAWMT               | 197,019          | 4,001         |
| Due by Investment Advisor  | 15               | 198           |
| Accruals                   | (780)            | (313)         |
|                            | <u>1,134,786</u> | <u>25,574</u> |

**Future Plans**

The Glasgow Academicals' War Memorial Trust will continue to implement existing strategies in relation to improvement in educational delivery and facilities as set out in our 2020 Vision. A strong financial result for the year to 30th June 2014 has enabled us to commence construction of our new Science and Technology Building. The bulk of the capital expenditure will be incurred in the next financial year to June 2015 when completion is scheduled. We have secured long term funding on excellent terms from our bankers and the building is scheduled for occupation in time for the Autumn Term of Session 2015/16.

The Glasgow Academy  
Colebrooke Street  
Glasgow G12 8HE

  
On Behalf of the Board of Governors  
G.W. Scott, Chairman  
25<sup>th</sup> September 2014

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCORPORATING INCOME & EXPENDITURE**  
**For the year ended 30<sup>th</sup> June 2014**

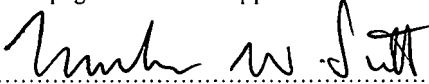
|                                                                 | Non-<br>designated | Designated       | Restricted       | 2014<br>Total     | 2013<br>Total     |
|-----------------------------------------------------------------|--------------------|------------------|------------------|-------------------|-------------------|
|                                                                 | £                  | £                | £                | £                 | £                 |
| <b>INCOMING RESOURCES</b>                                       |                    |                  |                  |                   |                   |
| <b>Incoming resources from charitable activities:</b>           |                    |                  |                  |                   |                   |
| Fees receivable                                                 | 12,570,149         | 561,126          | -                | 13,131,275        | 12,648,135        |
| Catering income                                                 | 525,867            | -                | -                | 525,867           | 526,753           |
| <b>Incoming resources from generated funds:</b>                 |                    |                  |                  |                   |                   |
| Voluntary income                                                |                    |                  |                  |                   |                   |
| Donations - general                                             | 29,738             | 507,583          | 605,433          | 1,142,754         | 270,763           |
| Donations - Dairsie House School Ltd                            | -                  | -                | -                | -                 | 511,062           |
| Activities for generating funds                                 |                    |                  |                  |                   |                   |
| Hire of facilities                                              | 55,483             | -                | -                | 55,483            | 69,176            |
| Investment income                                               | -                  | -                | 261,608          | 261,608           | 213,141           |
| Other income                                                    | 22,662             | -                | -                | 22,662            | 26,681            |
| <b>Total Incoming Resources</b>                                 | <b>13,203,899</b>  | <b>1,068,709</b> | <b>867,041</b>   | <b>15,139,649</b> | <b>14,265,711</b> |
| <b>RESOURCES EXPENDED</b>                                       |                    |                  |                  |                   |                   |
| Charitable activities:                                          |                    |                  |                  |                   |                   |
| Teaching costs                                                  | 7,924,194          | -                | -                | 7,924,194         | 7,735,475         |
| Catering costs                                                  | 501,386            | -                | -                | 501,386           | 505,027           |
| Premises (note 2)                                               | 1,876,389          | 91,016           | -                | 1,967,405         | 1,918,604         |
| Grants, awards and prizes                                       | 3,065              | -                | 752,778          | 755,843           | 713,680           |
| Administration of the school (note 4)                           | 1,289,658          | -                | -                | 1,289,658         | 1,270,345         |
| Investment costs:                                               |                    |                  |                  |                   |                   |
| Finance costs                                                   | 102,417            | -                | -                | 102,417           | 357,545           |
| Governance costs:                                               |                    |                  |                  |                   |                   |
| Management and administration of the charity                    | 15,641             | -                | -                | 15,641            | 20,813            |
| <b>Total Resources Expended (Note 2)</b>                        | <b>11,712,750</b>  | <b>91,016</b>    | <b>752,778</b>   | <b>12,556,544</b> | <b>12,521,489</b> |
| <b>Net Incoming Resources</b>                                   | <b>1,491,149</b>   | <b>977,693</b>   | <b>114,263</b>   | <b>2,583,105</b>  | <b>1,744,222</b>  |
| <b>Other Recognised Gains and Losses</b>                        |                    |                  |                  |                   |                   |
| Realised gain/(loss) on investment assets                       | -                  | -                | 207,773          | 207,773           | 150,747           |
| Realised loss on wind up of subsidiary                          | -                  | -                | -                | -                 | (325,768)         |
| Net movement in funds before unrealised gains/(losses)          | 1,491,149          | 977,693          | 322,036.00       | 2,790,878         | 1,569,201         |
| Unrealised gain/(loss) on investment assets (Note 6)            | -                  | -                | 73,191           | 73,191            | 371,134           |
| Net movement in funds (Note 8)                                  | 1,491,149          | 977,693          | 395,227          | 2,864,069         | 1,940,335         |
| Funds balances brought forward at 1st July 2013                 | 11,863,180         | 2,017,892        | 3,608,278        | 17,489,350        | 15,549,015        |
| Amount transferred (note 8)                                     | (2,088,470)        | 2,088,470        | -                | -                 | -                 |
| <b>Fund balances carried forward at 30th June 2014 (Note 7)</b> | <b>11,265,859</b>  | <b>5,084,055</b> | <b>4,003,505</b> | <b>20,353,419</b> | <b>17,489,350</b> |

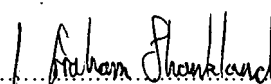
All operations are continuing. There are no recognised gains or losses for the current or preceding year other than those noted above.

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**BALANCE SHEET as at 30<sup>th</sup> June 2014**

|                                                        | Note | TRUST<br>2014<br>£ | TRUST<br>2013<br>£ |
|--------------------------------------------------------|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                    |      |                    |                    |
| Tangible assets                                        | 3    | 19,324,300         | 17,062,298         |
| Investments                                            | 6    | 5,393,348          | 4,913,390          |
|                                                        |      | <u>24,717,648</u>  | <u>21,975,688</u>  |
| <b>CURRENT ASSETS</b>                                  |      |                    |                    |
| <b>Amounts recoverable within one year:</b>            |      |                    |                    |
| Debtors                                                |      | 59,293             | 167,505            |
| Other Debtors                                          |      | 70,018             | 45,489             |
| Cash at bank and in hand                               |      | 1,160,733          | 2,011,810          |
|                                                        |      | <u>1,290,044</u>   | <u>2,224,804</u>   |
| <b>CREDITORS - amounts falling due within one year</b> |      |                    |                    |
| Bank overdrafts and loans                              |      | -                  | 4,000,000          |
| Trade creditors                                        |      | 151,816            | 461,664            |
| Accruals                                               |      | 299,368            | 89,142             |
| Taxes and social security costs                        |      | 315,446            | 280,816            |
| Other creditors                                        |      | 899,828            | 878,066            |
| Deferred grant                                         |      | 3,750              | -                  |
|                                                        |      | <u>1,670,208</u>   | <u>5,709,688</u>   |
| <b>NET CURRENT (LIABILITIES)</b>                       |      | <b>(380,164)</b>   | <b>(3,484,884)</b> |
| <b>CREDITORS - amounts falling due after one year</b>  |      |                    |                    |
| Bank loans                                             | 11   | (3,300,000)        | -                  |
| Other creditors                                        | 12   | (684,065)          | (993,954)          |
| <b>TOTAL ASSETS LESS LIABILITIES</b>                   |      | <u>20,353,419</u>  | <u>17,496,850</u>  |
| <b>ACCRUALS &amp; DEFERRED INCOME</b>                  |      |                    |                    |
| Deferred grant                                         |      | -                  | (7,500)            |
| <b>NET ASSETS</b>                                      |      | <u>20,353,419</u>  | <u>17,489,350</u>  |
| <b>FUNDS</b>                                           |      |                    |                    |
| Non-designated                                         | 8    | 11,265,859         | 11,863,180         |
| Designated                                             | 8    | 5,084,055          | 2,017,892          |
| Restricted                                             | 8    | 4,003,505          | 3,608,278          |
|                                                        |      | <u>20,353,419</u>  | <u>17,489,350</u>  |

The financial statements on pages 7 to 15 were approved and authorised for issue by the Board on 25th September 2014.

G.W. Scott .....  )

I.G. Shankland .....  )

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**CASH FLOW STATEMENT**  
**For the year ended 30<sup>th</sup> June 2014**

|                                                        | Note | 2014 |                         | 2013 |                         |
|--------------------------------------------------------|------|------|-------------------------|------|-------------------------|
|                                                        |      | £    | £                       | £    | £                       |
| <b>Net cash inflows from operating activities</b>      | 9    |      | 2,655,897               |      | 2,080,467               |
| <b>Returns on investments and servicing of finance</b> |      |      |                         |      |                         |
| Investment income                                      |      |      | 261,608                 |      | 213,141                 |
| Bank and other interest                                |      |      | (102,417)               |      | (357,545)               |
|                                                        |      |      | <u>159,191</u>          |      | <u>(144,404)</u>        |
|                                                        |      |      | 2,815,088               |      | 1,936,063               |
| <b>Capital expenditure and financial investment</b>    |      |      |                         |      |                         |
| Purchase of tangible fixed assets                      |      |      | (2,767,172)             |      | (605,303)               |
| Purchase of investments                                |      |      | (1,207,432)             |      | (1,289,952)             |
| Proceeds from sale of investments                      |      |      | <u>1,008,439</u>        |      | <u>1,380,565</u>        |
|                                                        |      |      | <u>(2,966,165)</u>      |      | <u>(514,690)</u>        |
| <b>(Decrease) / Increase in cash</b>                   | 9    |      | <u><u>(151,077)</u></u> |      | <u><u>1,421,373</u></u> |

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST

We have audited the financial statements of The Glasgow Academicals' War Memorial Trust ("the financial statements") for the year ended 30 June 2014 which comprise the Trust's Statement of Financial Activities, the Balance Sheet, Cash Flow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 2 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2014; and of the charitable Trust's income resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable trust has not kept sufficient, proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or,
- the charitable trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or,
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

*14 October 2014*

Janet Hamblin (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor, Breckenridge House, 274 Sauchiehall Street, Glasgow, G2 3EH

BAKER TILLY UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**NOTES TO THE ACCOUNTS for the year ended 30th June 2014**

**1 ACCOUNTING POLICIES**

**a. Basis of Accounting**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of certain fixed asset buildings and investments at market value, and in accordance with the Companies Act 2006 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005)*.

**b. Tangible Fixed Assets**

Tangible fixed assets are initially recorded at cost with the exception of a school property held at an initial valuation on acquisition. Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

|                            |         |               |          |       |     |               |
|----------------------------|---------|---------------|----------|-------|-----|---------------|
| Freehold buildings         | 2%      | straight line | Pitches: | Works | 3%  | straight line |
| Motor Vehicles & Equipment | 20%-25% | straight line |          | Turf  | 10% | straight line |

Items of equipment costing less than £50,000 are written off as an expense as acquired, as are teaching costs such as supplies of games equipment, books, stationery and sundry materials.

All costs directly attributable to the construction of the new Science and Technology Building have been capitalised. No depreciation is charged until the project is completed and the asset is placed into service.

**c. Incoming Resources**

Fees consist of charges for the school year ended 30th June 2014 and are recognised on an accrued basis when earned as are catering, hire of facilities, dividends and interest.

Donations are recognised on receipt. A donation or grant that can be used for any purpose of the Trust is non-designated income. Where the Trust has made a specific appeal, donations relating to this are classed as designated income. Donations received from donors wishing to support bursaries are classed as restricted income.

**d. Expenditure**

Expenditure is allocated to expense headings on a direct cost basis with the irrecoverable element of VAT included with the item of expense to which it relates. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expense.

**e. Fund Accounting**

Non designated unrestricted funds comprise accumulated incoming resources of the school available for use at the discretion of the Governors in furtherance of the objectives of the school.

Designated funds comprise capital levy payments and those funds transferred from general funds for a particular purpose at the discretion of the Board of Governors.

Restricted funds comprise donations which are made either for a particular area or purpose, the use of which is restricted to that area or purpose such as the funding of bursaries and scholarships.

**f. Pensions**

The Trust participates in, and the academic staff are members of, the Scottish Teachers' Superannuation Scheme. Staff, including higher paid employees, contribute 6.4% to 12.4% of salary and the participating employers' contribution is 14.9%. Certain non-teaching staff are members of a defined contribution scheme whereby the Trust contributes 5% of salary. The charge included in the accounts amounts to £742,610 (2013 £686,553) being the contributions payable by the school for the year.

The Scottish Public Pensions Agency (Teachers' Section) is available to staff of more than one employer and it is not possible to identify each institution's share of the underlying assets and liabilities of the scheme. In these circumstances, FRS17 provides for contributions to schemes to be accounted for as if it were a defined contribution scheme. As such, the cost recognised within the school's Income and Expenditure Account will be equal to the contribution payable to the scheme for the year.

**g. Governance Costs**

Governance costs consist of fees billed for the annual audit and tax compliance fees plus the printing of the group's consolidated financial statements and the statutory financial statements of the Trust.

**h. Going Concern**

The trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis. Net Current Liabilities at the Balance Sheet date amount to £380,164 (2013 £3,484,884) and the Governors are satisfied that adequate funding will be available through a combination of agreed bank facilities and future cash flows to meet those liabilities as they fall due.

**i. Reserves**

Designated and non-designated reserves are held by the Trust to meet current and future obligations regarding the running of the school, the provision of bursaries and the future improvement of the school estate as set out in our 2020 Vision document.

**j. Investments**

Investments are stated at market value. Gains and losses on disposal and revaluation of investments are recorded in the Statement of Financial Activities.

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2014**

**2 ANALYSIS OF TOTAL RESOURCES EXPENDED**

|                                              | Staff<br>Costs   | Other            | Depreciation   | 2014<br>Total     | 2013<br>Total     |
|----------------------------------------------|------------------|------------------|----------------|-------------------|-------------------|
|                                              | £                | £                | £              | £                 | £                 |
| <b>Direct Charitable Expenditure:</b>        |                  |                  |                |                   |                   |
| Teaching costs                               | 6,838,949        | 1,085,245        | -              | 7,924,194         | 7,735,475         |
| Catering and medical costs                   | 292,041          | 209,345          | -              | 501,386           | 545,737           |
| Premises                                     | 311,059          | 1,151,176        | 505,170        | 1,967,405         | 1,918,604         |
| Grants, awards and prizes                    | -                | 755,843          | -              | 755,843           | 713,680           |
| Administration of the school                 | 695,087          | 594,571          | -              | 1,289,658         | 1,229,635         |
|                                              | <u>8,137,136</u> | <u>3,796,180</u> | <u>505,170</u> | <u>12,438,486</u> | <u>12,143,131</u> |
| <b>Other Expenditure:</b>                    |                  |                  |                |                   |                   |
| Finance costs                                | -                | 102,417          | -              | 102,417           | 357,545           |
| Management and administration of the charity | -                | 15,641           | -              | 15,641            | 20,813            |
|                                              | <u>8,137,136</u> | <u>3,914,238</u> | <u>505,170</u> | <u>12,556,544</u> | <u>12,521,489</u> |

**3 TANGIBLE ASSETS**

| TRUST                          | Equipment     | Ground inc<br>Athletic<br>Grounds | Buildings         | Hockey<br>Pitches | Total             |
|--------------------------------|---------------|-----------------------------------|-------------------|-------------------|-------------------|
|                                | £             | £                                 | £                 | £                 | £                 |
| Cost at 1st July 2013          | -             | 155,672                           | 20,199,734        | 1,125,839         | 21,481,245        |
| Added during year              | 82,883        | -                                 | 2,311,437         | 372,852           | 2,767,172         |
| Transfer                       | -             | 84,050                            | (84,050)          | -                 | -                 |
| Cost at 30th June 2014         | <u>82,883</u> | <u>239,722</u>                    | <u>22,427,121</u> | <u>1,498,691</u>  | <u>24,248,417</u> |
| Depreciation at 1st July 2013  | -             | -                                 | 3,612,928         | 806,019           | 4,418,947         |
| Depreciation charge for year   | 20,721        | -                                 | 387,135           | 97,314            | 505,170           |
| Depreciation at 30th June 2014 | <u>20,721</u> | <u>-</u>                          | <u>4,000,063</u>  | <u>903,333</u>    | <u>4,924,117</u>  |
| <b>Net book value</b>          |               |                                   |                   |                   |                   |
| 30th June 2014                 | <u>62,162</u> | <u>239,722</u>                    | <u>18,427,058</u> | <u>595,358</u>    | <u>19,324,300</u> |
| 1st July 2013                  | <u>-</u>      | <u>155,672</u>                    | <u>16,586,806</u> | <u>319,820</u>    | <u>17,062,298</u> |

£84,050 has been reclassified as being purely land acquired last year for future use.

**4 TRUST EXPENDITURE**

|                                                    | 2014           | 2013           |
|----------------------------------------------------|----------------|----------------|
|                                                    | £              | £              |
| Direct charitable expenditure included:            |                |                |
| Depreciation                                       | <u>505,170</u> | <u>447,993</u> |
| Management and Administration of charity includes: |                |                |
| Auditors' remuneration;                            |                |                |
| non-audit fees                                     | -              | 7,764          |
| auditors' remuneration                             | 15,000         | 12,360         |
|                                                    | <u>15,000</u>  | <u>20,124</u>  |

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2014**

| <b>5 STAFF COSTS</b>  | <b>2014</b>      | <b>2013</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 6,819,672        | 6,674,993        |
| Social Security costs | 574,854          | 568,630          |
| Other pension costs   | 742,610          | 686,553          |
|                       | <u>8,137,136</u> | <u>7,930,176</u> |

Outstanding pension contributions at 30th June 2014 totalled £139,222 (2013 - £109,503).

The average number of employees in the year was 124 Teaching Staff (2013 - 122) and 126 Support Staff (2013 - 123). The number of employees of the Trust who earned in excess of £60,000 during 2014 and 2013 are as follows:

|                         | <b>2014</b> | <b>2013</b> |
|-------------------------|-------------|-------------|
| Between £60K and £70K   | 2           | 2           |
| Between £90K and £100K  | 1           | 1           |
| Between £120K and £130K | 0           | 1           |
| Between £130K and £140K | 1           | 0           |

Employers pension contributions for employees earning in excess of £60K amounted to £43,990 (2013 - £40,430).

None of the governors received any remuneration during the year.

| <b>6 INVESTMENTS</b>           | <b>TRUST</b>       |
|--------------------------------|--------------------|
|                                | <b>Total</b>       |
|                                | <b>Investments</b> |
|                                | <b>2014</b>        |
|                                | <b>£</b>           |
| <b>Funds under management</b>  |                    |
| Market value 1st July 2013     | 4,913,390          |
| Additions                      | 1,207,432          |
| Net unrealised investment gain | 73,191             |
|                                | <u>6,194,013</u>   |
| Investments realised           | <u>(800,665)</u>   |
| Market value at 30th June 2014 | <u>5,393,348</u>   |

The listed investments are all listed in the London Stock Exchange and had a cost value of £4,418,050 at 30th June 2014 (2013 - £4,011,958).

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2014**

**7 TRUST ALLOCATION OF NET ASSETS**

Fund balances at 30th June 2014 are represented by:

|                       | Non-<br>designated<br>£ | Designated<br>£  | Restricted<br>£  | Total<br>£        |
|-----------------------|-------------------------|------------------|------------------|-------------------|
| Investments           | -                       | -                | 5,393,348        | 5,393,348         |
| Tangible fixed assets | 10,940,245              | 8,384,055        | -                | 19,324,300        |
| Current assets        | 1,290,044               | -                | -                | 1,290,044         |
| Current liabilities   | (280,365)               | -                | (1,389,843)      | (1,670,208)       |
| Long term liabilities | (684,065)               | (3,300,000)      | -                | (3,984,065)       |
| At 30th June 2014     | <u>11,265,859</u>       | <u>5,084,055</u> | <u>4,003,505</u> | <u>20,353,419</u> |

**8 RECONCILIATION OF MOVEMENT IN RESERVES**

| Trust                          | Non-<br>designated<br>£ | Designated<br>£  | Restricted<br>£  | Total<br>£        |
|--------------------------------|-------------------------|------------------|------------------|-------------------|
| At 1st July 2013               | 11,863,180              | 2,017,892        | 3,608,278        | 17,489,350        |
| Surplus/(Deficit) for the year | 1,491,149               | 977,693          | 395,277          | 2,864,119         |
| Amount transferred             | (2,088,470)             | 2,088,470        | -                | -                 |
| At 30th June 2014              | <u>11,265,859</u>       | <u>5,084,055</u> | <u>4,003,555</u> | <u>20,353,469</u> |

All restricted funds are invested to provide Bursaries and Scholarships. 70% of the Bursary and Scholarship Funds are attributable to The Robert A McMillan Bequest which may only be used for Bursaries and Scholarships for pupils of The Glasgow Academy unless, in exceptional circumstances, the members of the Projecting Body (referred to in an Agreement registered 12<sup>th</sup> February 1998) unanimously agree that some of its income or, if necessary, its capital be used for the general purposes of The Academy.

The purpose of the designated reserve is to undertake projects such as new buildings. The designated reserve will be utilised to fund the construction of the new Science and Technology building.

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2014**

**9 RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH FLOW**

|                                    | 2014<br>£        | 2013<br>£        |
|------------------------------------|------------------|------------------|
| Net income for the year            | 2,790,878        | 1,569,201        |
| Depreciation charges               | 505,170          | 447,993          |
| Charitable donation in specie      | -                | (511,063)        |
| Decrease / (Increase) in debtors   | 83,683           | (34,570)         |
| (Decrease) / Increase in creditors | (353,120)        | 293,231          |
| Interest paid                      | 102,417          | 357,545          |
| (Gain) on investment realised      | (207,773)        | (150,747)        |
| Loss on wind up of Subsidiary      | -                | 325,768          |
| Income from listed investments     | (261,608)        | (213,141)        |
| Grant released                     | (3,750)          | (3,750)          |
|                                    | <u>2,655,897</u> | <u>2,080,467</u> |

| Operating Activities             | At 1st July<br>2013 | Cash Flow        | At 30th June<br>2014 |
|----------------------------------|---------------------|------------------|----------------------|
| Analysis of changes in net funds | £                   | £                | £                    |
| Cash in bank                     | 2,011,810           | (851,077)        | 1,160,733            |
| Bank overdraft and loans         | <u>(4,000,000)</u>  | <u>700,000</u>   | <u>(3,300,000)</u>   |
| Total                            | <u>(1,988,190)</u>  | <u>(151,077)</u> | <u>(2,139,267)</u>   |

**10 Related Party Transactions**

Apart from normal school fees and donations paid by parent governors, there are no other related party transactions to disclose. No Governors received any expenses.

**11 Bank Loans**

The Development Loan is at an agreed interest rate which is equivalent to 1.5% per annum above the Bank's Base Rate. On conversion to a term loan, a 2% margin applies.

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

On 29<sup>th</sup> May 2014, an interest rate swap and an interest rate cap were entered into with the bank covering the period starting from the conversion date of a development loan to a term loan, namely 30<sup>th</sup> September 2015.

The interest rate swap is at a fixed rate of 2.995% plus margin (2%) on an amount of £2m running until 30<sup>th</sup> September 2023.

The interest rate cap is at a rate of 3% plus margin (2%) on an amount of £4m decreasing annually until 30<sup>th</sup> September 2020.

**12 Long Term Creditors**

All amounts held within long term creditors are due within 2 - 5 years except for £164,811 of fees paid in advance which are due between 5 and 10 years from the balance sheet date.

**13 Capital Commitments**

|                                                                         | 2014              | 2013            |
|-------------------------------------------------------------------------|-------------------|-----------------|
| Capital expenditure committed at 30 <sup>th</sup> June 2014 amounted to | <u>£8,196,531</u> | <u>£350,000</u> |