

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: SC011313 CHARITY NUMBER: SC015638

REPORT AND ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

Chairman

GRAHAM SCOTT, F.C.I.B.S. (2) (4) (5)

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, Glasgow, Aston), F.R.S.E., F.I.C.

WILLIAM M. MANN, C.A.

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. (2)

ALEX BARR.

JOHN BEATTIE, B.Sc., A.C.A., Ph.D.(Hon)

SUSAN BINNS, Dip.ED., B.Ed., PG Dip School Leadership and Management (S.Q.H.) (3)

KAREN R. DINARDO, C.Eng., M.I.C.E., M.I.Struct., M.C.I.H.T., F.I.E.S. (1)

JEREMY GLEN, LL.B., Dip L.P., N.P. (1)

DUNCAN MACKISON (1)

STUART McCafffer, B.Com., C.A. (2) (4) (5)

NEENA MAHAL, M.A., D.C.G. (3) (5)

Professor ANDREW MARSHALL, B.A., M.Phil.

Dr KRISTEEN PERCIVAL, M.B., Ch.B, M.R.C.G.P.

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. (1) (5)

ANDREW WADDELL, M.A., C.A., A.S.I.P. (3)

Secretary

THOMAS W. GEMMILL, LL.B., N.P. (2) (5)

Rector

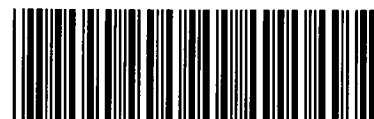
PETER J. BRODIE, M.A., M.A. (Ed)

General Manager

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

- | | |
|-----|---|
| (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 |



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A COMPANY LIMITED BY GUARANTEE AND AN EDUCATIONAL CHARITY REGISTERED IN SCOTLAND
COMPANY NUMBER: SC0 11313 CHARITY NUMBER: SC015638

REPORT AND ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

PRINCIPAL ADDRESS AND REGISTERED OFFICE:

The Glasgow Academy, 25 Colebrooke Street, Glasgow, G12 8HE

PROFESSIONAL ADVISORS SERVING DURING THE YEAR:

Auditors: RSM UK Audit LLP, Third Floor, Centenary House, 69 Wellington Street, Glasgow, G2 6HG

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

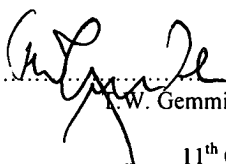
Investment Advisers: Standard Life Wealth, Standard House, 30 Lothian Road, Edinburgh, EH1 2DH

NOTICE OF ANNUAL GENERAL MEETING:

NOTICE IS HEREBY GIVEN that the Ninety-sixth Ordinary General Meeting of the Members of The Glasgow Academicals' War Memorial Trust will be held in the Watson Auditorium of The Glasgow Academy, Colebrooke Street, Glasgow, on Friday 11th November 2016 at 12 noon for the following purposes:

- To receive and consider the Annual Statement of Accounts and the Reports of the Governors and the Auditors,
- To re-appoint RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) as Auditors,
- To elect Governors and other Officers and to transact the ordinary business of the Trust,
- To pass as a Special Resolution an amendment to Article 25 of the Articles of Association of the Trust by deleting the words "and seconder" where they occur in the second line thereof and inserting the words "and at least fifty members although only a proposer and one seconder is required for a Governor nominated by the existing Board." in substitution,
- To pass as a Special Resolution an amendment to Article 35 of the Articles of Association of the Trust by deleting the words "Governors" where it occurs on the first line thereof and replacing it with the words "the Chairman of the Board of Governors".

By order of the Governors,


.....
I. W. Gemmill (Secretary)

11th October 2016

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
REPORT BY THE GOVERNORS AND INCORPORATED REPORT
FOR YEAR ENDED 30TH JUNE 2016**

The Glasgow Academicals' War Memorial Trust was set up in 1920 as a memorial to those former pupils of the The Glasgow Academy 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 Governors of The Glasgow Academicals Memorial Trust, 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 2016.

The Governors at 30th June 2016 are set out on page 1. All have served on the Board for the full financial year except Mr Duncan Mackison, Dr Kristeen Percival and Mr John Beattie, who were appointed on 6th November 2015. Mr Bryan Duncan, Dr Moira McDonald, Mr Douglas Robinson and Mr Graham Shankland served as Governors during the year until their retirement on Friday 6th November 2015. The Honorary Governors listed on page 1 are patrons of the Trust and are not appointed as Directors or Trustees.

Sadly, Professor Sir Malcolm MacNaughton passed away on 1st July 2016, aged 91. Sir Malcolm was an Emeritus Professor of Obstetrics and Gynaecology at Glasgow University and was knighted in 1986 for his services to the profession. He attended The Glasgow Academy from 1933 to 1942 and became an Honorary Governor in 1996.

Structure, Governance and Management

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 a registered Scottish charity.

The Rector is appointed by the Board 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.

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 Nominations Committee considers suggestions for potential Governors based on eligibility, personal competence and specialist skills, particularly those which will promote school improvement. Nominations are submitted at the Annual General Meeting for election. Mr A. Barr, Mrs C. Abercrombie, Mrs N. Mahal and Mr W. Sinclair will retire from the Board on Friday, 11th November 2016. Mr J. Mason, current President of the Glasgow Academical Club, has been nominated to replace Mr J. Beattie who also retires on Friday, 11th November 2016. The contribution of all those Governors retiring is gratefully acknowledged.

Resolutions to re-elect Mrs C. Abercrombie and to elect Mr A. Sime as Governors will be put to the Annual General Meeting.

New Governors are inducted into the workings of the Trust, including Board policy and procedures, at an induction event conducted by the Chairman and the General Manager.

The Board of Governors administers the Trust and meets six times during the year, including a weekend workshop to review strategy and performance, but will meet more frequently if necessary. Certain Trust business, including Finance & Risk, Property, Health & Safety, Investment, Education and Nominations is delegated to Committees of Governors which meet separately. Staff members also attend Board and Committee meetings and work together with Governors to evaluate progress and review strategies.

Governors' Responsibilities in Relation to the Financial Statements

The Governors, who are also directors of The Glasgow Academicals' War Memorial Trust for the purposes of company law, are responsible for preparing a Governors' Annual Report and 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 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 the financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

REPORT BY THE GOVERNORS AND INCORPORATED REPORT FOR YEAR ENDED 30TH JUNE 2016

Statement as to Disclosure to Our Auditors

In so far as the Governors are aware at the time of approving our Governors' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Trust's auditor is unaware, and
- the Governors 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.

Objectives and Activities

The Trust's principal objective is the advancement of education for boys and girls through the development and administration of The Glasgow Academy.

The Trust's aim is to provide a first-class independent education. It uses academic results to monitor its success and the academic performance of pupils in national examinations has remained a source of considerable satisfaction. The school's aims are not only to encourage pupils towards achievement at the highest level of academic, sporting and artistic distinction, but also to introduce pupils to the demands and benefits of teamwork and leadership in expeditions, community activities and sport.

The school admits a wide range of pupils, including a significant number from ethnic minorities and less privileged backgrounds. The school continues to foster links with the local community.

Charities and Community Involvement

The Academy regularly teaches children from other schools that are unable to provide the course they wish to take. In session 2015-2016 The Academy taught and presented two pupils from Hillhead High School for Advanced Higher French and one for Advanced Higher Drama. The Academy provides five work placements for children from a local secondary school.

The Academy gives free access to its sporting facilities to Knightswood High School (who play Hockey and Rugby at Lower Windyedge and the School Ground on two mornings and one morning a week respectively). The Academy also gives free access to the Western Tennis Club, who uses the tennis courts at Upper Windyedge over the summer for tennis camps. In addition, The Academy gives them free access to these courts on Sundays May - September.

The Academy contributes £5000 annually to the salary costs of a Rugby Community Development Coach, who visits state primary and secondary schools in Glasgow.

Organisations using Academy sports facilities are Glasgow Academicals Club, Hillhead Junior Hockey, West District Hockey, Spider Hockey, Nick Doran (Football) and Westerton United 2005's.

The Academy hosts teacher training placements, school tournaments and a range of other meetings for schools.

The Academy is an examination Open Centre for the Admissions Testing Service, providing access for any child in Scotland to assessments required for selection for Higher Education. The range of assessments which can be sat include the BioMedical Admissions Test (BMAT), Sixth Term Entrance Paper (STEP), the English Literature Admissions Test (ELAT), the Modern Languages Admissions Tests (MLAT), Thinking Skills Assessment (TSA) and the International Medical Admissions Test (IMAT) on behalf of Humanitas University, Milan, Italy. Approximately twenty to thirty pupils from other schools use this facility each year.

The Academy After School Care provides free accommodation for evening training courses and meetings of the Glasgow West and Central Childcare Forum. Academy premises are also used free of charge by the West of Scotland Independent Schools (WOSIS), the National Youth Choir of Scotland, and ABRSM (the exam Board of the Royal Schools of Music) for musical activities. The Academy hosts the annual Bejant reception for St Andrews University, where prospective students from the West of Scotland meet the university staff and alumni.

The Academy Director of Sport, Miss Simpson, a double Olympian, is given time off school for 20 visits a year to other schools in Scotland as a Sky Sports Living for Sport Mentor, sharing sporting and life experiences with children of all ages with the aim of helping them make better decisions and have fulfilling lives.

The Academy Rowing Coach, Mr Somerside, trains children from other schools alongside Academy pupils. He visits other schools to encourage their pupils to take up rowing. He is also Head Coach of Glasgow Schools Rowing Club, coaching pupils from all over Glasgow.

Under the banner of the STEM Network (Science, Technology, Engineering and Mathematics Network) the Academy Head of Chemistry, Dr Sowden, is a Teacher Coordinator with the Royal Academy of Engineering. This involves organising events each term with other schools and running a Collaborative Project during the summer.

The Academy strongly encourages staff to play leading roles in national education improvement through taking on responsibilities in national examinations and curriculum development and by contributing to educational and sporting boards. This activity is regular, frequent, and ongoing and involves a large number of staff, many of whom are heavily involved in work with the SQA and other bodies such as Education Scotland or another school's Board of Governors.

REPORT BY THE GOVERNORS AND INCORPORATED REPORT FOR YEAR ENDED 30TH JUNE 2016

The Academy fosters international education links: both our Prep and Senior Eco Schools initiatives have a link with Nehru World School in Delhi, India, sharing children's work and staff best practice: staff send examples of work to the school and also update them on events we are running. Staff have also worked with George Heriot's to improve our International Education programme and help them develop theirs.

The Academy has sent almost 300 backpacks to children in Malawi or Liberia (with clothes, stationery, toiletries and a spoon so that the child can go to school) over the past three years. Prep Enterprise club worked with Just Trading Scotland to complete the 90kg rice challenge to raise money to send a child in Malawi to secondary school for a year. Prep Pupil Council visited East Park School (which provides specialist help to ensure children with disabilities have access to education) to present a cheque as they chose to raise money for them.

The Academy raises around £33,000 a year for a wide variety of charities chosen by the pupils, many of them supporting children, such as Children's Hospice Association Scotland (CHAS), Children in Need, Get Kids Going, Whizz Kids and Save the Children, and many of the cancer charities, including The Roald Dahl Foundation and CLIC Sargent Cancer Care for Children.

Bursaries

Bursaries are available for pupils from P7 upwards and are awarded on the basis of financial need and entrance test results. Our policy is designed to widen access to our school and there is no differentiation within the school between children receiving financial assistance and those paying full fees. An assessment is carried out annually by an appointed committee, and therefore the level of assistance may rise or fall depending on financial circumstances. Typically though, a similar level of assistance will apply for as long as a child is at the school.

The Trust publicises the availability of bursary assistance on its website (www.theglasgowacademy.org.uk) and within our document 'Information for Parents' which is issued to all current and prospective parents.

Total means-tested bursaries awarded in the academic year 2015/16 amounted to £782,036, which is 6% of the school's total fee income. In total, 112 pupils received a bursary, representing 14% of the school roll eligible for a bursary (P7 to S6). The range of bursary awards is as follows:

% Awarded			No of Beneficiaries
0	-	20	16
21	-	40	19
41	-	60	17
61	-	80	23
81	-	100	37

Achievements and Performance

The Glasgow Academy provided education for an average of 1365 pupils over the academic session 2015-16, with an average of 685 pupils across the Preparatory School sites and 680 pupils in the Senior School.

The focus of the school remains the all-round education and development of the whole child. Entry to the school is by way of assessment/written test and interview. The broad academic curriculum and rich co-curricular experiences resulted in another year of excellent SQA examination and sporting results. Our pupils gained our best ever Higher and Advanced Higher pass rates, as well as our best A grade rate at National 5. The Higher pass rate at S5 was an outstanding 96.8%, 0.7% ahead of last year's record high. 38 girls and boys gained 5 or 6 A grades at Higher. At Advanced Higher our pass rate was 93.2% and 11 pupils gained 3 or 4 A grades. At National 5 our A grade rate was 81.2%, an excellent 5.7% improvement on last year's fine results. The pass rate was 97.9%.

The school's sportsmen and women have excelled. We have a record 25 internationalists, including 11 in rowing alone. In addition to that, Katie Archibald (class of 2012) won Olympic Gold in Rio as Great Britain smashed the world record to win the women's team pursuit. Gavin Horsburgh (class of 2015) won the World U23 title in lightweight quads whilst also representing Great Britain at the World Rowing Junior Championships were Josh Armstrong, Alex Rankin and India Somerside. Our rowing coach, Iain Somerside, was honoured as SportScotland performance coach of the year and coached the GB junior women's four. The Academy has become one of the UK's top rowing schools, with some of the fastest boats in Great Britain, Josh being the UK's fastest Junior sculler, having won every trial and singles competition this year, and becoming National Schools Champion and Scottish Champion. Our girls pair of Alex Rankin and India Somerside proved the fastest junior pair in Great Britain and won six international titles, becoming Belgium Junior Champions, Flemish Senior Champions, Scottish Champions and winners at the Munich International Regatta, beating crews from eight countries, including the French, Polish, Czech, Austrian and Dutch national teams. Callum Urquhart took two Golds for GB at the Coupe De La Jeunesse in Poland and Callum Broad won the double sculls for Scotland at the Home International. Our girls quad won the prestigious Henley women's regatta and at the British Championships Alex Milne won gold and Anna Colley bronze. The school has ten Scottish Champions in rowing.

Autumn 2015 saw the inaugural Schools Conference Rugby fixtures across Scotland, in which The Academy was the most successful West Scotland school, coming top of the SRU White Conference jointly with George Heriot's. In hockey, our 1st XI won silver in the Robert Gordon's tournament and our S1 A team were runners-up in the West District tournament. Five girls represented West District, three of whom were selected for the Scotland U16 Development squad. Our 1st XI cricket team had resounding wins against West of Scotland schools after a very successful tour in Dubai.

REPORT BY THE GOVERNORS AND INCORPORATED REPORT FOR YEAR ENDED 30TH JUNE 2016

The school's CCF won the annual military skills competition held at Barry Buddon, a demanding competition for both the Combined Cadet Force and Army Cadet Force which tests tactics, first aid, command tasks, night navigation and fitness, with obstacle courses, speed marching and stalking. Our cadets worked extremely well as a team to overcome challenges that many adults and some regular soldiers would struggle with. They won two trophies - one for Top CCF and the other the newly-commissioned Piper Lairdlaw VC Trophy for best overall Cadet team. Our CCF also won the Welbeck Leadership Stem Challenge, recording the fastest time of any CCF on the high ropes course.

The school became Scottish champions by a wide margin in the Enterprising Maths Challenge, a team maths event for S3/4 across Scotland. In the UK Mathematics Trust Team Maths Challenge our S1s and S2s won the regional final and represented Scotland in London for the fourth year in a row. In the Jaguar Cars Maths in Motion World Championships we came third in the World out of all the Senior Schools competing. This championship involves the application of Maths to Formula 1 racing. We have become a UK centre of excellence, through which training and support of other schools are run.

At Scottish Schools' Swimming Championships Iain Fletcher won the 100m butterfly and the 200m butterfly. The school's Girls 12 and Under team won the 200m freestyle relay, setting a new Scottish Schools record. At the Scottish Schools Athletics Championships, pupils won three Silver medals, whilst Fraser Middleton became the British U18 Slalom Champion and ranked number 1 British U18 in the speed disciplines, continuing to perform for the Delancey British Alpine Team.

In squash, Robert McNaught, Andrew Glen, Ewan MacAndie and Ruairi McGettigan won several of the most prestigious tournaments on the Scottish Junior Circuit, continuing to rise in the Scottish rankings. Our U14 basketball team enjoyed its finest season so far, reaching the Glasgow schools league semi-finals and the final of the Glasgow schools cup where the team played hard but lost to a team with national players in it.

Music and Drama reached new heights. The Watson Auditorium was christened by a classy production of *The Importance of Being Earnest*. That was followed by a charming performance of *The Ladykillers*, by S1-3. The Senior School musical - *Fame* - was widely acclaimed, and the Prep School show, *Ali Baba and the Bongo Bandits*, was much enjoyed. In the Scottish Schools Pipe Band Championships, the school's Pipe Band finished second in their category and there have been glowing reports of the school's chamber choir performances at various venues around Glasgow: the St John's Renfield Concert alone raised £4,500 for Charity.

85% of S3 worked towards their Bronze Duke of Edinburgh Award, and we have been delighted by the huge increase in the number of pupils taking part in the Gold expedition, making us one of Scotland's top schools in having 101 pupils actively completing their Gold award. In the coming session we will be focusing on encouraging our pupils to use their volunteering section to make a larger contribution to community-based volunteering projects. Our role in the community is important to us and our pupils and staff engage with their communities in a wide variety of ways; helped by all the support from parents, they raised nearly £33,000 for charity this session.

Sharan Maiya was a finalist in the 'National Science and Engineering Competition' at the Big Bang UK Young Scientists Fair at the NEC, Birmingham. As well as earning a Gold CREST Award, Sharan's 6000-word thesis was published in the *Young Scientists Journal* and his project won a prize at the *Young Scientists Journal* Conference in Canterbury.

Our new Saunders Centre won both a RIBA (Royal Institute of British Architects) Award and a RIAS (Royal Incorporation of Architects of Scotland) Award. It brought our architect, Sarah Jane Storrie, the Emerging Architect of the Year Award; it was also shortlisted for the Best Use of Timber Award and the Scotland's Client of the Year Award. It has been listed too for the RIAS Andrew Doolan Best Building in Scotland Award.

Financial Review

The Trust's net income, prior to adjustments for Other Recognised Gains and Losses was £1,424,671 (2015 £1,705,830). The surplus achieved exceeded the original budget estimates due to a healthy school roll and continuing careful management of school resources.

The main source of income for the Trust is through fee income charged for the provision of education. In the 2015-16 school year, average annual school fees were £9,264 for kindergarten, £9,806 for primary school and £11,162 for senior school.

Income increased by 4.6%, and expenditure increased by 8.6%. The main expenditure of the Trust is that of teaching staff salaries, which accounts for 54% of total expenditure. Our staff are key to the ongoing success of the school and therefore we continue to invest in the highest standard of teaching staff. This year, additional unavoidable costs were incurred due to the employers' pension contribution increasing from 14.9% to 17.2% and the removal of the employers' NI rebate. The fitting out and running costs of our new Saunders Centre, a facility which has proven to be extremely successful, also meant additional expenditure. The opening of the new Saunders Centre meant an additional £219,924 in depreciation costs this financial year.

The recent publication of *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* brought about some changes to the presentation of the Trust's Report and Accounts. A reconciliation of previous reserves figure is shown in note 18. The Trust participates in a pension plan for non-teaching staff and a liability for a pension deficit was recognised for the first time. Further information on this is included within the notes to the accounts. Also, the Trust entered into an interest rate swap and interest rate cap in 2014, forms of derivative financial instruments used to manage interest rates risk, and these are now recognised at their fair value. Given the level of borrowings, it is prudent to manage our interest rate exposure, and we have protection up to 2023. In addition, fees received in advance are regarded as a complex financial instrument and are reported at fair value.

REPORT BY THE GOVERNORS AND INCORPORATED REPORT FOR YEAR ENDED 30TH JUNE 2016

At 30th June 2016, net current liabilities were £740,585 (2015 £366,387). The Trust's management of working capital continues to be extremely effective and the increased liability is mainly due to additional expenditure, including payments towards borrowings, this year. In long term liabilities, the bank loan has reduced to £8,625,000 and the plan is to continue to reduce this more quickly than the contracted term.

In addition to paying down substantial amounts towards borrowings, the Trust refurbished the buildings previously occupied by Sciences to incorporate a new dance studio, two new drama suites, a medical centre and a rowing suite. Also, two new Astro pitches were laid. The previous Astro pitches were being depreciated over a longer period and still had a residual value within fixed assets; this has been written off during the year as a loss of £234,317 on disposal of fixed asset.

The balance sheet total of net assets increased from £21,796,653 at June 2015 to £22,525,365 at June 2016. Fixed Assets are shown in note 5 to the accounts. Additions relate entirely to the projects previously mentioned and also to new high tech fitness equipment, iPads, and the refresh of our laptops.

The Trust holds the majority of its reserves in fixed assets and these are held on an unrestricted basis. In addition there are substantial funds held in an investment portfolio and, whilst these are partially restricted in the sense that the prime use is to fund bursary provision, nevertheless the capital and income can, by agreement, be used for the general purposes of the school.

The financial strategy of the Trust is, and has been for some years, to generate cash surpluses from normal activities of around 10% of income. This year, we achieved a cash surplus of 11.6% (2015 - 12.7%). The levels of normal operating income and expenditure are reasonably predictable looking up to 12 months forward and these surpluses are therefore available on an annual basis to provide additional funding in terms of capital expenditure and debt repayment, or cushion against any unexpected financial demand.

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.

Principal Risks and Uncertainties

A review of the risks facing the Trust, and the controls in place to mitigate these, is undertaken on an ongoing 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 occurrence, the potential impact, and what measures are in place to control and mitigate these risks. Over the last year we have been clearly establishing where ownership of the various risks lies to further improve our focus in this area.

During the past year, and on completion of the Saunders Centre with significant borrowings, we have been focussing on generating sufficient cash flows to meet borrowing repayment targets. The ability to attract and retain pupils is a key priority here and this is closely monitored. Health and safety, child protection, and reputational risks are also given close focus, and while ultimate ownership of these risks lies with the Board, great effort is made to ensure that all staff are aware of their own responsibilities in this area.

Interest rate risk is considered to be low, and is currently managed to some extent with the use of derivative instruments in the form of a swap and a cap.

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.

Investment Objectives

In terms of investments, our objective is to achieve a balanced return from income and capital growth. The current income target from the portfolio is to generate a minimum of £200,000 per annum from the portfolio and rising in line with inflation, as measured by the Consumer Prices Index. The income from the portfolio is directed 100% to bursary provision. The investment portfolio is largely invested in equities with a medium high risk approach being adopted. The benchmark for the portfolio is a composite of the following indices:

FTA Government All Stocks	20%
FTSE All Share	50%
FTSE World ex UK	25%
Cash	5%

The Trust's portfolio is managed on a discretionary basis by Standard Life Wealth and formal meetings are held twice per annum with the Trust's Investment Committee to review performance against the benchmark and other agreed objectives. In terms of specific restrictions the Trust does not permit any direct investment in the tobacco sector.

Future Plans

The Glasgow Academicals War Memorial Trust will continue to implement existing strategies in relation to educational delivery and facilities as set out in our 2020 vision.

**REPORT BY THE GOVERNORS AND INCORPORATED REPORT
FOR YEAR ENDED 30TH JUNE 2016**

Montrose Educational Trust and Kelly Trust

The Montrose Educational Trust and J D Kelly Trust award bursaries to existing and prospective pupils at The Glasgow Academy. These Trusts are separate Scottish charities managed by separate Trustees. At 30th June 2016, the funds were as follows:

	Montrose Trust	Kelly Trust
	£	£
Investments at market value	1,034,565	24,292
Due by GAWMT	197,635	4,695
Due by investment advisors	19	30
Accruals	(1,410)	(930)
	<u>1,230,809</u>	<u>28,087</u>

On behalf of the Board of Governors, The Glasgow Academy, Colebrooke Street, Glasgow, G12 8HE



.....
G.W. Scott (Chairman)
11th October 2016

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

We have audited pages 10 to 19 of the financial statements of The Glasgow Academics' War Memorial Trust for the year ended 30th June 2016. 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), including FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charity'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 Governors' responsibilities set out on page 3 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

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 30th June 2016 and of its incoming 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 regulation 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 and the incorporated Strategic 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 company 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 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.

RSM UK Audit LLP

12 October 2016

Janet Hamblin (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Third Floor, Centenary House, 69 Wellington Street, Glasgow G2 6HG

RSM 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
STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME & EXPENDITURE
FOR YEAR ENDED 30TH JUNE 2016

	Note	Unrestricted Funds	Restricted Funds	2016 Total Funds	2015 Total Funds
		£	£	£	£
Income from charitable activities:					
Fees receivable	1g.	14,278,142	-	14,278,142	13,488,607
Catering income		567,871	-	567,871	564,239
Donations and legacies	1h.	350,538	5,100	355,638	466,610
Income from other trading activities:					
Hire of facilities		95,329	-	95,329	98,502
Investment income	1i.	-	214,794	214,794	201,381
Other income		16,916	-	16,916	25,226
Total Income		<u>15,308,796</u>	<u>219,894</u>	<u>15,528,690</u>	<u>14,844,565</u>
Expenditure on charitable activities:					
Teaching costs		8,738,895	-	8,738,895	8,368,566
Catering costs		556,458	-	556,458	531,263
Premises		2,465,350	-	2,465,350	1,921,811
Grants, awards and prizes		3,855	782,036	785,891	754,171
Administration of the school		1,444,843	37,645	1,482,488	1,457,189
Other costs:					
Finance costs		283,638	-	283,638	136,755
Total Expenditure	2.	<u>13,493,039</u>	<u>819,681</u>	<u>14,312,720</u>	<u>13,169,755</u>
Net gain on investments		-	208,701	208,701	31,020
Net income / (expenditure)		<u>1,815,757</u>	<u>(391,086)</u>	<u>1,424,671</u>	<u>1,705,830</u>
Other Recognised Gains and Losses					
Actuarial loss on defined benefit pension schemes	11.	(68,000)	-	(68,000)	(4,000)
Loss on disposal of fixed asset	5.	(234,317)	-	(234,317)	-
Fair value of complex financial instruments	7.	(393,642)	-	(393,642)	-
Net movement in funds		<u>1,119,798</u>	<u>(391,086)</u>	<u>728,712</u>	<u>1,701,830</u>
Funds balances brought forward at 1 st July 2015		<u>18,310,213</u>	<u>3,486,440</u>	<u>21,796,653</u>	<u>20,094,823</u>
Fund balances carried forward at 30 th June 2016	14.	<u>19,430,011</u>	<u>3,095,354</u>	<u>22,525,365</u>	<u>21,796,653</u>

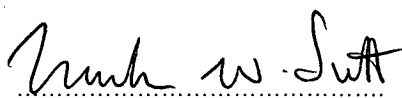
All operations are continuing. There are no recognised gains or losses for the current or preceding year other than those noted above.

Company Number SC0 11313
THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
BALANCE SHEET AS AT 30TH JUNE 2016

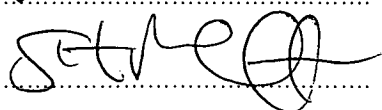
	Note	TRUST 2016 £	TRUST 2015 £
FIXED ASSETS			
Tangible assets	5.	27,133,158	26,774,863
Investments	6.	<u>5,497,898</u>	<u>5,346,572</u>
		<u>32,631,056</u>	<u>32,121,435</u>
CURRENT ASSETS			
Amounts recoverable within one year:			
Debtors		149,029	127,267
Cash at bank and in hand		<u>1,232,561</u>	<u>1,978,871</u>
		1,381,590	2,106,138
Amounts falling due within one year:			
Bank overdrafts and loans	7.	500,000	395,832
Creditors	8.	1,256,016	1,730,353
Deferred income - fees in advance	10.	203,206	228,427
Deferred income - other fees		<u>162,953</u>	<u>117,913</u>
		<u>2,122,175</u>	<u>2,472,525</u>
NET CURRENT (LIABILITIES)		(740,585)	(366,387)
CREDITORS - amounts falling due after one year			
Bank loans	7.	(8,125,000)	(9,104,168)
Other creditors	9.	(61,470)	-
Deferred income - fees in advance	10.	(545,994)	(662,227)
Derivative liabilities	7.	<u>(393,642)</u>	<u>-</u>
		(9,126,106)	(9,766,395)
PROVISION FOR LIABILITIES			
Defined benefit pension scheme liability	11.	(239,000)	(192,000)
TOTAL NET ASSETS		<u><u>22,525,365</u></u>	<u><u>21,796,653</u></u>
FUNDS			
Unrestricted	15.	19,430,011	18,310,213
Restricted	15.	<u>3,095,354</u>	<u>3,486,440</u>
		<u><u>22,525,365</u></u>	<u><u>21,796,653</u></u>

The financial statements on pages 1 to 19 were approved and authorised for issue by the Board on 11th October 2016.

G. W. Scott



S. J. McCaffer



THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
CASH FLOW STATEMENT
FOR YEAR ENDED 30TH JUNE 2016

	Note	2016		2015	
		£	£	£	£
Net cash inflows from operating activities	16.		2,203,318		2,395,352
Cash flows from investing activities:					
Income from listed investments		214,794		201,381	
Purchase of investments		(1,035,478)		(571,077)	
Proceeds from sale of investments		1,082,910		648,876	
Capital repayment		9,942		-	
Purchase of tangible fixed assets		<u>(1,193,465)</u>		<u>(7,925,638)</u>	
			(921,297)		(7,646,458)
Cash flows from financing activities:					
Repayments of borrowing		(1,414,000)		-	
Cash inflows from new borrowing		539,000		6,200,000	
Bank and other interest		<u>(278,332)</u>		<u>(130,755)</u>	
			(1,153,332)		6,069,245
Change in cash in the reporting period	17.		<u><u>128,689</u></u>		<u><u>818,139</u></u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

1. ACCOUNTING POLICIES

The Glasgow Academicals' War Memorial Trust is a company limited by guarantee governed by its Memorandum and Articles of Association. Its registered company number is SC0 11313 and it is a registered charity with the Scottish Charity Regulator, charity number SC015638.

a) Basis of preparation

The accounts have been prepared in accordance with the new Statement of Recommended Practice: *Accounting and Reporting by Charities* (SORP 2015), the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006. This is the first year that FRS 102 has been adopted, resulting in some restatement of previous years' reserves. The impact of this is disclosed in note 18.

The Glasgow Academicals' War Memorial Trust meets the definition of public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction level unless otherwise stated in the relevant accounting policy note.

After reviewing the Trust's forecasts and projections, the Governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

b) Going concern

The Governors are satisfied that it is appropriate to prepare the accounts on a going concern basis. The Trust has Net Current Liabilities at the Balance Sheet date of £740,585 (2015 - £366,387) which comes after a period of borrowing to fund our new Science Building. £1.4m has already been repaid this year towards borrowing, which was above that required by the agreed facility. The Trust's management of working capital is extremely effective and the Governors are satisfied that adequate funding will be available through future cash flows to meet liabilities as they fall due.

c) Fund accounting

The reserves of the Trust are represented by the unrestricted and restricted funds as shown in note 14. Funds held at 30th June 2016 total £22,525,365, of which £3,095,354 is restricted and not available for general use. The balance of £19,430,011 is unrestricted.

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.

Restricted funds comprise donations which are made either for a particular area or purpose, such as the funding of bursaries.

d) Tangible fixed assets

Tangible fixed assets are initially recorded at cost, with the exception of school property held at an initial valuation on acquisition. All assets, other than freehold land, are depreciated over their useful economic lives on a straight line basis as follows:

Fitness equipment and IT	33%
Boilers	25%
Permanent buildings	2%
Pitches	10%

Apart from certain leased assets, 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.

e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Trust. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. They are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets. The corresponding liability is included within the balance sheet as a finance lease obligation. Lease payments are apportioned between principal and interest charges, with interest being charged to the profit and loss account.

f) Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

The use of financial derivatives is managed by the Trust's policies approved by the Board of Governors. The Trust does not use derivative financial instruments for speculative purposes. Derivative financial instruments include an interest rate swap and interest rate cap, used for partially managing interest rate risk and providing some certainty over future cash flows. All derivative instruments are initially recognised in the balance sheet at fair value. Thereafter, a valuation is obtained from The Royal Bank of Scotland at each year end and subsequent movements are reflected in the SoFA. Further details of the interest rate swap and interest rate cap are within note 7.

g) Fees receivable

Fees receivable consist of amounts received for services carried out in the year ended 30th June 2016 and are stated before deducting bursaries.

h) Donations and legacies

Donations and legacies are recognised when probable. A donation or grant that can be used for any purpose of the Trust is classed as unrestricted income. Donations received from donors wishing to support bursaries are classed as restricted income.

i) Investments

The Glasgow Academicals War Memorial Trust has a portfolio of investments in quoted companies. As a form of basic financial instrument, these are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date, using the closing quoted market price in an active market. Gains and losses on disposal and revaluations are recorded in the Statement of Financial Activities. Dividend income is recognised once reliable notification has been received from our investment advisors of the amount due.

j) Deferred income

Where fee income is received in advance of the Trust delivering the related service, a liability is recognised on the balance sheet as deferred income until performance conditions are met. Under FRS 102, any such advances over 12 months old require to be stated at fair value.

k) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

l) Pensions

The Trust participates in, and the academic staff are members of, the Scottish Teachers' Superannuation Scheme. Staff contribute 7.2% to 11.9% of their salary and the participating employers' contribution is 17.2%. The Trust also participates in, and certain non-teaching staff are members of, a scheme administered by The Pensions Trust, to which both the Trust and employee contribute 5%. Charges included in the accounts, in respect of contributions payable to both schemes for the year, amounts to £873,035 (2015 £785,174), 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, FRS 102 provides for contributions to schemes to be accounted for as if it were a defined contribution scheme. As such, the cost recognised within the Statement of Financial Activities is equal to the contributions payable to the scheme for the year.

2. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs £	Other £	Depreciation £	2016 Total £	2015 Total £
Direct Charitable Expenditure:					
Teaching costs	7,756,968	904,884	77,043	8,738,895	8,368,566
Catering costs	286,313	270,145	-	556,458	531,263
Premises	399,055	1,352,710	713,585	2,465,350	1,921,811
Grants, awards and prizes	-	785,891	-	785,891	754,171
Administration of the school	882,510	599,978	-	1,482,488	1,457,189
	<u>9,324,846</u>	<u>3,913,608</u>	<u>790,628</u>	<u>14,029,082</u>	<u>13,033,000</u>
Other Expenditure:					
Finance costs	-	283,638	-	283,638	136,755
	<u>9,324,846</u>	<u>4,197,246</u>	<u>790,628</u>	<u>14,312,720</u>	<u>13,169,755</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

3. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	7,750,541	7,343,608
Social security costs	673,258	555,775
Pension costs	901,047	785,175
	<u>9,324,846</u>	<u>8,684,558</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly. The Trust considers its key management personnel to consist of the Rector, the General Manager and the Senior Leadership Team; total employment benefits including employer pension contributions relating to those personnel was £843,099 (2015 - £822,317).

Based on head count, the average number of employees in the year was 177 Teaching Staff (2015 - 176) and 76 Support Staff (2015 - 73). Number of employees of the Trust who earned in excess of £60,000 is as follows:

	2016	2015
£60,000 to £70,000	1	2
£70,000 to £80,000	1	-
£90,000 to £100,000	1	1
£130,000 to £140,000	-	1
£150,000 to £160,000	1	-

No liability is recognised in respect of outstanding paid annual leave and sick pay as the Trust accounting year end is the same as its holiday entitlement year.

4. AUDITORS' REMUNERATION

Auditors' remuneration for work carried out in accordance with usual audit plan issues amounted to £18,960, including £2,400 for work in relation to FRS 102 adoption.

5. FIXED ASSETS

	Equipment	Grounds	Buildings	Pitches	Total
	£	£	£	£	£
Cost at 1 st July 2015	82,883	239,722	30,352,758	1,033,449	31,708,812
Added during year	169,056	-	901,109	292,354	1,362,519
Disposal	-	-	-	(660,596)	(660,596)
Cost at 30 th June 2016	<u>251,939</u>	<u>239,722</u>	<u>31,253,867</u>	<u>665,207</u>	<u>32,410,735</u>
Depreciation at 1 st July 2015	41,442	-	4,391,657	500,850	4,933,949
Depreciation charge for year	77,043	-	626,344	66,521	769,908
Disposal	-	-	-	(426,280)	(426,280)
Depreciation at 30 th June 2016	<u>118,485</u>	<u>-</u>	<u>5,018,001</u>	<u>141,091</u>	<u>5,277,577</u>
Net book value at 30 th June 2016	<u>133,454</u>	<u>239,722</u>	<u>26,235,866</u>	<u>524,116</u>	<u>27,133,158</u>
Net book value at 1 st July 2015	<u>41,441</u>	<u>239,772</u>	<u>25,961,051</u>	<u>532,599</u>	<u>26,774,863</u>

Equipment net book value includes finance equipment and computing hardware held under finance lease arrangements.

Two Astro pitches were replaced at Windyedge this year. The previous Astro pitches were being depreciated over a longer period and still had a residual value within fixed assets; this has resulted in £234,317 being written off during the year as a loss on disposal of fixed asset.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

6. INVESTMENTS

	£
Market value at 1 st July 2015	5,346,572
Additions	1,035,478
Net unrealised investment gain	43,037
	<u>6,425,087</u>
Investments realised	(927,189)
Market value at 30th June 2016	<u>5,497,898</u>

7. BANK LOANS AND DERIVATIVE CONTRACTS

The Trust previously had a development loan with a balance of £9,500,000 at 30th June 2015, which converted to a term loan, with a 2% margin, the balance of which was £8,625,000 at 30th June 2016. £500,000 is repayable within one year.

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

The Trust entered into an interest rate swap and interest rate cap in 2014, forms of derivative financial instruments used to manage interest rates risk. Given the level of borrowings, it is prudent to manage our interest rate exposure, and we have protection up to 2023.

The interest rate swap is at a fixed rate of 2.995% plus margin (2%) on an amount of £2m running until 30th September 2023, and the interest rate cap is at a rate of 3% plus margin (2%) on an amount of £4m decreasing annually until 30th September 2020.

As a result of FRS 102, derivative contracts are treated as financial instruments and have to be marked to market value each year, which has resulted in a fair value liability of £393,642.

8. CREDITORS

	2016 £	2015 £
Trade creditors	392,404	698,676
Accruals	36,833	318,441
Taxes and social securities	330,316	317,367
Other creditors	435,783	395,869
Lease liabilities	60,680	-
	<u>1,256,016</u>	<u>1,730,353</u>

9. LONG TERM CREDITORS

Other creditors falling due after one year relates entirely to lease obligations.

10. DEFERRED INCOME - FEES IN ADVANCE

Fees received in advance are a mixture of two agreements. Historically, the agreement was for fees to be fixed at the prices at the contract date, but this was amended in 2011, to include 4% compound interest, to limit the level of liability.

Fee income received relating to future years is held in a separate bank account and deferred to the relevant academic year when the Trust's standard terms and conditions for undertaking the education of a child are fully met

	2016 £	2015 £
Opening balance	(890,654)	(979,381)
Released in year	250,265	264,030
Received in year	(108,811)	(175,303)
Closing balance	<u>(749,200)</u>	<u>(890,654)</u>
Due within one year	(203,206)	(228,427)
Due after one year	<u>(545,994)</u>	<u>(662,227)</u>
	<u>(749,200)</u>	<u>(890,654)</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

11. PENSION DEFICIT

The Trust participates in the Growth Plan; a Trust based, multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is administered by the Pensions Trust.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30th December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The Growth Plan incorporates Series 1, 2, 3 and 4. Series 1, 2 and 3 are defined benefit schemes and Series 4 is a defined contribution scheme.

At the last valuation, assets within Series 1 and 2 were not sufficient to cover liabilities, giving rise to a deficit. The present value of the deficit provision applicable to The Glasgow Academicals War Memorial Trust at 30th June 2016 totalled £239,000 (2015 - £192,000).

Discount rates are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The discount factor assumed for the year ended 30th June was 1.65% (2015 - 2.26%).

Reconciliation of Pension Provision	2016	2015
	£	£
Opening balance	192,000	206,000
Unwinding of the discount factor (interest expense)	4,000	5,000
Annual contribution paid towards deficit	(25,000)	(23,000)
Remeasurements - impact of any change in assumptions	7,000	4,000
Remeasurements - amendments to the contribution schedule	61,000	-
Closing balance	<u>239,000</u>	<u>192,000</u>

12. LEASING COMMITMENTS

The Trust leases mini-buses and certain other equipment. Minimum operating lease payments relating to non-cancellable future commitments are as follows:

	2016	2015
	£	£
Within one year	176,112	172,155
Between one and five years	322,292	498,405

Certain equipment is held under finance lease arrangements (see note 3). The lease agreements generally include fixed lease payments and a purchase option at the end of the lease. Finance lease payments relating to non-cancellable future commitments are as follows:

	2016	2015
	£	£
Within one year	60,680	-
Between one and five years	61,470	-

13. CAPITAL COMMITMENTS

At 30th June 2016, there were capital commitments amounting to £199,000, relating to the cost of a new Astro turf pitch, updating our drainage at our sports grounds and other various renovation works throughout the campus.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

14. RECONCILIATION OF MOVEMENT IN RESERVES

	Unrestricted £	Restricted £	Total £
At 1 st July 2015	18,310,213	3,486,440	21,796,653
Net movement in funds for the year	1,119,798	(391,086)	728,712
Amount transferred	-	-	-
At 30 th June 2016	<u>19,430,011</u>	<u>3,095,354</u>	<u>22,525,365</u>

All restricted funds are invested to provide bursaries. The majority of restricted funds are attributable to The Robert A McMillan Bequest which may only be used for bursaries for pupils of The Glasgow Academy unless, in exceptional circumstances, the members of the Projecting Body (referred to in an Agreement registered 12th February 1998) unanimously agree that some of its income or, if necessary, its capital be used for the general purposes of The Academy.

The Trust currently has no designated funds, but may have in future should the Governors decide to undertake a new project. The last designated reserve has now been fully utilised to fund the construction of the new Science and Technology building.

15. TRUST ALLOCATION OF NET ASSETS

	Unrestricted £	Restricted £	Total £
Tangible assets	27,133,158	-	27,133,158
Investments	-	5,497,898	5,497,898
Current assets	1,381,590	-	1,381,590
Current liabilities	(2,122,175)	-	(2,122,175)
Long term liabilities	(6,962,562)	(2,402,544)	(9,365,106)
At 30 th June 2016	<u>19,430,011</u>	<u>3,095,354</u>	<u>22,525,365</u>

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO OPERATING CASH FLOWS

	2016 £	2015 £
Net movement in funds for the year	728,712	1,701,830
Adjustments for:		
Depreciation charges	769,908	475,074
Pension deficit - unwinding of discount factor	5,306	-
Net gain on investments	(208,701)	(31,020)
Actuarial loss on defined benefit pension scheme	68,000	4,000
Loss on disposal of fixed asset	234,317	-
Movement on fair value of financial instruments	393,642	-
Increase in debtors	(21,755)	2,045
Increase in creditors	170,351	317,799
Interest paid	278,332	130,755
Income from listed investments	(214,794)	(201,381)
Grant released	-	(3,750)
Net cash inflows from operating activities	<u>2,203,318</u>	<u>2,395,352</u>

17. ANALYSIS OF CHANGES IN CASH FLOWS

	1st July 2015 £	Cash Flow £	30th June 2016 £
Cash in bank	1,978,872	(746,311)	1,232,561
Bank overdrafts and loans	(9,500,000)	875,000	(8,625,000)
Total	<u>(7,521,128)</u>	<u>128,689</u>	<u>(7,392,439)</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2016

18. RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing the accounts, the Governors have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the comparative figures needed restated. A reconciliation of the reported net income is as follows:

	£
Net Movement in Funds for the year to 30 th June 2015 as previously stated	1,687,830
Pension adjustments as per note 11	14,000
Fair value adjustment re deferred income	-
Fair value of derivatives	-
Net Movement in Funds 2015 restated	<u>1,701,830</u>

In accordance with the requirements of FRS 102, a reconciliation of opening balances (to those previously reported) and a reconciliation of income and expenditure (to those previously reported) is set out below:

	1 st July 2014	30 th June 2015
	£	£
Fund balances as previously reported	20,353,419	22,041,249
Recognition of pension liability	(206,000)	(192,000)
Fair value of deferred income - fees in advance	(52,596)	(52,596)
Fair value of derivatives	-	-
Net Movement in Funds 2015 restated	<u>20,094,823</u>	<u>21,796,653</u>

19. RELATED PARTY TRANSACTIONS

During the 2015/16 academic session, six Governors had a total of twelve children at the school. Last session, six Governors had eleven children at the school. Fees paid by parent Governors are at the normal rate. There are no other related party transactions to disclose.