

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 2017

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 GROSSART, C.B.E., Q.C., LL.D., D.Litt., F.R.S.E., D.L., D.B.A., M.A., LL.B., C.A., F.R.I.A.S., 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.B.E., 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. ⁽²⁾

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 McCaffer, B.Com., C.A. ^{(2) (4) (5)}

Professor ANDREW MARSHALL, B.A., M.Phil. ⁽³⁾

JOHN MASON, B.Acc., C.A. ⁽²⁾

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

ANDREW SIME, B.A. (Hon.) ⁽¹⁾

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 Operational 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

WEDNESDAY



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11/10/2017

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COMPANIES HOUSE

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REPORT AND ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2017

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

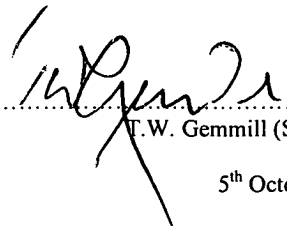
Investment Advisers: Standard Life Wealth, Standard House, 30 Lothian Road, Edinburgh, EH1 2DH

NOTICE OF ANNUAL GENERAL MEETING:

NOTICE IS HEREBY GIVEN that the Ninety-eighth 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 10th November 2017 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,

By order of the Governors,


.....
T.W. Gemmill (Secretary)
5th October 2017

**THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
REPORT BY THE GOVERNORS AND INCORPORATED REPORT
FOR YEAR ENDED 30TH JUNE 2017**

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 2017.

The Governors at 30th June 2017 are set out on page 1. All have served on the Board for the full financial year except Mr Andrew Sime and Mr John Mason, who were appointed on 11th November 2016. Mr Alex Barr, Mrs Neena Mahal, and Mr William Sinclair served as Governors during the year until their retirement on Friday 11th November 2016. The Honorary Governors listed on page 1 are patrons of the Trust and are not appointed as Directors or Trustees. A special mention must be given to Bill Mann, an Honorary Governor and previous Chairman, on being awarded a CBE for Services to Sport, Recreation, the Arts and Charity.

Sadly, Mrs Susan Binns passed away on 23rd July, 2017, aged 54. Apart from being a Governor and serving with distinction on the school's Education Committee and Board for the past three years, she was Lead Officer Teaching and Learning with Glasgow City Council. In the vanguard of the Glasgow Improvement Challenge 2015-2020, whose motto was unlocking learning, she was highly regarded in Scottish education circles. Her wit and wisdom will be sorely missed.

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. At this time Mr Stuart McCaffer and Mr Graham Scott retire from the Board having reached the end of their six year term. Neither Mr McCaffer nor Mr Scott is eligible for re-election but the Board intends to co-opt Mr Scott as Governor and Chairman for a further 12 months. Ms Karen Dinardo and Mrs Susan Binns also resign at this time. Sadly Mrs Binns died in July of this year so it is only Ms Dinardo who resigns but she is eligible for re-election to the Board. Mr John Mason, Ms Jane Gotts, Ms Margaret Khnichich and Mrs Anita Salwan have been proposed as Governors. All these appointments will be proposed at the AGM.

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. At this event, Governors are invited to visit the Academy for a tour to experience our atmosphere and understand our ethos and values. Current Governors, the Chairman and SLT are committed to ensuring that all new Governors are given the necessary information and support to fulfil their role with confidence. New Governors also have the opportunity to meet informally with existing Governors who can act as a mentor.

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.

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, Community Involvement and Public Benefit

The main purpose of the school is the advancement of education, which is a charitable purpose under the Charities and Trustee Investment (Scotland) Act 2005. In addition to this, in setting the school's objectives and planning its activities, the School Governors, as Charity Trustees, have due regard to the guidance provided by OSCR in 2015 on meeting the Public Benefit criteria of the Charity test. The Academy provides a high quality education and supports the school's public benefit goals.

As part of our public benefit objective, The Academy devotes significant time and resources to partnerships with our local institutions. The Academy regularly teaches children from other schools that are unable to provide the course they wish to take. In session 2016-17 The Academy taught two pupils from Cleveden Secondary School Higher Economics and one pupil from Hillhead High School 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 use 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 £5,000 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, coaches 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, and currently coaches for GB and serves on Scottish Rowing's High Performance Group.

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, 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.

The Academy raised a record £43,600 for charity this session, with S6 pupil Morven Cormie raising £13,600 for two charities at an MS/Beatson Chamber Choir concert.

Bursaries

The school seeks to provide public benefit by widening access to its education through the availability of bursaries, which are available for pupils from P7 upwards and are awarded on the basis of financial need and entrance test results. We aim to maintain and extend the accessibility to pupils of high ability whatever their economic or social background, 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 2017-18 amounted to £792,536, which is 5.5% of the school's total fee income. In total, 113 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	14
21	-	40	20
41	-	60	18
61	-	80	22
81	-	100	39

Achievements and Performance

The Glasgow Academy continued to benefit the public through its provision of high quality education for an average of 1365 pupils over the academic session 2016-17, with an average of 678 pupils across the Preparatory School sites and 687 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 school's broad academic curriculum and rich co-curricular experiences produced another record-breaking year of excellent SQA examination and sporting results. Our pupils gained a record Higher pass rate for the third year in a row, despite national pass rates falling yet again. The Academy Higher pass rate was the best in West Scotland, having now risen to 97.2%. Forty Academy girls and boys gained five or more A grades at Higher. 66.5% of Academy Higher presentations were awarded A grades. Our results in SQA examinations remain among the best in the country. Performance at National 5 and Advanced Higher was not quite as strong as last year's record results. At National 5, our pass rate was 95.9%. 70.5% of Academy entries gained A grades (compared to 37.1% nationally). Amongst high-performing departments, Drama, Hospitality and Latin gained 100% A grades. At Advanced Higher, our pass rate was 89.5%. 51.1% of Academy presentations were awarded A grades (compared to 31.7% nationally).

The Saunders Centre won the RIAS Andrew Doolan Best Building in Scotland Award, the UK's richest architectural prize (£25,000). This reflects our creative architect's attention to detail, supported by our open and consultative culture which is focused on continuous improvement. Listening to the pupil voice is central to what we do, so our pupils went to Page\Park architects' offices to tell them how they wanted to learn and socialise and what they wanted in their new building. Having completed our 2020 Vision four years early, we are now working on our 2030 Vision.

The school's sportsmen and women have excelled, with a record thirty internationalists, across numerous disciplines and including three in girls' hockey, three in rugby, three in the tetrathlon and six in rowing.

In hockey, our girls won the West District S1 tournament again. Our S2 girls won the Hutchesons' Invitational tournament and had a terrific season, losing only one game. The S3 were runners-up in the West District tournament and the 1st XI were runners-up in the Robert Gordon's tournament. Our boys' hockey has gone from strength to strength, finishing the season on a high by winning our own TGA tournament.

Our 1st XV closed the gap against all opposition this year, beating High School of Dundee, Heriot's, High School of Glasgow, Hutchesons' and Kelvinside. The Senior 7's team showed appetite for the shortened version of the game, picking up silverware in every tournament they entered, winning the Plate at Hutchesons', the Shield at the High School tournament, and being runners-up at the prestigious Caritas 7's.

Our cricket 1st XI enjoyed a record season, winning 87.5% of their matches and being named Scotland Team of the Year by the Forty Club. Memorable moments included defeating the High School of Glasgow by 132 runs and defeating the Forty Club, against whom John Oliver scored 105 runs. John's average of 122 runs ranks among the very top UK batting averages this season.

Murray Fotheringham became the fastest-ever 13-year-old Scot at 800m and has the most points ever in Scottish Schools Under 15 Pentathlon. He is the fastest-ever Under 15 Scot at 300 Hurdles and the fastest Under 15 indoors in Britain this year at 800m. He won 3 Golds at the Irish Under 15 Championship, at 800m, High Jump and Long Jump, and won the 800m at the Gothenburg Games. He had never won an individual National gold medal until February 2017, when he won the Triple Jump at the Scottish Under 15 Indoor Championship. Since then his performances have been astounding, ranking him No1 (Under 15) in Scotland this year at 300 Hurdles, 800 Metres, Long Jump, High Jump, Triple Jump and Pentathlon.

At the Scottish Championships, Kirsty Costello broke the Scottish Under 15 record for the hammer and won the Javelin title with a Championship best performance.

In the Glasgow Schools Athletics Championships, pupils won 10 Gold, 17 Silver and 9 Bronze medals. Our S2 girls won the Glasgow Schools Athletics League and Championships and Annabel Ballantyne won the S4 girls title at the Glasgow Schools Cross-country.

In Badminton, Ciara Bailey and Molly Scales won the Glasgow Schools U14 and U16 singles championships respectively, and went on to win the U16 doubles together.

Our 1st XI Football team competed, for the first time, on three fronts: in the Scottish Cup, the Scottish Independent Schools League and the Glasgow Schools league and Cup. Cameron Ballantyne represented the Scottish Independent Schools, who beat their English counterparts, and played for the Scottish Schools U18 Football Team against Australia and the Home Nations. He is the second Academy pupil to earn a professional contract recently.

Our rowers enjoyed another fine year, with our most successful British Championships ever: Gold medals were won by Alex Milne, Holly Allan, Jenny Olney and Holly Wicklow, Silver medals by Jenny and Holly Wicklow, and Bronze by Anna Colley. Holly Wicklow captained Scotland Junior Women in the Home International. We entered more National Schools regatta Championship events than ever before and our Girls won the B final of Championship eights, with the girls pair and boys single coming 4th in their respective A finals. Seven pupils won gold medals at the Scottish Championships, and our women's squad won its first race in the Henley Royal Regatta. Six of our pupils were selected to represent Scotland and Alex Milne to represent GB at J16 level.

The school Squash club continues to grow as new players take up squash. Andrew Glen, Robert McNaught, Euan MacAndie and Ruairi McGettigan won several of the most prestigious tournaments on the Scottish Junior Circuit and continue to rise in the Scottish rankings and, importantly, support younger players. Andrew Glen is the number one player in Scotland at Under 15 and represented Scotland in both the Home Internationals and the European Championships, winning four out of six matches playing at No.1 against the best Europe has to offer.

A highlight of the year was Katie Archibald returning to the school she left in 2011 to share her Rio Olympics gold medal and world record-breaking with our pupils, to whom she spoke movingly about the value of every person in a team.

Our Music and Drama reached new heights with the exuberant and atmospherically-staged musical Rock of Ages. The superb acoustics of the Watson auditorium were put to excellent use with the deeply moving production of Blood Brothers and of Daisy Pulls It Off, performed with great maturity by S1-3. Our Boys Choir won 1st place in the Glasgow Music Festival.

Jaguar Cars Maths in Motion is an international competition entered by schools round the globe. Thousands of students across the world set laps for this competition, and in April Sambhav Chadha (S2) achieved the fastest lap in the world, using the Shanghai Race circuit. The organisers described Sambhav's time as 'simply awesome'. Our S2 team qualified, in first place, for the International Final for the third year running, beating the 2nd place school from Guangzhou, China by over 30 seconds.

The school is heavily over-subscribed, particularly at P6/7 and S1 and above, having six applications for every place at S1 this year. We are now able to offer our widest-ever curriculum, including the broadest range of sports and a rich choice of around 100 multifarious activities a week, allowing children to choose to pursue their individual interests and talents, whilst still enjoying the advantages of being in a school small enough to really know and care for children individually.

Our motto 'Serva fidem', Keep faith, reflects our keeping faith with those who gave their lives in world wars, so it is appropriate that a new paving slab by our War Memorial commemorates Lieutenant Donald Mackintosh, one of our two Victoria Cross heroes.

Financial Review

The Trust's net income, prior to adjustments for Other Recognised Gains and Losses was £2,255,878 (2016 £1,424,671). The surplus achieved exceeded the original budget estimates due to unexpected donations, 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 2016-17 school year, average annual school fees were £9,426 for kindergarten, £9,920 for primary school and £11,358 for senior school.

Income increased overall by 3.7%. The Trust received a generous legacy of £645,000 from the estate of the late Ian Carswell Hood. Ian attended The Academy from 1935 until 1947. A year later, he joined the Army under national service, and was commissioned as a 2nd Lieutenant in 1949. He left the Army in 1950 and joined his father's firm. £250,000 of Ian's gift has been invested in our bursary funds, with the remainder being used to part fund the build of a first-class nursery on the site of the former Newlands Bowling Club. Donations totalling £46,000, mainly in respect of investments, were received from the Kelly Trust and Jeffrey Trust as these were amalgamated with the Glasgow Academicals' War Memorial Trust to facilitate better management. Expenditure increased by 1.1%. 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. Administration costs have risen due to us seeking professional advice on ensuring our non-teaching staff pensions are being invested as efficiently as

possible. As a result of this advice, our workplace pension for non-teaching staff has moved from The Pensions Trust to Royal London.

The 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 last year, and a liability for a pension deficit was recognised for the first time. This liability has decreased by £19,000 this year. The Trust entered into an interest rate swap and interest rate cap in 2014 which are forms of derivative financial instruments used to manage interest rates risk. The fair value liability of these instruments has reduced by £103,000. Given the level of borrowings, it is prudent to manage our interest rate exposure, and we have protection up to 2023.

At 30th June 2017, net current assets were £219,855 (2016 - liabilities £740,585) due to a healthy net income result this year and careful management of working capital.

The balance sheet total of net assets increased from £22,525,365 at June 2016 to £24,882,134 at June 2017. Fixed Assets are shown in note 5 to the accounts. The Trust installed a new Astro pitch at Colebrooke Street, and work commenced to refurbish the old Newlands Bowling Club into a new and vibrant nursery and kindergarten which opened in August 2017. Additions relate to these projects and also to a PC and laptop refresh. In long term liabilities, the bank loan has reduced to £7,625,000 (2016 - £8,625,000) and the plan is to continue to reduce this more quickly than the contracted term.

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. There is, however, £3,215,604 of restricted reserves.

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 12.8% (2016 - 11.6%). The levels of normal operating income and expenditure are reasonably predictable looking up to twelve months forward and these surpluses are therefore available on an annual basis to provide additional funding in terms of capital expenditure, debt repayment and to 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.

As an educational charity, the school has tax exemptions on its educational activities and its investment income, and receives business rates relief on its property occupied for charitable purposes. The financial benefits from these tax exemptions are all applied for educational purposes, including the provision of bursaries. The school is not able to reclaim VAT input tax on all of its costs as it is partially exempt for VAT purposes

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. Both the full Board and the main committees have risk as a standing item at all formal meetings to ensure focus in this area.

During the past year, 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 these areas.

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 £202,000 per annum 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

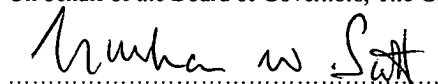
The Glasgow Academicals' War Memorial Trust will continue to implement existing strategies in relation to educational delivery and facilities as set out in our 2020 vision. Work has now commenced to update and agree the vision through to 2030.

Montrose Educational Trust

The Montrose Educational Trust is a separate charity and awards bursaries to existing and prospective pupils at The Glasgow Academy. Plans are to transfer the assets and liabilities to The Glasgow Academicals War Memorial Trust to facilitate better management and make more efficient use of funds. At 30th June 2017, funds were as follows:

	£
Investments at market value	1,153,952
Due by GAWMT	204,205
Due by investment advisors	95
Accruals	(1,410)
	<u>1,356,842</u>

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



G.W. Scott (Chairman)
5th October 2017

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

Opinion on financial statements

We have audited the financial statements of The Glasgow Academicals' War Memorial Trust (the 'charitable company') for the year ended 30th June 2017 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2017 and of its incoming resources and application of resources, including its 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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) require us to report to you if, in our opinion:

- the charitable company has not kept 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.

Respective responsibilities of trustees

As explained more fully in the Statement of Trustees' 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 charity'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 charity, 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.

RSM UK Audit LLP

Janet Hamblin (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP
Chartered Accountants
Third floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date *10 October 2017*

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 2017

			2017	2016
	Note	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£
Income from charitable activities:				
Fees receivable	1g.	14,415,299	-	14,415,299
Catering income		547,792	-	547,792
Donations and legacies	1h.	730,370	55,660	786,030
Income from other trading activities:				
Hire of facilities		92,825	-	92,825
Investment income	1i.	-	227,764	227,764
Other income		32,218	-	32,218
Total Income		<u>15,818,504</u>	<u>283,424</u>	<u>16,101,928</u>
Expenditure on charitable activities:				
Teaching costs		8,884,336	-	8,884,336
Catering costs		556,263	-	556,263
Premises		2,420,972	-	2,420,972
Grants, awards and prizes		4,233	792,536	796,769
Administration of the school		1,496,885	-	1,496,885
Other costs:				
Finance costs		320,187	-	320,187
Total Expenditure	2.	<u>13,682,876</u>	<u>792,536</u>	<u>14,475,412</u>
Net gain on investments		-	629,362	629,362
Net Income / Expenditure		<u>2,135,628</u>	<u>120,250</u>	<u>2,255,878</u>
Other Recognised Gains and Losses:				
Actuarial loss on defined benefit pension scheme	12.	(2,000)	-	(2,000)
Loss on disposal of fixed asset		-	-	-
Fair value gain/(loss) on complex financial instruments	8.	102,891	-	102,891
Net Movement in Funds		<u>2,236,519</u>	<u>120,250</u>	<u>2,356,769</u>
Funds balances brought forward at 1 st July 2016		<u>19,430,011</u>	<u>3,095,354</u>	<u>22,525,365</u>
Fund balances carried forward at 30 th June 2017	15.	<u>21,666,530</u>	<u>3,215,604</u>	<u>24,882,134</u>

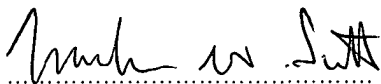
All operations are continuing. There are no recognised gains or losses for the current or preceding year other than those noted above.

Company Number SC011313
THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
BALANCE SHEET AS AT 30TH JUNE 2017

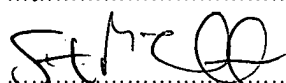
	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	5.	26,750,542	27,133,158
Investments	6.	<u>6,072,577</u>	<u>5,497,898</u>
		<u>32,823,119</u>	<u>32,631,056</u>
CURRENT ASSETS			
Amounts recoverable within one year:			
Debtors	7.	34,522	149,019
Cash at bank and in hand		<u>2,298,458</u>	<u>1,232,561</u>
		2,332,980	1,381,580
CREDITORS - amounts falling due within one year			
Bank overdrafts and loans	8.	500,000	500,000
Creditors	9.	1,264,135	1,256,006
Deferred income - fees in advance	10.	248,716	203,206
Deferred income - other fees		<u>100,274</u>	<u>162,953</u>
		<u>2,113,125</u>	<u>2,122,165</u>
NET CURRENT ASSETS / (LIABILITIES)		219,855	(740,585)
CREDITORS - amounts falling due after one year			
Bank loans	8.	(7,125,000)	(8,125,000)
Other creditors	11.	(40,575)	(61,470)
Deferred income - fees in advance	10.	(484,514)	(545,994)
Derivative liabilities	8.	<u>(290,751)</u>	<u>(393,642)</u>
		(7,940,840)	(9,126,106)
PROVISION FOR LIABILITIES			
Defined benefit pension scheme liability	12.	(220,000)	(239,000)
TOTAL NET ASSETS		<u><u>24,882,134</u></u>	<u><u>22,525,365</u></u>
FUNDS			
Unrestricted	15.	21,666,530	19,430,011
Restricted	15.	<u>3,215,604</u>	<u>3,095,354</u>
		<u><u>24,882,134</u></u>	<u><u>22,525,365</u></u>

The financial statements on pages 11 to 20 were approved and authorised for issue by the Board on 5th October 2017.

G. W. Scott



S. J. McCaffer



THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
CASH FLOW STATEMENT
FOR YEAR ENDED 30TH JUNE 2017

	Note	2017	2016
		£	£
Net cash inflows from operating activities	16.	2,480,439	2,203,318
Cash flows from investing activities:			
Income from listed investments		227,764	214,794
Purchase of investments		(1,013,022)	(1,035,478)
Proceeds from sale of investments		1,067,705	1,082,910
Capital repayment		-	9,942
Purchase of tangible fixed assets		<u>(422,268)</u>	<u>(1,193,465)</u>
		(139,821)	(921,297)
Cash flows from financing activities:			
Repayments of borrowing	17.	(1,000,000)	(1,414,000)
Cash inflows from new borrowing		-	539,000
Bank and other interest		<u>(274,721)</u>	<u>(278,332)</u>
		(1,274,721)	(1,153,332)
Change in cash in the reporting period	17.	<u><u>1,065,897</u></u>	<u><u>128,689</u></u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2017

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 SC011313 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. 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 Assets at the Balance Sheet date of £219,855 (2016 - liabilities £740,585) and continues to make substantial payments towards borrowings. 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 2017 total £24,882,134, of which £3,215,604 is restricted and not available for general use. The balance of £21,665,530 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 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 2017

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 2017 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 Royal London, 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 £932,725 (2016 £901,047), 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 £	2017 Total £	2016 Total £
Direct Charitable Expenditure:					
Teaching costs	7,946,932	854,676	82,728	8,884,336	8,738,895
Catering costs	287,913	268,350	-	556,263	556,458
Premises	389,242	1,309,574	722,156	2,420,972	2,465,350
Grants, awards and prizes	-	796,769	-	796,769	785,891
Administration of the school	848,244	648,641	-	1,496,885	1,482,488
	<u>9,472,331</u>	<u>3,878,010</u>	<u>804,884</u>	<u>14,155,225</u>	<u>14,029,082</u>
Other Expenditure:					
Finance costs	-	320,187	-	320,187	283,638
	<u>9,472,331</u>	<u>4,198,197</u>	<u>804,884</u>	<u>14,475,412</u>	<u>14,312,720</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2017

3. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	7,769,677	7,689,135
Social security costs	769,929	673,258
Pension costs	932,725	901,047
	<u>9,472,331</u>	<u>9,263,440</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 £845,183 (2016 - £843,099).

Based on head count, the average number of employees in the year was 173 Teaching Staff (2016 - 177) and 71 Support Staff (2016 - 76). Number of employees of the Trust who earned in excess of £60,000 is as follows:

	2017	2016
£60,000 to £70,000	1	1
£70,000 to £80,000	1	1
£90,000 to £100,000	1	1
£130,000 to £140,000	-	-
£150,000 to £160,000	1	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.

Trustees did not receive any remuneration or reimbursement of expenses.

4. AUDITORS' REMUNERATION

Auditors' remuneration for work carried out in accordance with usual audit plan issues amounted to £17,220 (2016 - £16,560).

5. FIXED ASSETS

	Equipment	Grounds	Buildings	Pitches	Total
	£	£	£	£	£
Cost at 1 st July 2016	251,939	239,722	31,253,867	665,207	32,410,735
Added during year	<u>79,129</u>	<u>-</u>	<u>257,433</u>	<u>85,707</u>	<u>422,269</u>
Cost at 30 th June 2017	<u>331,068</u>	<u>239,722</u>	<u>31,511,300</u>	<u>750,914</u>	<u>32,833,004</u>
Depreciation at 1 st July 2016	118,485	-	5,018,001	141,091	5,277,577
Depreciation charge for year	<u>103,449</u>	<u>-</u>	<u>626,344</u>	<u>75,091</u>	<u>804,884</u>
Depreciation at 30 th June 2017	<u>221,934</u>	<u>-</u>	<u>5,644,345</u>	<u>216,182</u>	<u>6,082,461</u>
Net book value at 30 th June 2017	<u>109,134</u>	<u>239,722</u>	<u>25,866,955</u>	<u>534,732</u>	<u>26,750,542</u>
Net book value at 1 st July 2016	<u>133,454</u>	<u>239,722</u>	<u>26,235,866</u>	<u>524,116</u>	<u>27,133,158</u>

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

Building additions relates to a new Astro pitch and floodlights at Colebrooke Street, and work in progress relating to the new Newlands Nursery.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2017

6. INVESTMENTS

	£
Market value at 1 st July 2016	5,497,898
Additions	1,013,022
Net unrealised investment gain	422,317
	<u>6,933,237</u>
Investments realised	(860,660)
Market value at 30th June 2017	<u>6,072,577</u>

£250,000 was transferred to our investment advisors during the year to 30th June 2017.

7. DEBTORS

	2017	2016
	£	£
Trade debtors	21,732	7,213
Other debtors	12,790	141,806
	<u>34,522</u>	<u>149,019</u>

8. BANK LOANS AND DERIVATIVE CONTRACTS

The Trust has a term loan with a 2% margin, the balance of which was £7,625,000 at 30th June 2017. £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 positive fair value movement of £102,891 (2016 - negative £393,642).

9. SHORT TERM CREDITORS

	2017	2016
	£	£
Trade creditors	314,866	392,404
Accruals	131,936	36,823
Taxes and social securities	330,288	330,316
Other creditors	413,287	435,783
Lease liabilities	73,758	60,680
	<u>1,264,135</u>	<u>1,256,006</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2017

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 contract date cost, 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.

	2017	2016
	£	£
Opening balance	(749,200)	(890,654)
Released in year	244,120	250,265
Received in year	(228,150)	(108,811)
Closing balance	<u>(733,230)</u>	<u>(749,200)</u>
Due within one year	(248,716)	(203,206)
Due after one year	<u>(484,514)</u>	<u>(545,994)</u>
	<u>(733,230)</u>	<u>(749,200)</u>

11. LEASING COMMITMENTS

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

	2017	2016
	£	£
Within one year	125,097	176,122
Between one and five years	196,746	322,292

Certain equipment is held under finance lease arrangements (see note 9). 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:

	2017	2016
	£	£
Within one year	73,758	60,680
Between one and five years	40,575	61,470

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2017

12. 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. This is for non-teaching staff, and 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 2017 totalled £220,000 (2016 - £239,000).

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 2017 was 1.42% (2016 - 1.65%).

Reconciliation of Pension Provision	2017 £	2016 £
Opening balance	239,000	192,000
Unwinding of the discount factor (interest expense)	4,000	4,000
Annual contribution paid towards deficit	(25,000)	(25,000)
Remeasurements - impact of any change in assumptions	2,000	7,000
Remeasurements - amendments to the contribution schedule	-	61,000
Closing balance	<u>220,000</u>	<u>239,000</u>

The Trust sought professional advice on ways to reduce this debt and to ensure our non-teaching staff pensions are being invested as efficiently as possible. As a result of this advice, our workplace pension for non-teaching staff has moved from The Pensions Trust to Royal London.

13. CAPITAL COMMITMENTS

At 30th June 2017, there were capital commitments amounting to £438,549, relating to the refurbishment of the old Newlands Bowling Club into a new nursery and kindergarten.

14. RECONCILIATION OF MOVEMENT IN RESERVES

	Unrestricted £	Restricted £	Total £
At 1 st July 2016	19,430,011	3,095,354	22,525,365
Net movement in funds for the year	<u>2,235,519</u>	<u>120,250</u>	<u>2,356,769</u>
At 30 th June 2017	<u>21,666,530</u>	<u>3,215,604</u>	<u>24,882,134</u>

All restricted funds are invested to provide bursaries. The majority of restricted funds are attributable to The Robert A McMillan Bequest of £2.5m, received in 1978. This sum 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 long term project.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2017

15. TRUST ALLOCATION OF NET ASSETS

	Unrestricted	Restricted	Total
	£	£	£
Tangible assets	26,750,542	-	26,750,542
Investments	-	6,072,577	6,072,577
Current assets	2,332,980	-	2,332,980
Current liabilities	743,848	(2,856,973)	(2,113,125)
Long term liabilities	(8,160,840)	-	(8,160,840)
At 30th June 2017	<u>21,666,530</u>	<u>3,215,604</u>	<u>24,882,134</u>

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

	2017	2016
	£	£
Net movement in funds for the year	2,356,769	728,712
Adjustments for:		
Depreciation charges	804,884	769,908
Pension deficit - unwinding of discount factor	3,559	5,306
Net gain on investments	(629,362)	(208,701)
Actuarial loss on defined benefit pension scheme	2,000	68,000
Loss on disposal of fixed asset	-	234,317
Movement on fair value of financial instruments	(102,892)	393,642
Increase / (decrease) in debtors	114,500	(21,755)
Increase / (decrease) in creditors	(115,976)	170,351
Interest paid	274,721	278,332
Income from listed investments	(227,764)	(214,794)
Net cash inflows from operating activities	<u>2,480,439</u>	<u>2,203,318</u>

17. ANALYSIS OF CHANGES IN CASH FLOWS

	1 st July	Cash	30 th June
	2016	Flow	2017
	£	£	£
Cash in bank	1,232,561	1,065,897	2,298,458
Bank overdrafts and loans	(8,625,000)	1,000,000	(7,625,000)
Total	<u>(7,392,439)</u>	<u>2,065,897</u>	<u>(5,326,542)</u>

18. RELATED PARTY TRANSACTIONS

During the 2016-17 and 2015-16 academic sessions, six Governors had a total of twelve children at the school. Fees paid by parent Governors are at the normal rate and Governors do not receive remuneration, benefits or expenses. In addition to the usual annual retainer to the School Secretary, £9,000 was paid in respect of additional legal costs. There are no other related party transactions to disclose.