

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR YEAR ENDED 30TH JUNE 2018

COMPANIES HOUSE
EDINBURGH

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COMPANIES HOUSE

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.

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. ⁽³⁾

KAREN R. DINARDO, C.Eng., M.I.C.E., M.I.Struct., M.C.I.H.T., F.I.E.S. (resigned 7th June 2018)

JEREMY GLEN, LL.B., Dip L.P., N.P. ^{(1) (5)}

JANE GOTTS, M.A. (Hon). (appointed 11th November 2017) ⁽³⁾

MARGARET KHNICHICH, B. Acc., C.A., C.T.A. (appointed 11th November 2017) ⁽²⁾

DUNCAN MACKISON ⁽¹⁾

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

JOHN F. MASON, B.Acc., C.A. ^{(2) (4) (5)}

STUART McCAFFER, B.Comm., C.A. (retired 10th November 2017) ^{(2) (4) (5)}

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

ANITA SALWAN, LL.B. (Hon)., Dip. L.P., Ce.M.A.P. (appointed 11th November 2017) ⁽²⁾

ANDREW SIME, B.A. (Hon). ⁽¹⁾

ANDREW WADDELL, M.A., C.A., A.S.I.P. ^{(3) (5)}

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. (retired 31st August 2018)

Bursar

LYNDSAY BROWN, B.Acc., C.A. (appointed 3rd September 2018)

- (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

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FOR YEAR ENDED 30TH JUNE 2018

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

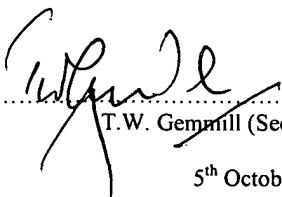
Investment Advisers: Standard Life Wealth, Standard House, 30 Lothian Road, Edinburgh, EH1 2DH

NOTICE OF ANNUAL GENERAL MEETING:

NOTICE IS HEREBY GIVEN that the Ninety-ninth 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 9th November 2018 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 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 2018

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
REPORT BY THE GOVERNORS AND INCORPORATED STRATEGIC REPORT
FOR YEAR ENDED 30TH JUNE 2018

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 2018.

The Governors at 30th June 2018 are set out on page 1. All have served on the Board for the full financial year except Mrs Jane Gotts, Mrs Margaret Khnichich, and Mrs Anita Salwan, who were appointed on 11th November 2017. Mr Stuart McCaffer served as a Governor during the year until his retirement on 10th November 2017. The Honorary Governors listed on page 1 are patrons of the Trust and are not appointed as Directors or Trustees.

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 Bursar have delegated authority, within terms approved by the Governors, for operational matters including educational, finance and employment.

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. Dr Kristeen Percival, Mr Duncan Mackison and Mr Graham Scott retire at the AGM on 9th November 2018. After six years as Chairman of the Board of Governors, and previously seven years as a Governor, Mr Scott does not seek re-election. His significant contribution to the school and the Trust is most gratefully acknowledged. The Governors recommend Mr Duncan Mackison be elected as Chairman following Mr Scott's retirement. Mr Paul Frame, current President of the Glasgow Academical Club, has been nominated as a Governor to replace Mr Mason who will continue as a Board member. Resolutions to re-appoint the existing Honorary Governors, to re-elect Dr Percival and Mr Mackison, and to elect Mr Richard Smith as a Governor will be put to the AGM. Miss Karen Dinardo resigned as a Governor on 7th June 2018. Her contribution to the Board is gratefully acknowledged.

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 Bursar. 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 Senior Leadership Team, which consists of the Rector, Deputy Rector, Deputy Heads and Bursar, 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, and it provides as many work placements as requested for children from a local secondary school.

The Academy gives free access to its sporting facilities to Knightswood Secondary 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 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.

The Academy raised £30,759 for charity this session.

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, but the average bursary covers 70% of school fees. 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 £895,149, which is 6% of the school's total fee income. In total, 116 pupils received a bursary, representing 15% of the school roll eligible for a bursary (P7 to S6). The range of bursary awards is as follows:

% Awarded			No of Beneficiaries
10	-	20	14
21	-	40	17
41	-	60	15
61	-	80	28
81	-	100	42

Achievements and Performance

The Glasgow Academy continued to benefit the public through its provision of high quality education for 1414 pupils over the academic session 2017-18, with 720 pupils across the Preparatory School sites and 694 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 year of excellent SQA examination and sporting results. Our pupils gained a record Advanced Higher pass rate of 95.4%, despite our largest-ever number of presentations. A record 44 pupils gained five or more A grades at Higher, with two gaining 7 A grades and nine 6 A grades. Our 96% Higher pass rate remains a strong performance given our open entry policy and national pass rates falling yet again. At National 5, 80% of our entries gained A grades and our pass rate was 97.7%: Drama gained 100% A grades for the fifth year running.

One pupil, Tim Chan, gained 5As at Advanced Higher, and is a Finalist in the SQA's Academic Excellence Award. Another pupil, Ritobrata Mukhopadhyay, gained the top mark in the country in Advanced Higher Maths and won the Institute and Faculty of Actuaries Prize for that.

For the fourth year running our mathematicians were in the international final of the Jaguar Maths in Motion Competition; this year The Academy became best in the world, beating schools from around the world, including Australia, China, United Arab Emirates, Belgium and England. S3s Finlay Brown and Sambhav Chadha set up the winning car, working like real Formula 1 engineers do when they set up cars, plan pit-stops and calculate fuel requirements. Our mathematicians also won the International Christmas Race.

Our 1st XI cricketers were awarded Scotland Team of the Year by the Forty Club, who said: 'The Academy's Spirit of Cricket was exemplary....Their fielding was excellent.' *Wisden* placed us 3rd in the UK's Outstanding Seasons list.

Our Pipe Band drummers won the Scottish Schools Pipe Band championship - and one of them, Callum Nelson, ranked 6th in the world at the World Solo Drumming Championships.

Our Girls' Hockey 1st XI were Scottish Plate Champions, after beating Fettes and Hawick. Our hockey boys won our own tournament, and we put out 20 hockey teams across the year groups.

Our senior rugby teams put in some strong performances (including 43-14 and 61-0 against the High School at 1st and 2nd XV level respectively, 32-12 against Dollar, 31-15 against Edinburgh Academy, 22-12 against Hutchesons' at 1st XV level, and 31-0 against Watson's, whilst winning our own Sevens tournament.

20 Academy pupils were named internationalists, across a wide range of sports and activities.

13 Academy pupils are Scottish champions in one sport alone - rowing. A further seven non-Academy pupils, who we train as part of our performance programme, were also named Scottish Champions. At the Scottish Championships we won every event except one Junior Women's event. At the British Championships we had our best-ever medal haul: Holly Allan, Jenny Olney and Alex Milne took Gold; Jenny also took Silver and Anna Colley Bronze. Our girls have beaten both Edinburgh and Glasgow university women's boats - an exceptional feat for schoolgirls competing against women. At the National Schools Regatta on Eton's Olympic course our girls competed against boats containing GB internationalists, yet we still rowed through Henley Rowing Club to take silver in coxless fours - our first-ever medal in this event. At Ghent Regatta, Jenny Olney won Gold in the Women's U23 pair and Alex Milne and Ru Smith won Bronze in Junior doubles Sculls.

Our exceptional athletes continue to excel. At the British Athletics Championship Kirsty Costello won titles in hammer and javelin; Murray Fotheringham won Silver in the Long Jump. Murray is the UK's best Under 16 at the Heptathlon and won 3 titles at the

Scottish Schools Indoor Championships. At the Scottish Schools Athletics Championships, Gold medals were won by Abbey Orr, Isla Fotheringham and (twice) by Kirsty Costello. At Glasgow Schools Championships our S1 and S3 Girls won the overall team titles and Murray and Abbey set Championship Best Performances.

Our squash players have risen speedily up the national rankings. Andrew Glen, at just 15, is the youngest member of the National Senior Academy, training with professional world-ranked players in preparation for the 2022 Commonwealth Games, his summer challenge being the Panasonic European Championship in Cologne.

In the Scottish Schools Swimming Championships Saskia Wade medalled in 8 races and won two Golds.

In badminton Noah Sarvesvaran and Ciara Bailey won Glasgow Schools U16 Mixed Doubles; Ciara also won the Girls Singles and the Girls Doubles, paired with Molly Scales.

Amongst our many trips, our sportsmen and women enjoyed a hockey tour to Holland, where they watched two of the world's best teams compete in the European Championships. Our rugby players toured Canada, picking up white water rafting, jet boating and ice hockey on the way. Our cricketers again toured in Dubai. Other non-sport trips have included Namibia, Geneva and Madrid. Our Director of Sport chaired the first-ever Commonwealth Games Athletes Advisory Commission, on the Australian Gold Coast.

Perennially successful are our Mathematicians, who yet again won the West Scotland Final of the UK Maths Trust Senior Team Challenge. Our chemistry team again won the West Scotland final of the Top of the Bench competition. We had a good year for Oxbridge offers and we have a succession of outstanding chess players coming through, winning both the Senior and Primary School Glasgow Schools' Chess Leagues.

Our creative and artistic life is blossoming, not just in our fine art displays but in the superb performances of 'Rent', 'Peter Pan' and 'Blithe Spirit', and our success in Glasgow music competitions. The creativity and enterprise of our young people was also seen in *Magnanimouse*, a delightful illustrated story book for small children published very professionally by our Young Enterprise group. Particularly touching was the publication's charm and morality, stressing the importance of magnanimity and of treating others as you would be treated.

Our Duke of Edinburgh Award scheme is now so successful that we have become the third largest awarding authority in the country. Outstanding numbers of our youngsters take part at all levels, meaning that they are not only learning resilience, team work and new skills, but also putting in thousands of hours of charity work every month - many of them in charity shops.

Her Majesty's Inspectors of Education visited the school in November 2017 and praised its open culture, self-evaluation, highly effective learning and teaching, broad, balanced and progressive curriculum, and 'exemplary' arrangements for leadership and governance. Inspectors reported that pupils '...speak of how much they value the support and commitment of their teachers, often citing how they go above and beyond to support them'. Inspectors judged that, 'At all stages of the school, children and young people attain very well... Young people in the Senior School perform extremely well in national examinations... Overall, provision for children and young people in The Glasgow Academy is of a very high quality.'

The pupils' voice is central to how the school now operates. For example, members of the school council interviewed 20 candidates for our Deputy Head and Bursar roles. Our pupils' adroit interviewing and astute judgements are much valued. All this builds on our emphasis on being a school where the children and young people come first.

Financial Review

The Trust's net income, prior to adjustments for Other Recognised Gains and Losses was £2,540,100 (2017 £2,255,878). The surplus achieved exceeded the original budget estimates due to a healthy school roll and continuing careful management of school resources. Any surpluses achieved are used entirely to continually improve our education programme and facilities for the benefit of our pupils.

The financial strategy of the Trust is, and has been for some years, to generate cash surpluses from normal operating activities of around 10% of income. This year, we achieved 9.6% (2017 - 15.4%). 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.

Income

The main source of income for the Trust is through fee income charged for the provision of education. In the 2017-18 school year, average annual school fees were £9,330 for kindergarten, £10,593 for primary school and £12,059 for senior school. Income exceeded budget, which is advantageous to our bursary provision.

Income increased overall by 8%, and numbers remain strong as a result of our excellent reputation. Income includes an amount of £1,247,698 transferred from The Montrose Educational Trust to the Glasgow Academics War Memorial Trust to facilitate better management. This amount is classed as restricted, and used to award bursaries to prospective pupils of the Glasgow Academy.

Expenditure

Expenditure increased by 5.1%. The main expenditure of the Trust is that of teaching staff salaries, which accounts for 55% of total expenditure. Teaching staff have the greatest impact on our pupils' learning and we therefore continue to invest in teachers of the highest standard. Food prices increased substantially, and we spent more on maintenance projects, recruitment costs and professional advice due to GDPR and other legislation, but careful management of overall costs has resulted in a satisfactory outcome for the year.

Balance Sheet

At 30th June 2018, net current assets were £505,477 (2017 - £219,855) due to a healthy net income result this year and careful management of working capital.

The balance sheet total of net assets increased from £24,882,134 at June 2017 to £27,500,690 at June 2018. Fixed Assets are shown in note 5 to the accounts. The Trust completed the venture of converting the old Newlands Bowling Club into a new and vibrant nursery and kindergarten. Additions relate to this project and new IT initiatives, including a PC refresh, new projectors, screens, and a new server. 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.

In long term liabilities, we have utilised our financial strength, and reduced our bank borrowings by £1m to £6,625,000 (2017 - £7,625,000). 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, and the fair value liability of these instruments has reduced by £76,000. Given the level of borrowings, it is prudent to manage our interest rate exposure, and we have protection up to 2023. The liability for a pension deficit has decreased by £24,000 this year.

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. 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. We currently hold £4,314,865 as restricted reserves.

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, 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.

As an educational charity, the Trust has tax exemptions on its educational activities and its investment income. The Trust currently receives business rates relief on its property occupied for charitable purposes. Although the Scottish Government propose removing this relief from April 2020, the Trust is confident that it can absorb additional future costs involved.

Investment Objectives

In terms of investments, our objective is to achieve a balanced return from income and capital growth. Following the addition of investments from the Montrose Educational Trust, the current income target from the portfolio is to generate £246,640 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.

The Bursary Funds comprise a large number of donations and legacies received over the years. The most significant of these is a bequest of £2.5m from the late Robert A. MacMillan in 1997 and the addition of £1.154m from the Montrose Educational Trust during this financial year.

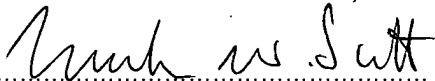
Future Plans

The Glasgow Academics' War Memorial Trust continues to implement our strategies in relation to facilities and educational delivery as set out in our 2020 Vision. Work has now been completed on our initial draft of a new vision, taking us up to 2030 which will aim to drive further educational improvement and significant investment in facilities.

Montrose Educational Trust

The Montrose Educational Trust was a separate charity that awarded bursaries to existing and prospective pupils at The Glasgow Academy. The assets and liabilities of the Montrose Educational Trust have been transferred to The Glasgow Academicals War Memorial Trust to facilitate better management and make more efficient use of funds. Funds transferred were investments at a market value of £1,043,493 and a balance that was due by GAWMT of £204,205.

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

A handwritten signature in black ink, appearing to read 'G.W. Scott', written over a dotted line.

G.W. Scott (Chairman)

5th October 2018

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 Academics' War Memorial Trust (the 'charitable company') for the year ended 30th June 2018 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 2018 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.

Use of our 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 *8 October 2018*

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 2018

	Note	Unrestricted Funds	Restricted Funds	2018 Total Funds	2017 Total Funds
		£	£	£	£
Income from charitable activities:					
Fees receivable	1g.	14,984,946	-	14,984,946	14,415,299
Catering income		592,827	-	592,827	547,792
Donations and legacies	1h.	38,033	115,400	153,433	786,030
Donations - Montrose transfer	19		1,247,698	1,247,698	-
Income from other trading activities:					
Hire of facilities		92,673	-	92,673	92,825
Investment income	1i.	-	276,521	276,521	227,764
Other income		57,007	-	57,007	32,218
Total Income		<u>15,765,486</u>	<u>1,639,619</u>	<u>17,405,105</u>	<u>16,101,928</u>
Expenditure on charitable activities:					
Teaching costs		9,313,238	-	9,313,238	8,884,336
Catering costs		614,219	-	614,219	556,263
Premises		2,499,491	-	2,499,491	2,420,972
Grants, awards and prizes		4,024	895,149	899,172	796,768
Administration of the school		1,590,317	-	1,590,317	1,496,885
Other costs:					
Finance costs		303,359	-	303,359	320,187
Total Expenditure	2.	<u>14,324,648</u>	<u>895,149</u>	<u>15,219,796</u>	<u>14,475,411</u>
Net gain on investments		-	354,791	354,791	629,362
Net Income		<u>1,440,838</u>	<u>1,099,261</u>	<u>2,540,100</u>	<u>2,255,878</u>
Other Recognised Gains and Losses					
Actuarial gain/(loss) on defined benefit pension schemes	12.	2,000	-	2,000	(2,000)
Fair value of complex financial instruments	8.	76,455	-	76,455	102,891
Net Movement in Funds		<u>1,519,293</u>	<u>1,099,261</u>	<u>2,618,555</u>	<u>2,356,769</u>
Funds balances brought forward at 1 st July 2017		<u>21,666,532</u>	<u>3,215,604</u>	<u>24,882,136</u>	<u>22,525,365</u>
Fund balances carried forward at 30 th June 2018	15.	<u>23,185,825</u>	<u>4,314,865</u>	<u>27,500,691</u>	<u>24,882,134</u>

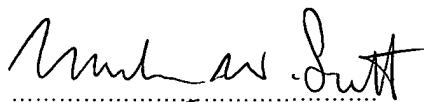
All operations are continuing. There are no recognised gains or losses for the current or preceding year other than those noted above.

Company Number SC011313
THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
BALANCE SHEET AS AT 30TH JUNE 2018

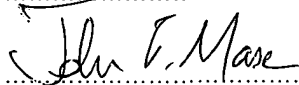
	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	5.	26,564,830	26,750,542
Investments	6.	<u>7,395,207</u>	<u>6,072,577</u>
		<u>33,960,037</u>	<u>32,823,119</u>
CURRENT ASSETS			
Amounts recoverable within one year:			
Debtors	7.	31,969	34,522
Cash at bank and in hand		<u>2,307,471</u>	<u>2,298,458</u>
		<u>2,339,440</u>	<u>2,332,980</u>
CREDITORS - amounts falling due within one year			
Bank overdrafts and loans	8.	(500,000)	(500,000)
Creditors	9.	(981,572)	(1,264,135)
Deferred income - fees in advance	10.	(206,644)	(248,716)
Deferred income - fees		<u>(145,747)</u>	<u>(100,274)</u>
		<u>(1,833,963)</u>	<u>(2,113,125)</u>
NET CURRENT ASSETS		505,477	219,855
CREDITORS - amounts falling due after one year			
Bank loans	8.	(6,125,000)	(7,125,000)
Other creditors	11.	(31,822)	(40,575)
Deferred income		(23,131)	-
Deferred income - fees in advance	10.	(374,575)	(484,514)
Derivative liabilities	8.	<u>(214,296)</u>	<u>(290,751)</u>
		<u>(6,768,824)</u>	<u>(7,940,840)</u>
PROVISION FOR LIABILITIES			
Defined benefit pension scheme liability	12.	(196,000)	(220,000)
TOTAL NET ASSETS		<u>27,500,690</u>	<u>24,882,134</u>
FUNDS			
Unrestricted	15.	23,185,825	21,666,530
Restricted	15.	<u>4,314,865</u>	<u>3,215,604</u>
		<u>27,500,690</u>	<u>24,882,134</u>

The financial statements on pages 11 to 20 were approved and authorised for issue by the Board on 2nd October 2018

G. W. Scott



J. F. Mason



THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
CASH FLOW STATEMENT
FOR YEAR ENDED 30TH JUNE 2018

	Note	£	2018 £	£	2017 £
Net cash inflows from operating activities	16.		1,562,796		2,480,439
Cash flows from investing activities:					
Income from listed investments		276,521		227,764	
Purchase of investments		(2,120,153)		(1,013,022)	
Proceeds from sale of investments		2,195,809		1,067,705	
Purchase of tangible fixed assets		<u>(662,836)</u>		<u>(422,268)</u>	
			(310,659)		(139,821)
Cash flows from financing activities:					
Repayments of borrowing	17.	(1,000,000)		(1,000,000)	
Bank and other interest		<u>(243,124)</u>		<u>(274,721)</u>	
			(1,243,124)		(1,274,721)
Change in cash in the reporting period	17.		<u>9,013</u>		<u>1,065,897</u>

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2018

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. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

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 £505,477 (2017 - £219,855) 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 2018 total £27,500,690, of which £4,314,865 is restricted and not available for general use. The balance of £23,185,825 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	25% - 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 2018

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 2018 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 Academics' 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, amount to £971,752 (2017 £932,725), 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.

m) VAT

As an educational charity, the school is registered for VAT with partial exemption due to the nature of incoming resources. Expenditure is stated inclusive of any irrecoverable input tax.

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2018

2. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs £	Other £	Depreciation £	2018 Total £	2017 Total £
Direct Charitable Expenditure:					
Teaching costs	8,314,616	866,534	132,088	9,313,238	8,884,336
Catering costs	300,696	313,523	-	614,219	556,263
Premises	402,246	1,380,784	716,461	2,499,491	2,420,972
Grants, awards and prizes	-	899,172	-	899,172	796,769
Administration of the school	895,116	695,201	-	1,590,317	1,496,885
	<u>9,912,674</u>	<u>4,155,214</u>	<u>848,549</u>	<u>14,916,437</u>	<u>14,155,225</u>
Other Expenditure:					
Finance costs	-	303,359	-	303,359	320,187
	<u>9,912,674</u>	<u>4,458,573</u>	<u>848,549</u>	<u>15,219,796</u>	<u>14,475,412</u>

3. STAFF COSTS

	2018 £	2017 £
Wages and salaries	8,143,184	7,769,677
Social security costs	797,737	769,929
Pension costs	971,753	932,725
	<u>9,912,674</u>	<u>9,472,331</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 £884,697 (2017 - £845,183).

Based on head count, the average number of employees in the year was 181 Teaching Staff (2017 - 173) and 71 Support Staff (2017 - 71). Number of employees of the Trust who earned in excess of £60,000 is as follows:

	2018	2017
£60,000 to £70,000	5	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 £17,820 (2017 - £17,220).

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2018

5. FIXED ASSETS

	Equipment	Grounds	Buildings	Pitches	Total
	£	£	£	£	£
Cost at 1 st July 2017	331,068	239,722	31,511,300	750,914	32,833,004
Added during year	114,558	-	546,799	1,479	662,836
Cost at 30 th June 2018	<u>445,626</u>	<u>239,722</u>	<u>32,058,099</u>	<u>752,393</u>	<u>33,495,840</u>
Depreciation at 1 st July 2017	221,934	-	5,644,345	216,182	6,082,461
Depreciation charge for year	132,088	-	641,222	75,239	848,549
Depreciation at 30 th June 2018	<u>354,022</u>	<u>-</u>	<u>6,285,567</u>	<u>291,421</u>	<u>6,931,010</u>
Net book value at 30 th June 2018	<u>91,604</u>	<u>239,722</u>	<u>25,772,532</u>	<u>460,972</u>	<u>26,564,830</u>
Net book value at 1 st July 2017	<u>109,133</u>	<u>239,722</u>	<u>25,866,955</u>	<u>534,732</u>	<u>26,750,542</u>

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

Building additions relates to the New Newlands Nursery and the addition under pitches is for retention monies for the new Astro pitch.

6. INVESTMENTS

	£
Market value at 1 st July 2017	6,072,577
Additions	2,120,153
Montrose transfer	1,043,493
Unrealised investment loss	<u>(1,878)</u>
	9,234,345
Investments realised	(2,195,809)
Gain on investments	356,671
Market value at 30 th June 2018	<u>7,395,207</u>

7. DEBTORS

	2018	2017
	£	£
Trade debtors	19,208	21,732
Other debtors	<u>12,761</u>	<u>12,790</u>
	<u>31,969</u>	<u>34,522</u>

8. BANK LOANS AND DERIVATIVE CONTRACTS

The Trust has a term loan with a 2% margin, the balance of which was £6,625,000 at 30th June 2018. £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.

Under 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 £76,455 (2017 - £102,891). The fair value of the derivative liabilities are £214,296 as at 30th June 2018 (2017 - £290,751).

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2018

9. SHORT TERM CREDITORS

	2018	2017
	£	£
Trade creditors	183,223	314,866
Accruals	81,161	131,936
Taxes and social securities	377,714	330,288
Other creditors	267,077	413,287
Lease liabilities	72,397	73,758
	<u>981,572</u>	<u>1,264,135</u>

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. The agreement is reviewed regularly, and this is appropriate 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.

	2018	2017
	£	£
Opening balance	(733,230)	(749,200)
Released in year	53,510	244,120
Received in year	98,501	(228,150)
Closing balance	<u>(581,219)</u>	<u>(733,230)</u>
Due within one year	(206,644)	(248,716)
Due after one year	<u>(374,575)</u>	<u>(484,514)</u>
	<u>(581,219)</u>	<u>(733,230)</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:

	2018	2017
	£	£
Due within one year	120,348	125,097
Due after one year	125,232	196,746

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:

	2018	2017
	£	£
Due within one year	72,397	73,758
Due after one year	31,822	40,575

THE GLASGOW ACADEMICALS' WAR MEMORIAL TRUST
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 30TH JUNE 2018

12. PENSION DEFICIT

The Trust participates in the TPT Retirement Solutions Growth Plan, a multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore the Trust is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

At the last valuation, assets were not sufficient to cover liabilities, giving rise to a deficit. The present value of the deficit provision applicable to The Glasgow Academics War Memorial Trust at 30th June 2018 totalled £196,000 (2017 - £220,000).

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 2018 was 1.69% (2017 - 1.42%).

Reconciliation of Pension Provision	2018	2017
	£	£
Opening balance	220,000	239,000
Unwinding of the discount factor (interest expense)	3,000	4,000
Annual contribution paid towards deficit	(25,000)	(25,000)
Remeasurements - impact of any change in assumptions	(2,000)	2,000
Closing balance	<u>196,000</u>	<u>220,000</u>

13. CAPITAL COMMITMENTS

At 30th June 2018, there were capital commitments amounting to £110,906 (2017 - £438,549) relating to an extension to our Newlands Nursery.

14. RECONCILIATION OF MOVEMENT IN RESERVES

	Unrestricted	Restricted	Total
	£	£	£
At 1 st July 2017	21,666,532	3,215,604	24,882,136
Net movement in funds for the year	<u>1,519,293</u>	<u>1,099,261</u>	<u>2,618,554</u>
At 30 th June 2018	<u>23,185,825</u>	<u>4,314,865</u>	<u>27,500,690</u>

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 2018

15. TRUST ALLOCATION OF NET ASSETS

	Unrestricted £	Restricted £	Total £
Tangible assets	26,564,830	-	26,564,830
Investments	-	7,395,207	7,395,207
Current assets	1,924,787	414,653	2,339,440
Current liabilities	1,661,032	(3,494,995)	(1,833,963)
Long term liabilities	(6,964,824)	-	(6,964,824)
At 30th June 2017	<u>23,185,825</u>	<u>4,314,865</u>	<u>27,500,690</u>

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

	2018 £	2017 £
Net movement in funds for the year	2,618,555	2,356,769
Adjustments for:		
Depreciation charges	848,549	804,884
Pension deficit - unwinding of discount factor	3,269	3,559
Net gain on investments	(354,791)	(629,362)
Transfer from Montrose	(1,043,494)	-
Actuarial gain / (loss) on defined benefit pension scheme	(2,000)	2,000
Movement on fair value of financial instruments	(76,455)	(102,892)
Decrease in debtors	2,553	114,500
(Decrease) in creditors	(399,993)	(115,976)
Interest paid	243,124	274,721
Income from listed investments	(276,521)	(227,764)
Net cash inflows from operating activities	<u>1,562,796</u>	<u>2,480,439</u>

17. ANALYSIS OF CHANGES IN CASH FLOWS

	1 st July 2017 £	Cash Flow £	30 th June 2018 £
Cash in bank	2,298,458	9,013	2,307,471
Bank overdrafts and loans	(7,625,000)	1,000,000	(6,625,000)
Total	<u>(5,326,542)</u>	<u>1,009,013</u>	<u>(4,317,529)</u>

18. RELATED PARTY TRANSACTIONS

During the 2017-18 academic session, ten Governors had a total of ten children at the school. Fees paid by parent Governors are all at the normal rate and Governors do not receive remuneration, benefits or expenses. Carruthers Gemmill Solicitors, a company connected to our Secretary, received £4.5K, in relation to legal services provided during the year. GenAnalytics, a company connected to one of our Governors, J Gotts, received £1.2K in relation to professional advice received during the year. Finally, BTO Solicitors, connected to one of our Governors, J Glen, received £16K in relation to legal advice received during the year. There are no other related party transactions to disclose.

19. MONTROSE EDUCATIONAL TRUST

The assets and liabilities of the Montrose Educational Trust have been transferred to The Glasgow Academicals War Memorial Trust. Funds transferred were investments at a market value of £1,043,493 and a balance that was due by GAWMT of £204,205.