
GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2015

GLASGOW CLYDE EDUCATION FOUNDATION

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GLASGOW CLYDE EDUCATION FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 MARCH 2015

Trustees

Stephanie Pauline Young (appointed 12 March 2014)
Mark Toma (appointed 12 March 2014, resigned 25 September 2014)
Stephen Curran (appointed 12 March 2014)
George Chalmers (appointed 12 March 2014)
Jim Duffy (appointed 12 March 2014, resigned 25 September 2014)
Richard Wadsworth (appointed 26 November 2014)

Charity registered number

SC044616

Principal office

690 Mosspark Drive
Glasgow
G52 3AY

Director

Pauline Cameron

Independent auditors

French Duncan LLP
Chartered Accountants
Statutory Auditors
133 Finnieston Street
Glasgow
G3 8HB

Bankers

Barclays Bank plc
120 Bothwell Street
Glasgow
G2 7JT

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Brodies
2 Blythswood Square
Glasgow
G2 4AD

GLASGOW CLYDE EDUCATION FOUNDATION

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 MARCH 2015**

Administrative details (continued)

Investment Managers

Brewin Dolphin
48 St Vincent Street
Glasgow
G2 5TS

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2015

The Trustees present their annual report together with the audited financial statements of Glasgow Clyde Education Foundation (the charity) for the period ended 31 March 2015. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

● CONSTITUTION

The organisation is a Scottish Charitable Incorporated Organisation (SCIO) incorporated on 29 January 2014.

The SCIO's objects are to advance education and in particular, to enhance the learning experience for students, potential students and the communities served by Glasgow Clyde College (a registered Scottish charity SCO21182). The organisation achieves this by supporting (a) the delivery of improved teaching accommodation, facilities and infrastructure and/or equipment; (b) the development of teaching and curriculum resources and opportunities; and (c) staff development for the staff of the Glasgow Clyde College to assist and develop the student learning experience.

● METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are appointed under the terms of the Constitution. A minimum of three and a maximum of five Trustees may be appointed: two 'College Trustees' may be appointed by Glasgow Clyde College and up to three 'Independent Trustees' appointed by the Board. Trustees are appointed for a term of 3 years.

● POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees are inducted into the Foundation with a briefing from the part-time Director, together with a Trustee handbook which includes details of the Constitution, key policies and strategies of the Board and information on the Foundation's two grant programmes. A Trustees' Code of Conduct is provided which each is required to agree to and sign and a Register of Trustee interests is maintained. The Foundation has planned a future training day to strengthen governance and Trustees' development of their knowledge and role.

● ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Foundation is a membership organisation with membership being open to any individual appointed as a charity trustee, including any individual appointed by the College as a charity trustees. Members have important voting powers relating to the Constitution, including the power to amend the Constitution.

The charity's Trustees take responsibility for the overall direction and management of the Foundation, including making decisions on all grant making proposals. Daily management and operational matters have been delegated to the Foundation's (part-time) Director as the sole employee of the organisation.

The Foundation has two sub-committees: a Liaison committee, which meets quarterly, on which two independent Trustees and one College Trustee sit to hear draft proposals for grant funding from Glasgow Clyde College presented by the Principal/ Vice Principal of the College. The committee provides feedback on applications to the Foundation prior to the decision making of the Board of Trustees at its next meeting (that follows within 3 weeks of these meetings).

Oversight of financial management and internal controls, including Investment performance and Treasury Management, is undertaken by an Investment and Audit sub-committee of the Board. The committee also makes recommendations to the Board for any necessary amendments to the Foundation's Scheme of

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2015

Delegation, Investment Policy and Risk Register. Brewin Dolphin provides quarterly management reports and attend at least one meeting per year of the committee, as do the External Auditor to the Foundation, currently French Duncan LLP.

● RELATED PARTY RELATIONSHIPS

The Foundation receives its income through a Donation Agreement with Glasgow Clyde College whereby all income must be used exclusively for the purposes of achieving the Foundation's charitable purposes. Events of default are specified within the Donation Agreement.

● RISK MANAGEMENT

The Trustees have examined the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and will review a Risk Register twice yearly which has been produced to ensure systems and procedures are in place to mitigate the charity's exposure to major risks.

Objectives and Activities

● POLICIES AND OBJECTIVES

The Foundation aims to support the development of Glasgow Clyde College as a world class teaching and learning facility. It aims to fund projects that will make a significant impact on the educational outcomes of students and the wider community which the College serves. Funding is focused on enabling success that would otherwise not be possible through:

- Supporting Students and the life of the College
- Supporting College staff, courses and programmes
- Supporting estates development and sustainable infrastructure.

For each of these three priorities Trustees have agreed specific, more detailed priorities as well as ensuring that any funding supports the delivery of the Glasgow College Region's four key outcome themes.

● STRATEGIES FOR ACHIEVING OBJECTIVES

During its first year of operation the Foundation has developed a funding strategy in consultation with Glasgow Clyde College which formed the basis of grant programme application criteria. It has also agreed an Investment Policy for the management of medium and long term investments and Cash Management Strategy for the management of short term investments, in order to grow the funds for which it is responsible and thus generate further income for its beneficiaries.

● ACTIVITIES FOR ACHIEVING OBJECTIVES

Trustees have worked to achieve the charity's objectives through developing and securing the necessary governance arrangements, systems and procedures to ensure that the charity can manage, grow and disperse its funds in a consistent and responsible manner that supports the Foundation's charitable purposes. The charity has worked with the College's Executive Management Team to pilot, develop and finalise its grant making processes ensuring that these are appropriate to the charity's purpose, as well as providing an online web presence to which applicants are directed.

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2015

● GRANT MAKING POLICIES

The Foundation has developed two grant programmes for the disbursement of funds:

- A grant programme for project proposals that meet Trustee priorities coming from the College's own directorates and Students' Association. An online application form and guidance note has been developed for this programme.
- A Community Partnerships programme that encourages partnership projects between external not-for-profit organisations and the College that will achieve significant educational outcomes for the groups with which they work. The criteria for this partnership scheme is available online and the Director works with potential partners and their sponsor directorates within the College to advise on application development.

● PROGRAMME RELATED INVESTMENTS

The Foundation holds three bank accounts: a current account with Barclays, a current account with CAF Bank Cash account and a CAF Bank Gold instant access deposit account. All current and short term access accounts are governed by the Foundation's Cash Management Strategy through the Investment and Audit sub-committee. The Barclays account holds restricted (project related) funds whilst the CAF accounts hold monies for ongoing running costs.

Achievements and performance

● GOING CONCERN

Following liaison with Glasgow Clyde College, from which the charity receives its income, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

● REVIEW OF ACTIVITIES

The Foundation's activities have primarily been focused on establishing appropriate governance procedures and funding policies and monitoring procedures in order to operate as a grant making charity.

During its first year of operation a finalised grant making programme for applications coming from the College resulted in a total of £1,432,690 being approved for grant funding to nine projects (including one from the College's Student Association) across four funding rounds in July, September and November 2014 and January 2015. Of the total, £190,663 has been successfully claimed by projects by the end of the financial year. The Foundation has now established three grant claim deadlines per year and requested that each application provides a forecast of its anticipated drawn down of funds in order to aid cash management. The projects approved are detailed in the table below.

Projects approved funding to 31 March 2015	Total approved
Student Services, Infrastructure Improvements & Anniesland Supported Learning	£150,000
Employment Support Officer	£35,760
Employability, Education and Civic Visits	£100,000
Student Association : student engagement	£12,400
Developing E-learning capacity	£800,000
FE/HE sponsorship - lower salary employees	£63,000

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2015

Developing a College mediation team	£10,000
Assistive Technologist	£210,000
ESOL Support Officer	<u>£51,530</u>
Total	£1,432,690

● INVESTMENT POLICY AND PERFORMANCE

Following a detailed tender exercise, the Board of Trustees took a decision to appoint Brewin Dolphin as the charity's investment managers at its meeting of 26 November 2014. Two investment portfolio amounting to £10 million (£4 million Medium term and £6 million Long term) – were opened with Brewin Dolphin in February 2015 using unrestricted income of the Foundation. The Gross yield of the portfolio at 2 April 2015 was 2.1%. The Audit and Investment sub-committee has subsequently been created to provide more detailed oversight of investment performance detailed in quarterly reports provided by Brewin Dolphin and will meet with them at least once a year to review performance.

● FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The Foundation is reliant on its income from an annual donation from Glasgow Clyde College and growth of its investments. It currently forecasts grant commitments per annum of £1.5 – 2 million, with draw down at a lower sum, leaving the charity in a strong financial position for the next 7 – 10 years. However, given its recent creation as a charity, there is no expenditure history on which to base future demand for its funds from the College - as the Foundation's main beneficiary - which may vary according to the College's Capital Plan requirements and grant draw down, resulting in a necessarily cautious approach to treasury management and investment policy.

Financial review

● RESERVES POLICY

Reserves held by the Foundation are based on its Investment Policy aim of distributing grants amounting to approximately £1.5 million per annum over the next 7 – 10 years. Currently a total of £1,705,508 constitutes restricted funding and is held in cash reserves. The remainder of funds are unrestricted, though it is anticipated that not more than £100,000 in grant expenditure will be made to not-for-profit external organisations or community groups in any one financial year.

● PRINCIPAL FUNDING

Funding for the Foundation came through a single Donation, governed by a Donation Agreement between the charity and the College, of £14.4 million in March 2014. The £1.432 million approved during the period will deliver five projects focused on supporting students and the life of the College, three projects which aim to develop staff and learning outcomes and one for capital investment in student services infrastructure. Monitoring and evaluations mechanisms, established in the Terms and Conditions of Grant will provide further indicators on key improvements to learning that these and future projects have delivered following their reporting to the Foundation.

● MATERIAL INVESTMENTS POLICY

The Foundation's Investment Policy was approved by Trustees on 25 September 2014.

The investment objective (for long term investments) is to generate a return of inflation plus 3.5% per annum over the long term, after expenses. This should allow the Foundation to at least maintain the real value of assets and should ensure that all running costs and fees associated with the Foundation are covered by the return.

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2015

The key risk to the long term sustainability of the Foundation is inflation and the assets should be invested to mitigate this risk over the long term, with a diverse portfolio of investments. Assets can be invested widely and underlying investments may include assets such as equities and trustees understand that in the short-term the capital value may fluctuate. The Trustees agree a suitable asset allocation strategy with Brewin Dolphin which is set with the aim to achieve the overall Fund's investment objectives. The performance of the assets will be measured against a composite benchmark, to be agreed with the investment manager. Performance will be calculated against the benchmark on a quarterly basis and assessed over the long-term.

The Trustees are able to tolerate volatility of the capital value of the Foundation, as long as it is able to meet its short term grant making commitments through either liquid assets or short term investments.

Ethical Considerations

The Trustees have advised that it is important that the holdings within the portfolio are sensitive to the objectives and mission of the Foundation. The Foundation will not, therefore, invest in a particular business or fund where such an investment:

- (i) Might conflict, or be inconsistent, with the aims, objects or activities of either the Foundation or its key beneficiary Glasgow Clyde College. For example, the Foundation would not wish to invest in businesses promoting discrimination and inequality through racism or the manufacture of pornography;
- (ii) Might hamper the work of the Foundation either by alienating financial supporters or potential financial supporters and/or the staff and students of Glasgow Clyde College and the communities which it serves;
- (iii) And where such investment, while not excluded by virtue of (i) or (ii)

Trustees will positively view investments in companies which:

- (i) Pro-active, positive training and employment policies;
- (ii) Promote a culture of lifelong learning within and external to their workforce;
- (iii) Operate within the geographic area covered by Glasgow Clyde College campuses

Where such businesses or funds also meet other ethical considerations of the Foundation.

Plans for the future

● FUTURE DEVELOPMENTS

Priorities for Trustees in 2015 – 16 are to support the development of strong community partnerships through its grant making programme, in particularly encouraging applications that break down barriers to learning and employment, bringing adult learners and employers together, promoting innovation in learning and providing training for external organisations to achieve these objectives. Emphasis will be given to funding robust external evaluations of projects that innovate to explore new models of delivery for learning in partnership or collaboration with the College.

Trustees also wish to explore partnerships with other funders across private and third sectors with the aim of maximising the Foundation's funds through collaborative working for the benefit of the College. In addition, Trustees hope to see a closer sharing of good practice and developments across the Glasgow College Region and more widely with Foundations established across Scotland.

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2015

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

so far as that director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and

that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

AUDITOR

The auditor, French Duncan LLP, has indicated its willingness to continue in office. The directors will propose a motion re-appointing the auditor at a general meeting.

This report was approved by the Trustees on 15 September 2015 and signed on their behalf by:

Stephanie Pauline Young
Chair

GLASGOW CLYDE EDUCATION FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GLASGOW CLYDE EDUCATION FOUNDATION

We have audited the financial statements of Glasgow Clyde Education Foundation for the period ended 31 March 2015 set out on pages 11 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely 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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources for the period 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

GLASGOW CLYDE EDUCATION FOUNDATION

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GLASGOW CLYDE EDUCATION
FOUNDATION**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

French Duncan LLP

Chartered Accountants
Statutory Auditors

133 Finnieston Street
Glasgow
G3 8HB

15 September 2015

French Duncan LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

GLASGOW CLYDE EDUCATION FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
INCOMING RESOURCES				
Incoming resources from generated funds:				
Voluntary income	2	13,294,492	1,705,508	15,000,000
Investment income	3	27,714	-	27,714
TOTAL INCOMING RESOURCES		<u>13,322,206</u>	<u>1,705,508</u>	<u>15,027,714</u>
RESOURCES EXPENDED				
Costs of generating funds:				
Investment management expenses	4	5,532	-	5,532
Charitable activities		209,521	-	209,521
Governance costs	6	5,405	-	5,405
TOTAL RESOURCES EXPENDED	8	<u>220,458</u>	<u>-</u>	<u>220,458</u>
NET INCOMING RESOURCES BEFORE REVALUATIONS		13,101,748	1,705,508	14,807,256
Gains and losses on revaluations of investment assets		72,872	-	72,872
NET MOVEMENT IN FUNDS FOR THE PERIOD		<u>13,174,620</u>	<u>1,705,508</u>	<u>14,880,128</u>
<i>Total funds at 29 January 2014</i>		-	-	-
TOTAL FUNDS AT 31 MARCH 2015		<u><u>13,174,620</u></u>	<u><u>1,705,508</u></u>	<u><u>14,880,128</u></u>

All activities relate to continuing operations.

The notes on pages 14 to 21 form part of these financial statements.

GLASGOW CLYDE EDUCATION FOUNDATION

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £
FIXED ASSETS			
Investments	12		5,045,347
CURRENT ASSETS			
Debtors	13	2,985	
Cash at bank		9,841,893	
		<u>9,844,878</u>	
CREDITORS: amounts falling due within one year	14	(10,097)	
NET CURRENT ASSETS			<u>9,834,781</u>
NET ASSETS			<u>14,880,128</u>
CHARITY FUNDS			
Restricted funds	15		1,705,508
Unrestricted funds	15		13,174,620
TOTAL FUNDS			<u>14,880,128</u>

The financial statements were approved by the Trustees on 15 September 2015 and signed on their behalf, by:

Stephanie Pauline Young

The notes on pages 14 to 21 form part of these financial statements.

GLASGOW CLYDE EDUCATION FOUNDATION

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2015**

	Note	2015 £
Net cash flow from operating activities	17	14,787,763
Returns on investments and servicing of finance	18	26,605
Capital expenditure and financial investment	18	(4,972,475)
INCREASE IN CASH IN THE PERIOD		9,841,893

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 MARCH 2015**

	2015 £
Increase in cash in the period	9,841,893
MOVEMENT IN NET FUNDS IN THE PERIOD	9,841,893
NET FUNDS AT 31 MARCH 2015	9,841,893

The notes on pages 14 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE
FOR THE PERIOD ENDED 31 MARCH 2015**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Net movement in funds for the year	13,174,620	1,705,508	14,880,128
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES	13,174,620	1,705,508	14,880,128

The notes on pages 14 to 21 form part of these financial statements.

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.5 Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.6 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.7 Pensions

The charity contributes to a personal pension plan for its sole employee. The pension charge represents the amounts payable by the charity to the personal pension plan in respect of the period.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Donations	<u>13,294,492</u>	<u>1,705,508</u>	<u>15,000,000</u>

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

3. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Investment income - bank deposits	23,620	-	23,620
Investment income - listed investments	4,094	-	4,094
	<u>27,714</u>	<u>-</u>	<u>27,714</u>

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Investment management fees	5,532	-	5,532
	<u>5,532</u>	<u>-</u>	<u>5,532</u>

5. GRANTS TO INSTITUTIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Endowment funds 2015 £	Total funds 2015 £
Grant Funding	190,663	-	-	190,663
	<u>190,663</u>	<u>-</u>	<u>-</u>	<u>190,663</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Auditors' remuneration	1,900	-	1,900
Auditors' non audit fees	1,240	-	1,240
Legal & professional fees	2,265	-	2,265
	<u>5,405</u>	<u>-</u>	<u>5,405</u>

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015

7. SUPPORT COSTS

	Grant Funding £	Total 2015 £
Office costs	1,487	1,487
Printing, stationery & postage	496	496
Motor expenses	64	64
Consultancy fees	7,331	7,331
Bank charges	15	15
Wages and salaries	8,865	8,865
Pension cost	600	600
	<u>18,858</u>	<u>18,858</u>

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2015 £	Other costs 2015 £	Total 2015 £
Investment management costs	-	5,532	5,532
Costs of generating funds	-	5,532	5,532
Grant Funding	9,465	200,056	209,521
Governance	-	5,405	5,405
	<u>9,465</u>	<u>210,993</u>	<u>220,458</u>

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Grant funding of activities 2015 £	Support costs 2015 £	Total 2015 £
Grant Funding	<u>190,663</u>	<u>18,858</u>	<u>209,521</u>

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015

10. NET INCOMING RESOURCES

This is stated after charging:

	2015 £
Auditors' remuneration	1,900
	<u>1,900</u>

During the period, no Trustees received any remuneration.
During the period, no Trustees received any benefits in kind.
During the period, no Trustees received any reimbursement of expenses.

11. STAFF COSTS

Staff costs were as follows:

	2015 £
Wages and salaries	8,865
Other pension costs	600
	<u>9,465</u>

The average monthly number of employees during the period was as follows:

	2015 No.
Director	1
	<u>1</u>

No employee received remuneration amounting to more than £60,000 in the period.

12. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 29 January 2014	-
Additions	4,972,475
Revaluations	72,872
	<u>5,045,347</u>
At 31 March 2015	5,045,347
Historical cost	<u>4,972,475</u>

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

12. FIXED ASSET INVESTMENTS (continued)

Investments at market value comprise:

	2015 £
Listed investments	5,045,347

All the fixed asset investments are held in the UK

13. DEBTORS

	2015 £
Prepayments and accrued income	2,985

**14. CREDITORS:
Amounts falling due within one year**

	2015 £
Accruals and deferred income	10,097

There was no deferred income at 31 March 2015.

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General Funds - all funds	-	13,322,206	(220,458)	72,872	13,174,620
Restricted funds					
Estates maintenance and/or capital projects	-	487,149	-	-	487,149
Woodburn Disposal proceeds	-	1,218,359	-	-	1,218,359
	-	1,705,508	-	-	1,705,508
Total of funds	-	15,027,714	(220,458)	72,872	14,880,128

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
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RESTRICTED FUNDS

Estates maintenance and/or capital projects - The donation received in respect of this fund must be applied in line with Scottish Funding Council (SFC) standard terms and conditions.

Woodburn Disposal proceeds - This donation must be applied in line with SFC requirements. A condition of SFC approval is subject to the college providing SFC with confirmation at a later date of the expenditure being undertaken.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	-	13,322,206	(220,458)	72,872	13,174,620
Restricted funds	-	1,705,508	-	-	1,705,508
	<u>-</u>	<u>15,027,714</u>	<u>(220,458)</u>	<u>72,872</u>	<u>14,880,128</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Fixed asset investments	5,045,347	-	5,045,347
Current assets	8,139,370	1,705,508	9,844,878
Creditors due within one year	(10,097)	-	(10,097)
	<u>13,174,620</u>	<u>1,705,508</u>	<u>14,880,128</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £
Net incoming resources before revaluations	14,807,256
Returns on investments and servicing of finance	(26,605)
Increase in debtors	(2,985)
Increase in creditors	10,097
Net cash inflow from operations	<u><u>14,787,763</u></u>

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £
Returns on investments and servicing of finance	
Interest received	23,620
Income from investments	2,985
	26,605
Net cash inflow from returns on investments and servicing of finance	26,605
	2015 £
Capital expenditure and financial investment	
Purchase of listed investments	(4,972,475)
	(4,972,475)

19. ANALYSIS OF CHANGES IN NET FUNDS

	29 January 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand:	-	9,841,893	-	9,841,893
Net funds	-	9,841,893	-	9,841,893

20. GRANT COMMITMENTS

	Total 2015 £
At 31 March 2015 the charity had commitments as follows:	
Commitments in respect of grants approved for projects which have not been accrued in the financial statements but will form part of grants:	
Within one year	888,717
Between one and two years	353,310
	1,242,027

21. PENSION COMMITMENTS

The charity contributes to a personal pension. The pension cost charge represents contributions payable by the charity to the fund and amounted to £600. Contributions totalling £600 were payable to the plan at the balance sheet date and are included in creditors.