
GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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 YEAR ENDED 31 MARCH 2017**

Trustees

Stephanie Pauline Young
Stephen Curran
Alex Muirhead
Gillian Troup
Robin Gillies
Keith Rosser (appointed 29 November 2016)
Fiona Godsman (appointed 29 November 2016)
Joe Wilson (appointed 16 February 2016, resigned 26 May 2016)

Charity registered number

SC044616

Director

Pauline Radcliffe

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

Triodos Bank
Deanery Road
Bristol
BS1 5AS

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 YEAR ENDED 31 MARCH 2017**

Advisers (continued)

Investment Managers

Brewin Dolphin
48 St Vincent Street
Glasgow
G2 5TS

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their annual report together with the audited financial statements of Glasgow Clyde Education Foundation for the year 1 April 2016 to 31 March 2017.

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
- Supporting external community organisations that partner with the College to deliver improved access opportunities for potential students and the wider communities the College serves.

For each of these four priorities Trustees have agreed specific, more detailed priorities which can be found on the Foundation's website www.clydefoundation.org.

● STRATEGIES FOR ACHIEVING OBJECTIVES

During the financial year the Foundation reviewed its existing funding strategy – both its funding priorities and approach to grant making – in line with the purposes of the charity found in its Constitution. The new funding strategy (finally approved in new financial year July 2017) following consultation with Glasgow Clyde College and other key stakeholders, is designed to achieve focused and strategic impact on the learning and life chances of students, potential students and the surrounding communities that the College serves and articulates clear funding principles: Innovation, Additionality, Equity, Legacy and Green plus. Over the financial year trustees have ensured that grant applications made to the Foundation are of a high quality, requesting further information and amendments to initial applications in order to ensure clearer articulation of the intended outcomes that the proposed projects will achieve both in the short and longer term. The Investment Strategy of the Foundation has also been reviewed and changes made in order to safeguard the assets of the Foundation for its beneficiaries, together with a cash management strategy that has utilised favourable term deposits in order to maximise income for the Foundation's objectives.

● ACTIVITIES FOR ACHIEVING OBJECTIVES

Trustees have worked to achieve the charity's objectives through implementation of robust governance arrangements, systems and procedures which 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 improved its grant making and monitoring processes, introducing output and outcome based reporting at each grant claim deadline, in order to strengthen scrutiny of funded project outcomes, ensuring that these are appropriate to the charity's purpose. It has also communicated with regularly with the management team of the College and relevant external stakeholders in the wider community, introduced the College to possible new external partners and operated an online web presence to which applicants are directed.

● MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

Brewin Dolphin act as the charity's investment managers and in December 2016 the Foundation undertook a review of its existing Investment objectives with the investment manager's advice. The review was led by the charity's Audit and Investment sub-committee. As a result the Board of Trustees approved a revised strategy that takes a more cautious approach to risk and amalgamates Foundation investments into one medium term portfolio of investments amounting to over £10 million using unrestricted income of the Foundation. In addition to

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

the investment portfolio held with Brewin Dolphin, the Foundation holds two current bank accounts, with Barclays and CAF Bank and deposit accounts with Triodos Bank and Nationwide Building Society. All current, short term access and term deposit accounts are governed by the Foundation's Cash Management Strategy through the Investment and Audit sub committee. A number of term deposits held with Barclays Bank and Bank of Scotland also matured during the period and were used to make planned grant payments.

Achievements and performance

● KEY FINANCIAL PERFORMANCE INDICATORS

The Foundation's main indicator of financial performance are established in its Investment Strategy which for the new single portfolio are measured against the benchmark of RPI. In the financial year overall income on investments exceeded the forecast for year end, and total return on investments was 13.7%. This compares to an increase in UK inflation, as measured by RPI of 3.2%. All operating costs were met from investment income and bank interest received during the year.

● REVIEW OF ACTIVITIES

During the Foundation's third year of operation total grant making resulted in a total of £916,186 being approved for grant funding to six College projects (amounting to £811,800) and four external community partnership awards (totalling £104,386) made to the Engineering Development Trust and Scottish Textiles Skills Partnership, Young Enterprise Scotland and Glasgow Council for Voluntary Organisations all of which operate within the wider communities that the College serves.

A total of £2,317,898 was successfully claimed by projects (including those awarded in the two previous financial years) by the end of the year. The Foundation has now established three grant claim deadlines per year and requires that each application provides a forecast of its anticipated drawn down of funds for each claim deadline in order to aid cash management. The projects approved are detailed in the table below.

Projects approved funding from 1 April 2016 to 31 March 2017

	Total approved
Supporting estates development and sustainable infrastructure	
Langside Library upgrade	£300,000
Cardonald Hair Salon refurbishment	<u>£135,000</u>
Total capital grants awarded	<u>£435,000</u>
Supporting students and the life of the College	
Mental Health Services - A Mentally Healthy College	£179,000
Careers Education, Information and Advice Service	£85,000
Supporting College staff, courses and programmes	
Online Course Development: PDA for Rehabilitation technicians and Care Training modules	£75,000
Professional Foundation Programme for Academic Lecturers	<u>£37,800</u>
Total revenue grants awarded to Glasgow Clyde College	<u>£376,800</u>
Community partnerships projects awarded funding	
Counting on a Greener Scotland	£15,000
Dyslexia Pathways to College	£16,850
Pathways to Success: Young Enterprise Scotland	£29,036
GoSET textiles STEM resource	<u>£43,500</u>
Total community partnership awards	<u>£104,386</u>

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

● INVESTMENT POLICY AND PERFORMANCE

The revised Investment policy of the Foundation is to produce the best financial return within an acceptable level of risk, whilst at the same time, growing the real value of the assets over time. The investment objective is to generate a return ahead of inflation over the medium 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. The Foundation achieved this in the financial year, with total return of the amalgamated portfolio at 31 March 2017 being 13.7%. The Audit and Investment sub committee, comprising up to three Trustees with relevant financial management experience and the Director (in attendance) provides detailed oversight of investment performance detailed in quarterly reports provided by Brewin Dolphin. The committee meets with the investment fund managers at least once a year to review performance, with the Director providing oversight more regularly.

● FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The charity's ability to achieve its objectives is largely determined by the availability of funding, including income achieved from its investments and growth of the value of those assets. No further donations were made to the Foundation during the financial year, and whilst investments have yielded income ahead of target the year, markets were volatile which can also impact upon income. Safeguarding the independence of the charity is a duty of trustees in ensuring that the charity's stated purposes are met, and not influenced by other external pressures.

Financial review

● GOING CONCERN

Based on its expenditure profile to date and its stated funding strategy, 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.

● RESERVES POLICY

Reserves held by the Foundation are based on its Investment Policy. A total of £1,705,508 constituting restricted funding was committed in grant awards during the financial year 15/16 and £36,671 was expended. The remainder of funds are unrestricted. 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 and future revenue applications coming from the College will be capped at a maximum of £200,000 per annum.

● 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 and a further £600,000 received in March 2015. No further income was received from the College in the financial year. A further £344,253 was received in investment income, with nearly £27,000 being received through short term deposit interest.

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

● MATERIAL INVESTMENTS POLICY

The Foundation's revised Investment Policy was approved by Trustees on 10 January 2017.

Based upon the current drawdown of grants and projected demand for funding Glasgow Clyde Education Foundation has approximately £10 million available for investment. The aim of the investment is to maintain the real value of the investments against inflation whilst generating more income than is available currently on cash deposits. The Foundation's Funds need to produce the best financial return within an acceptable level of risk, whilst at the same time, growing the real value of the assets over time. The investment objective is to generate a return ahead of inflation over the medium 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.

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 medium term, with a diverse portfolio of investments. Assets can be invested widely and underlying investments may include assets such as equities. Trustees understand that in the short-term the capital value may fluctuate. 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.

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 (currently RPI), to be agreed with the investment manager. Performance will be calculated against the benchmark on a quarterly basis and assessed over the long-term.

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.

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,

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

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 seven trustees may be appointed: two 'College trustees' may be appointed by Glasgow Clyde College and up to five 'Independent trustees' appointed by the Board. trustees are appointed for a term of 3 years. During the reporting period the total number of trustees rose to six (two of which were appointed by the College).

● **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Trustees are inducted into the Foundation with a briefing from the Director, together with a Trustee Handbook which includes details of the Constitution, Memorandum of Understanding, Scheme of Delegation, 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. In November 2016 all current trustees attended a training and strategy development day to strengthen their understanding of charity governance and responsibilities for managing the assets of the charity. The Foundation investment managers delivered a workshop on investment management and encouraged trustees to review their approach to risk, whilst a review of current funding priorities and dispersal of funds was also undertaken resulting in a new Funding strategy to be implemented in the next financial year.

● **PAY POLICY FOR SENIOR STAFF**

The Foundation employs one part time Director whose salary is reviewed annually by the Treasurer and Audit and Investment sub-committee, with a benchmarking exercise taking place which reviews the salary and pay award against public and third sector comparators. A recommendation is then made to the Board of Trustees for its approval annually. In the financial year a decision was made to approve a 1% pay award. Trustees are not remunerated for their role.

● **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Foundation is a membership organisation with membership being open to any individual appointed as a charity trustee, any individual appointed by the College as a charity trustee and to also to the College as a corporate member. 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 strategic 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 one sub committee: an Audit and Investment committee, which meets quarterly, on which up to three independent trustees sit, supported by the Director. The committee reviews financial performance, management accounts and makes recommendations to the Board of Trustees on investment policy, executive salary, annual budget and cashflow strategy.

GLASGOW CLYDE EDUCATION FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

● RELATED PARTY RELATIONSHIPS

The Foundation received its initial funding 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 its operations and finances, and review its 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 identified.

Plans for future periods

● FUTURE DEVELOPMENTS

Priorities for trustees in 2017 – 18 are:

- To implement the Foundation's new Funding Strategy strategic funding priorities and grant programme criteria in order to ensure the best outcomes and impact in delivering the stated purposes of the charity;
- To support grant recipients to improve self-evaluation of project impact through support for evaluation training, development of robust impact measures and ensuring collation of monitoring data;
- To extend the success of the community partnerships grantmaking to new external organisations that can work in new ways with the College to improve learning and life chances for the communities served by the College
- To promote good practice in learning and teaching identified through successful pilot projects amongst the wider education sector and our external stakeholders
- To continue 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.

GLASGOW CLYDE EDUCATION FOUNDATION

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017**

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;
- 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.

This report was approved by the Trustees on _____ 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 year ended 31 March 2017 set out on pages 12 to 23. 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statements of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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.

GLASGOW CLYDE EDUCATION FOUNDATION

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

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 2017 and of its incoming resources and application of resources 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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

Date:

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 YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Investments	2	371,250	-	371,250	297,098
TOTAL INCOME		371,250	-	371,250	297,098
EXPENDITURE ON:					
Raising funds		41,526	-	41,526	30,195
Charitable activities	5,6	2,237,687	-	2,237,687	608,656
TOTAL EXPENDITURE	6	2,279,213	-	2,279,213	638,851
NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES)					
Net gains/(losses) on investments	10	(1,907,963) 985,009	-	(1,907,963) 985,009	(341,753) (313,289)
NET EXPENDITURE BEFORE TRANSFERS		(922,954)	-	(922,954)	(655,042)
Transfers between Funds	13	36,671	(36,671)	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(886,283)	(36,671)	(922,954)	(655,042)
NET MOVEMENT IN FUNDS		(886,283)	(36,671)	(922,954)	(655,042)
RECONCILIATION OF FUNDS:					
Total funds brought forward		12,519,578	1,705,508	14,225,086	14,880,128
TOTAL FUNDS CARRIED FORWARD		11,633,295	1,668,837	13,302,132	14,225,086

The notes on pages 14 to 23 form part of these financial statements.

GLASGOW CLYDE EDUCATION FOUNDATION

**BALANCE SHEET
AS AT 31 MARCH 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Investments	10		10,533,585		9,410,263
CURRENT ASSETS					
Debtors	11	33,395		28,587	
Cash at bank and in hand		2,754,426		4,906,469	
			<u>2,787,821</u>	<u>4,935,056</u>	
CREDITORS: amounts falling due within one year	12	(19,274)		(120,233)	
NET CURRENT ASSETS			<u>2,768,547</u>		<u>4,814,823</u>
NET ASSETS			<u>13,302,132</u>		<u>14,225,086</u>
CHARITY FUNDS					
Restricted funds	13		1,668,837		1,705,508
Unrestricted funds	13		11,633,295		12,519,578
TOTAL FUNDS			<u>13,302,132</u>		<u>14,225,086</u>

The financial statements were approved by the Trustees on

and signed on their behalf, by:

.....
Stephanie Pauline Young

The notes on pages 14 to 23 form part of these financial statements.

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and The Charities Accounts (Scotland) Regulations 2006.

Glasgow Clyde Education Foundation constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Glasgow Clyde Education Foundation prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Glasgow Clyde Education Foundation for the year ended 31 March 2016 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 17.

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.

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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. At 31 March 2017, the charity has a bank balance of £2,754,476 and investments valued at £10,517,514. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 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.

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Investment income - bank deposits	26,997	-	-	26,997	3,816
Investment income - listed investments	344,253	-	-	344,253	293,282
	<u>371,250</u>	<u>-</u>	<u>-</u>	<u>371,250</u>	<u>297,098</u>
<i>Total 2016</i>	<u>297,098</u>	<u>-</u>	<u>-</u>	<u>297,098</u>	

3. ANALYSIS OF GRANTS

	Grants to Institutions 2017 £	Total 2017 £	<i>Total 2016 £</i>
Grants paid during year	2,201,064	2,201,064	604,335
	<u>2,201,064</u>	<u>2,201,064</u>	<u>604,335</u>

4. SUPPORT COSTS

	Grant funding £	Total 2017 £	<i>Total 2016 £</i>
Office costs	1,994	1,994	1,975
Printing, stationery & postage	1,650	1,650	921
Motor expenses	545	545	269
Consultancy fees	-	-	901
Bank charges	79	79	26
Training	300	300	900
Sundry expenses	21	21	909
Insurance	935	935	600
Wages and salaries	20,306	20,306	20,082
National insurance	1,921	1,921	-
Pension cost	3,022	3,022	3,480
	<u>30,773</u>	<u>30,773</u>	<u>30,063</u>
<i>At 31 March 2016</i>	<u>30,063</u>	<u>30,063</u>	

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Auditors' remuneration	3,180	-	3,180	2,660
Auditors' non audit fees	2,670	-	2,670	1,400
Legal & professional fees	-	-	-	261
	<u>5,850</u>	<u>-</u>	<u>5,850</u>	<u>4,321</u>

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Investment manager costs	-	41,526	41,526	30,195
Costs of generating funds	-	41,526	41,526	30,195
Grant funding	25,249	2,206,588	2,231,837	604,335
Governance	-	5,850	5,850	4,321
	<u>25,249</u>	<u>2,253,964</u>	<u>2,279,213</u>	<u>638,851</u>
<i>Total 2016</i>	<u>23,562</u>	<u>615,289</u>	<u>638,851</u>	

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Audit fees	3,180	2,660
Pension costs	2,654	3,480
	<u>5,834</u>	<u>6,140</u>

During the year, no Trustees received any remuneration (2016 - £NIL).
 During the year, no Trustees received any benefits in kind (2016 - £NIL).
 During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	3,180	2,660
	<u>3,180</u>	<u>2,660</u>

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	20,306	18,182
Social security costs	1,921	1,900
Other pension costs	3,022	3,480
	<u>25,249</u>	<u>23,562</u>

The average number of persons employed by the charity during the year was as follows:

	2017 No.	2016 No.
Director	1	1

No employee received remuneration amounting to more than £60,000 in either year.

10. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2016	9,410,263
Additions	4,227,368
Disposals	(4,089,055)
Revaluations	985,009
	<u>10,533,585</u>
At 31 March 2017	<u>10,533,585</u>

Investments at market value comprise:

	2017 £	2016 £
Listed investments	10,533,584	9,410,262
	<u>10,533,584</u>	<u>9,410,262</u>

All the fixed asset investments are held in the UK

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. DEBTORS

	2017 £	2016 £
Prepayments and accrued income	<u>33,395</u>	<u>28,587</u>

12. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	<u>19,274</u>	<u>120,233</u>

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Unrestricted funds						
Reserves	<u>12,519,578</u>	<u>371,250</u>	<u>(2,279,213)</u>	<u>36,671</u>	<u>985,009</u>	<u>11,633,295</u>
Estates maintenance and/or capital projects	487,149	-	-	-	-	487,149
Woodburn Disposal proceeds	<u>1,218,359</u>	-	-	<u>(36,671)</u>	-	<u>1,181,688</u>
	<u>1,705,508</u>	-	-	<u>(36,671)</u>	-	<u>1,668,837</u>
Total of funds	<u>14,225,086</u>	<u>371,250</u>	<u>(2,279,213)</u>	<u>-</u>	<u>985,009</u>	<u>13,302,132</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2016 £
Unrestricted funds						
Reserves	13,174,620	297,098	(638,851)	-	(313,289)	12,519,578
	<u>13,174,620</u>	<u>297,098</u>	<u>(638,851)</u>	<u>-</u>	<u>(313,289)</u>	<u>12,519,578</u>

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. STATEMENT OF FUNDS (continued)

Estates maintenance and/or capital projects	487,149	-	-	-	-	487,149
Woodburn Disposal proceeds	1,218,359	-	-	-	-	1,218,359
	<u>1,705,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,705,508</u>
Total of funds	<u>14,880,128</u>	<u>297,098</u>	<u>(638,851)</u>	<u>-</u>	<u>(313,289)</u>	<u>14,225,086</u>

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 - CURRENT YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
General funds	12,519,578	371,250	(2,279,213)	36,671	985,009	11,633,295
Restricted funds	1,705,508	-	-	(36,671)	-	1,668,837
	<u>14,225,086</u>	<u>371,250</u>	<u>(2,279,213)</u>	<u>-</u>	<u>985,009</u>	<u>13,302,132</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2016 £
General funds	13,174,620	297,098	(638,851)	-	(313,289)	12,519,578
Restricted funds	1,705,508	-	-	-	-	1,705,508
	<u>14,880,128</u>	<u>297,098</u>	<u>(638,851)</u>	<u>-</u>	<u>(313,289)</u>	<u>14,225,086</u>

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Fixed asset investments	10,533,584	-	10,533,584
Current assets	1,118,984	1,668,837	2,787,821
Creditors due within one year	(19,273)	-	(19,273)
	<u>11,633,295</u>	<u>1,668,837</u>	<u>13,302,132</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Fixed asset investments	9,410,262	-	9,410,262
Current assets	3,229,547	1,705,508	4,935,055
Creditors due within one year	(120,231)	-	(120,231)
	<u>12,519,578</u>	<u>1,705,508</u>	<u>14,225,086</u>

15. GRANT COMMITMENTS

	Total 2017 £	Total 2016 £
At 31 March 2017 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	4,117,097	3,955,100
Between one and two years	824,705	2,455,046
Between two and three years	49,800	152,480
	<u>4,991,602</u>	<u>6,562,626</u>

16. 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 £3,022 (2016 - £3,480). Contributions totalling £367 (2016 - £240) were payable to the plan at the balance sheet date and are included in creditors.

GLASGOW CLYDE EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. FIRST TIME ADOPTION OF FRS 102

It is the first year that the charity has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.