

CHARITY NO: SC044616

**GLASGOW CLYDE EDUCATION FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

GLASGOW CLYDE EDUCATION FOUNDATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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GLASGOW CLYDE EDUCATION FOUNDATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2019

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Alex Muirhead (Chair)
Robin Gillies (Treasurer)
Gill Troup (Vice Chair)
Stephen Curran (resigned 26 September 2018)
Keith Rosser
Fiona Godsman
Jeremy Chaplin
Shirley Howitt
Gwyn Gould (appointed 18 December 2018)
Fiona Steel (appointed 18 December 2018)

Director Pauline Radcliffe

Charity Number: SC044616

Independent Auditors

Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Bankers

Barclays Bank plc
120 Bothwell Street
Glasgow
G2 7JT

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

Shawbrook Bank Limited
Lutea House
Warley Hill Business Park
Great Warley
Brentwood
Essex
CM13 3BE

Investment Managers

Brewin Dolphin
48 St Vincent Street
Glasgow
G2 5TS

GLASGOW CLYDE EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

The Trustees have pleasure in presenting the report and financial statements of the Foundation for the year ended 31 March 2019. The financial statements have been prepared in accordance with the charity's Constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

1. Objectives and activities

1.1 Objectives

The purposes of the Foundation are to enhance the learning experience for students, potential students and the communities served by Glasgow Clyde College.

For the purposes of the Charities and Trustee Investment (Scotland) Act 2005, section 7, the Foundation exists to advance education, together with citizenship and community development (particularly in respect of working with and supporting the said community and not for profit groups and organisations).

The Foundation prioritises projects that create equal access to learning opportunities, take new but sustainable approaches and which represent leading and transformative educational practice within the College and wider learning sector.

1.2 Activities

During the year several projects awarded funding in previous reporting years came to their conclusion, making final claims based on the milestones achieved. This included the completion a new College website, providing a greatly improved experience for potential and current learners and the first TEDxGlasgow Youth event held at the SECC in June 2018 and managed by students of the College with the guidance of the TEDx team. Over 2000 students from the west of Scotland attended, providing a new and innovative learning experience. In addition, the Foundation worked with several ongoing projects to review progress and support the provision of strong impact information using external evaluation and internal monitoring measures. These projects included the progression of several Improving Pedagogy programmes funded to support new and existing academic staff to develop and update their teaching skills, making best use of self-evaluation and digital technologies. The innovative Mentally Healthy College model funded in year 16/17 progressed well, commissioning an external evaluator early in its development in order to ensure that learning is embedded in College practice. The College's 3 campus wide estates review also was commenced and was reported on to trustees at their December 2018 meeting.

Two Community Partnership awards were granted to Scottish Refugee Council and Beauty with a Conscience (a sister charity to Prince and Princess of Wales Hospice) to enable ground-breaking research and service development to take place within the College (see 2.1). No direct grants were made to the College during the financial year. However, development work with the College's faculty for Student Experience resulted in a successful application for Digital Innovative and Creative Education being made to trustees on 2 April 2019. Trustees are also waiting for the outcome of the Estates Review and the College's revised Mission, vision and strategy in anticipation of increased grant making in the year ended 31 March 2020.

During the year, a new website was launched for the Foundation, celebrating successes of grant funded projects and including case studies focusing on specific projects.

GLASGOW CLYDE EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

2. Review of achievements and performance

During the year trustees made two innovative new Community partnerships grants totalling £84,554 under the following funding themes:

2.1a Improving Pedagogy

Demonstrating effective practice, increasing educator confidence and increasing learner attainment

Glasgow Clyde College as a centre for best practice in educating and supported Separated children aged 16-18: Scottish Refugee Council and Scottish Guardianship Service. A grant award of £43,534 was made to this project which will research the unique approach to addressing the language and integration needs of unaccompanied young asylum seekers that has been taken by Glasgow Clyde College and develop a toolkit resource that may be used throughout the UK by education and social care providers. The project was brokered through the work of the Foundation's Director and matched funding from Paul Hamlyn Foundation secured.

2.1b Effective Learning

Effective Learning: equity for students in accessing the best educational opportunities

Beauty with a Conscience pilot beauty salon at Battlefield in Glasgow: Beauty with a Conscience, a newly constituted sister charity of Prince and Princess of Wales Hospice (PPWH). A grant award of £41,000 built on a strong partnership history between Glasgow Clyde College's Hairdressing, beauty and complimentary therapies department and PPWH, through offering quality work experience for the College's student at a new shop/salon on Battlefield Road opposite the College's Langside campus. All profits from the enterprise will be fed into service provision at the hospice, whilst providing a unique experience for students studying on the course.

2.1c Increasing capability and capacity of Glasgow Clyde College

Whilst no new awards were made under this theme during the year, trustees monitored the progress of their award relating to the creative of a new Estates Strategy for the College and anticipate further dialogue with the College once this is completed. £25,000 was claimed towards the costs of this project during the year. In addition, the Landscaping and Horticultural teaching facilities building was completed at Langside Campus.

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2.1d Funding paid to grants awarded in previous financial years

The following table provides a breakdown of current 'live' projects which made successful grant claims, evidencing progress in achieving their milestones, during the year.

PROJECT TITLE	Total funding claimed during the year £
Major capital works upgrade phase 1	233,181
Cardonald Tower block phase 2 capital works	32,080
Landscaping and Horticultural Teaching facilities	53,811
Capital project total claims for year	319,072
Professional development for academic staff	34,951
College website	5,991
Careers Education Information and Advice Model	24,611
Mental Health Support Model	64,147
Online Course Development: PDA for Rehabilitation technicians	27,322
Online Course Development: Care Training	3,159
Foundation Programme for Academic Lecturers	25,970
Research and Development Programme	33,713
College Estates Review	25,000
College revenue project claims for year	244,864
GoSET textiles STEM resource	21,238
TEDxYouth event	44,000
<i>Towards GCC as a centre of best practice in supporting separated children</i>	22,678
<i>Beauty with a Conscience</i>	16,320
Community Partnership awards claimed during the year	104,236
<i>* italicised projects are awards made during the financial year</i>	

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2.2 Governance and effective management

The Foundation effectively strengthened governance and management during the year through the identification of skills gaps on the Board and the subsequent recruitment of two additional trustees with the necessary competencies to enhance the current team, bringing total trustees to nine. A training and attendance log was introduced to both monitor the performance of each trustee and support their development. At the end of the financial year trustees undertook a self-evaluation of the Board's performance, their individual knowledge/ skills and their priorities for funding over the coming year. Analysis of the survey identified a number of priorities to strengthen governance and delivery over the next year.

Review of the governance and management of the organisation continued to feature in the Foundation's priorities during the year, with further strengthening of the role of the Audit and Investment sub-committee in financial oversight, including considering the remuneration of the Director's role and the introduction of internal audit spot checks carried out every 6 months by a member of the committee. Fit and Proper Persons checks and Consent to Act forms must now be completed by all trustees on taking up their role.

2.3 Grant-making process review

During the year the Foundation carried out a review of their grant-making processes, with the intended objective of improving the strength of applications and their impact measures. A number of recommendations were accepted by the Board of trustees, including the introduction of logic modelling to all applications and a more proportionate approach to the level of detail required, according to the value and complexity of the proposed project.

3. Financial review

3.1 The Foundation's work continues to rely on the original donations made to it in 2015 and 2016 by Glasgow Clyde College (amounting to £15 million), together with the income and investment returns from its investment portfolio and cash management. During 18/19 a total of £285,505 investment and bank interest income was received, the majority of which came from the investment portfolio held with Brewin Dolphin (£282,496). The two new projects granted awards claimed a total of £38,998 during the financial year, with grant awards made in the three previous financial years resulting in total grant payments in the year amounting to £668,171 as detailed in Note 7 to the financial statements. Total operating costs amounted to £89,442 (including investment management fees) with total resources expended being £757,613. All remaining funds are unrestricted.

3.2 Investment policy

The Trustees pursue a policy intended to balance, appropriately, the interests of present and future beneficiaries and now takes a cautious approach to risk. The policy aims to produce the best financial return within this risk level, 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 is designed to 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.

3.3 Investment performance

The Trust's investment managers, Brewin Dolphin, continue to manage the Foundation's portfolio on a discretionary basis. In addition to an annual report provided to Trustees, Brewin Dolphin provide updates to Trustees on factors that may have an impact on the performance of the portfolio through quarterly reporting and regular liaison with the Foundation's Director and the Audit and Investment sub-committee. Trustees continually review their approach should

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

there be an indication that the current strategy is no longer appropriate for the investment objectives of the Trust.

Since inception, the Foundation's portfolio with Brewin Dolphin has grown by 20.7% in total return terms compared to the Retail Price Index (RPI) which is up 11.6% over the same period. During the year the Foundation instructed Brewin Dolphin to disinvest £250,000 from its portfolio in order to meet forecast grant claims in July 2018. This reduced the portfolio size from its value at 25 June 2018 (date of withdrawal) of £9,104,768 to £8,861,465 at 30 June 2018. It is recognised that, during the ongoing negotiations on the UK's exit from the EU, there will continue to be further economic and market uncertainty. However, despite poor market performance in the first three quarters of the year, markets improved dramatically in the first three months of 2019 resulting in a 4.3% movement in portfolio value for the last quarter of the year. For the full year to 31 March 2019 the portfolio's total return was 4.6% compared to RPI which was 2.5% over the same timeframe, resulting in a closing portfolio value of £8,635,325. As at 31 March 2019, the portfolio's yield was 3.1%. Trustees understand the causes of current market volatility and will continue to review investment performance on a quarterly basis.

3.4 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.

3.5 Risk management

The Trustees review and update the Foundation's Risk Register twice during the year, taking mitigating actions as necessary. The Risk Register sets out ten strategic and operational risks, assigns a risk score before and after mitigating actions are taken. The key Operational risks for the Foundation are the risk of financial loss through poor performance of investments and the loss of business continuity through the loss/change of staff and trustees.

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The first is mitigated by the quarterly review of investment portfolio performance by the Audit and Investment committee as well as bi-annual meetings with the discretionary investment managers Brewin Dolphin. Loss of key member of staff and trustees has been mitigated through the creation of documented key business processes, the speedy recruitment of trustees and an increase in the number of trustees serving on the board. Members of the Audit and Investment committee also scrutinise the processes for monitoring and checking grant claims and guidance notes provided for grant applications and claim introducing an 'internal audit spot-check' carried out by a member of that committee, ensuring they have a sound level of awareness of business operations.

The greatest strategic risk for the Foundation is identified as the independent status of the Foundation as a grant making charity being called into question by the charity regulator. This is robustly mitigated through separate, transparent and clear governance arrangements, a majority of independent trustees sitting on the board and clear decision making processes in place for considering any funding applications received by the College. In addition, the Foundation has made considerable efforts in the past year to champion the independent roles of Arms-length-Foundations in the College sector through the creation of an ALF Network to discuss issues and represent their charitable interests.

3.6 Reserves Policy

The reserves policy of the Foundation is to ensure that there are sufficient funds to meet future conditional grant commitments, and to generate growth and income that can meet future giving priorities and the running expense of the charity. The balance held as unrestricted funds at 31 March 2019 was £9,393,991 of which £8,332,596 are free reserves, *after allowing for £1,061,395 funds earmarked for future commitments*, which have not yet been submitted and approved as grant claims. The Foundation is able to draw down investment assets at short notice to meet its annual commitments each year.

3. Plans for the future

Trustees have recently undertaken a self-evaluation process and participated in a facilitated Development Day which identified future funding priorities for

- Further embedding trustee mentoring of developing project applications
- Reviewing funding strategy following the publication of Glasgow Clyde College's new Estates Strategy
- Strategic dialogue with our main beneficiary, Glasgow Clyde College, over future funding priorities following the completion of the College's new vision, mission and strategy.
- Further development of best practice through participation in Scottish Grantmakers, its Learning and Evaluation Network and the Arms-Length Foundation Network

At an operational level, attention will continue to be given on streamlining of grant making processes, grant monitoring and measuring impact, working alongside grant holders.

4. Structure governance and management

5.1 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).

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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.

5.2 Appointment 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 four and a maximum of nine trustees may be appointed: two 'College trustees' may be appointed by Glasgow Clyde College and up to seven 'Independent trustees' appointed by the Board. Trustees are appointed for a term of 3 years, following a recruitment process comprising: open advertisement in relevant publications/ forum, shortlisting candidates for interview by a panel of trustees which recommends appointments to the full Board. Trustees may be reappointed for a further three years following their first term of office. Trustees are not remunerated in any way for their role, except in claiming essential travel expenses to attend the Board of trustees. During the reporting period the total number of trustees rose to nine.

5.3 Induction training and trustee development

Trustees are inducted into the Foundation with a briefing from the Director, together with a comprehensive 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 trustee is required to agree to, alongside completing a Consent to Act form and Fit and Proper Persons declaration. A Register of trustee interests is maintained and published on the website. Regular training opportunities are offered to trustees in charity governance and their responsibilities, including for management of the charity's investments. An annual development day and self-evaluation exercise is also undertaken in order to review and take action on outstanding development needs of individual trustees and the Board as a team.

5.4 Organisation

The Trustees serving the Foundation bring a range of professional, educational, financial and business expertise to deliberations. The Trustees meet quarterly during the course of the year to provide strategic direction and oversight, whilst quarterly meetings of the Audit and Investment committee also take place. Trustees make final decisions on all grant awards, assisted by the Director. The Director is the sole, part-time employee of the Foundation and responsible for the management and administration of the Foundation's operations.

5.5 Arrangements for setting pay and remuneration of Director

The pay of the Foundation's Director is reviewed annually by Trustees and any changes are considered in accordance with rates of inflation, performance and affordability. The remuneration of the Director's post is bench-marked against similar roles in other charities to ensure that the remuneration set is fair and in line with the sector.

GLASGOW CLYDE EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and 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 charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Constitution. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure to the auditor

So far as the trustees are aware, there is no relevant audit information of which the Charity's Auditors are unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees, in order to make themselves aware of all the relevant audit information and to establish that the Charity's Auditors are aware of that information.

A resolution to re-appoint Wylie & Bisset LLP as Auditors will be put to the members at the Annual General Meeting.

Approved by the trustees on 7 August 2019 and signed on their behalf by:

Name: Alex Muirhead

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GLASGOW CLYDE EDUCATION FOUNDATION FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Glasgow Clyde Education Foundation (the 'charity') for the year ended 31st March 2019 which comprise the Statement of Financial Activities, the Balance sheet and the 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 Financial Reporting Standard 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 charity's affairs as at 31 March 2019, 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 the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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 charity 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 charity'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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GLASGOW CLYDE EDUCATION FOUNDATION FOR THE YEAR ENDED 31 MARCH 2019

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GLASGOW CLYDE EDUCATION FOUNDATION FOR THE YEAR ENDED 31 MARCH 2019

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 (as amended). 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 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wylie & Bisset LLP, Statutory Auditor

*168 Bath Street
Glasgow
G2 4TP*

Date: 7 August 2019

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

GLASGOW CLYDE EDUCATION FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2019

		<i>Unrestricted Funds 2019</i>	<i>Restricted Funds 2019 £</i>	<i>Total Funds 2019 £</i>	<i>Unrestricted Funds 2018 £</i>	<i>Restricted Funds 2018</i>	<i>Total Funds 2018 £</i>
Income and endowments from:							
Investments	4	285,505	-	285,505	311,096	-	311,096
Total Income		285,505	-	285,505	311,096	-	311,096
Expenditure on:							
Raising funds							
Investment management costs	5	37,763	-	37,763	40,262	-	40,262
Charitable activities	7	719,850	-	719,850	1,845,650	1,668,837	3,514,487
Total Expenditure		757,613	-	757,613	1,885,912	1,668,837	3,554,749
Net (expenditure) before investment gains		(472,108)	-	(472,108)	(1,574,816)	(1,668,837)	(3,243,653)
Net gains/ (losses) on investments		114,835	-	114,835	(249,580)	-	(249,580)
Net (expenditure) for the year		(357,273)	-	(357,273)	(1,824,396)	(1,668,837)	(3,493,233)
Funds reconciliation							
Total Funds brought forward	13	9,751,264	-	9,751,264	11,575,660	1,668,837	13,244,497
Total Funds carried forward	13	9,393,991	-	9,393,991	9,751,264	-	9,751,264

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

GLASGOW CLYDE EDUCATION FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2019

	Note	Total Funds 2019 £	Total Funds 2018 £
Fixed Assets:			
Investments	10	8,635,325	8,853,417
Current assets:			
Debtors	11	807	1,692
Cash at bank and in hand		790,488	911,197
Total current assets		791,295	912,889
Liabilities:			
Creditors falling due within one year	12	(32,629)	(15,042)
Net current assets		758,666	897,847
Net assets		9,393,991	9,751,264
The funds of the charity:			
Unrestricted funds	13	9,393,991	9,751,264
Restricted income funds		-	-
Total charity funds		9,393,991	9,751,264

Approved by the trustees and signed on their behalf by:

Name: Alex Muirhead

Date: 7 August 2019

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) 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), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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

(b) Funds structure

- Unrestricted income funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Further details of each fund are disclosed in note 13.

(c) Income recognition

- All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:
- Voluntary income is received by way of grants, donations and gifts and included in full in the Statement of Financial Activities when reasonable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of the services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

Income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (e) below.

- Costs of raising funds comprise the costs of commercial trading and their associated support costs;
- Expenditure on charitable activities includes charitable donations and other activities undertaken to further the purposes of the charity and their associated support costs;

(e) Allocation of governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Governance costs are support costs relating to charitable activities. The allocation of governance costs is analysed in note 6.

(f) Debtors

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

(h) Cash at bank and in hand

Cash at bank and cash 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.

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

(g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(h) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the charity using the methodology set out in note 8.

(i) Taxation

The Foundation is a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 part II of the Corporation Tax Act 2010 or Section 256 of Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to charitable purposes only.

(j) Financial instruments

The Foundation 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.

(k) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Legal status of the Trust

The Foundation is a registered Scottish charity.

3. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2018: £nil). During the year one trustee (2018: 2) was reimbursed expenses of £234 (2018: £822). Expenses waived in the year totalled £226 (2018: £355).

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

4. Investment income

	2019	2018
	£	£
Income from listed investments	282,496	305,893
Bank Interest	3,009	5,203
	<u>285,505</u>	<u>311,096</u>

5. Raising funds – Investment management costs

	Direct Costs	Support Costs	Total 2019	Total 2018
	£	£	£	£
Investment management costs	37,763	-	37,763	40,262
	<u>37,763</u>	<u>-</u>	<u>37,763</u>	<u>40,262</u>

6. Allocation of governance costs

Governance costs:	2019	2018
	£	£
Auditor's remuneration	4,602	4,494
	<u>4,602</u>	<u>4,494</u>

Allocation of governance:	2019	2018
	£	£
Grant giving	4,602	4,494
Total allocated	<u>4,602</u>	<u>4,494</u>

7. Analysis of expenditure on charitable activities

	Grant Funding	2019 Total	2018 Total
	£	£	£
Grants paid out	668,171	668,171	3,464,538
Office costs	4,721	4,721	3,287
Staff costs	8,412	33,944	32,857
Other costs	33,944	8,412	9,311
Governance costs (note 6)	4,602	4,602	4,494
	<u>719,850</u>	<u>719,850</u>	<u>3,514,487</u>

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

8. Analysis of staff costs and remuneration of key management personnel

	2019 £	2018 £
Salaries and wages	28,908	27,954
Social security costs	2,713	2,835
Other pension costs	2,323	2,068
Total staff costs and employee benefits	<u>33,944</u>	<u>32,857</u>

The charity made £2,323 of contributions to the pension plan operated by Trustees on behalf of the employee (2018: £2,068).

	2019 £	2018 £
Key management personnel remuneration	<u>34,460</u>	<u>32,857</u>

No employees had employee benefits in excess of £60,000 (2018: none).

	2019 No.	2018 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>1</u>	<u>1</u>

9. Net income/ (expenditure) for the year

	2019 £	2018 £
This is stated after charging:		
Auditors remuneration	<u>4,602</u>	<u>4,494</u>

10. Fixed Asset Investments

Movement in listed fixed asset investments

	2019 £	2018 £
Market value at 1 April 2018	8,853,418	10,517,314
Additions	1,277,544	107,060
Disposals	(1,555,444)	(1,500,171)
Unrealised gains /(losses)	59,807	(270,786)
At 31 March 2019	<u>8,635,325</u>	<u>8,853,417</u>

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

11. Debtors

	2019	2018
	£	£
Other debtors	807	1,692
	<u>807</u>	<u>1,692</u>

12. Creditors: amounts falling due within one year

	2019	2018
	£	£
Other creditors and accruals	32,629	15,042
	<u>32,629</u>	<u>15,042</u>

13. Analysis of charitable funds

Analysis of Fund movements	2017				2018
	Balance	Income	Expenditure	Gains/	Funds
	b/fwd	£	£	(losses)	c/fwd
	£			£	£
Unrestricted funds					
General Funds	11,575,660	311,096	1,885,912	(249,580)	9,751,264
Total unrestricted funds	<u>11,575,660</u>	<u>311,096</u>	<u>1,885,912</u>	<u>(249,580)</u>	<u>9,751,264</u>
Restricted fund					
Estates maintenance and/or capital projects	450,478	-	450,478	-	-
Woodburn Disposal Proceeds	1,218,359	-	1,218,359	-	-
Total restricted funds	<u>1,668,837</u>	<u>-</u>	<u>1,668,837</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u><u>13,244,497</u></u>	<u><u>311,096</u></u>	<u><u>3,554,749</u></u>	<u><u>(249,580)</u></u>	<u><u>9,751,264</u></u>

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

13. Analysis of charitable funds (cont.)

Analysis of Fund movements	2018 Balance b/fwd £	Income £	Expenditure £	Gains/ (losses) £	2019 Funds c/fwd £
Unrestricted funds					
General Funds	9,751,264	285,505	757,613	114,835	9,393,991
Total unrestricted funds	<u>9,751,264</u>	<u>285,505</u>	<u>757,613</u>	<u>114,835</u>	<u>9,393,991</u>
TOTAL FUNDS	<u>9,751,264</u>	<u>285,505</u>	<u>757,613</u>	<u>114,835</u>	<u>9,393,991</u>

Restricted funds comprise;

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

Woodburn Disposals 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.

14. Net assets over funds

2019	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Fixed Asset Investments	8,635,325	-	8,635,325
Debtors	807	-	807
Cash	790,488	-	790,488
Creditors	(32,629)	-	(32,629)
	<u>9,393,991</u>	<u>-</u>	<u>9,393,991</u>

GLASGOW CLYDE EDUCATION FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

14. Net assets over funds (cont.)

2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Fixed Asset Investments	8,853,417	-	8,853,417
Debtors	1,692	-	1,692
Cash	911,197	-	911,197
Creditors	(15,042)	-	(15,042)
	<hr/>	<hr/>	<hr/>
	<u>9,751,264</u>	<u>-</u>	<u>9,751,264</u>

15. Commitments

At the 31 March 2019 the charity had commitments as follows:

	2019 £	2018 £
Grants to be paid out	<u>1,061,395</u>	<u>1,497,861</u>

These commitments are in respect of grants approved for projects which have not been accrued in the financial statements but will be paid post year end.