

Registered number: SC011734
Charity number: SC003962

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

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KELVINSIDE ACADEMY WAR MEMORIAL TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020**

Governors

J D G Wilson B.Acc. CA, Chairman*
A W Tear FICS (appointed 19 September 2019)
Prof W Cushley BSc PhD FSB, #
A C Palmer B.Acc. CA, *#
Mrs J F MacGeachy MA MBA DipM, *
Mr M B Scott B.Sc (Hons)
Mrs N Hinde, +
C J MacKenzie LLP Dip LP NP, #
Mrs S J Taylor
Mr A T McKendrick LLB Dip LP NP (appointed 10 December 2020)
Mrs J E Rowand, +
D S Morwood, *+

* Member of Finance & Strategy Committee

Member of Awards Committee

+ Parent of pupil

Company registered number

SC011734

Charity registered number

SC003962

Registered office and principal address

33 Kirklee Road
Glasgow
G12 0SW

Solicitors

Kerr Stirling LLP
Solicitors
10 Albert Place
Stirling
FK8 2QL

Independent auditor

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

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Bankers

Bank of Scotland
167-201 Argyle Street
Glasgow
G2 8BU

Rector

Daniel Wyatt Ba Ed (Hons)

Head of Junior School

Clare Sweeney

Secretary & Bursar

David Pocock FInstAM MCGI

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Governors, who are both trustees for the purposes of charity law and directors for the purposes of company law, are pleased to present their annual report together with the audited financial statements of the Group and the charitable company for the year ended 31 July 2020. The Annual Report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual Report and financial statements of the Group and charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Governors' report has been prepared to meet the requirements of both a directors' report and strategic report for Companies Act purposes.

Objectives and activities

• **History**

In 1921 the Kelvinside Academy War Memorial Trust was established, as a memorial to former pupils who had been killed in the First World War, and acquired the assets of the Kelvinside Academy Company Limited, which was founded in 1878. The Kelvinside Academy War Memorial Trust is a Company limited by Guarantee and has recognised Charitable Status. The liability of each member is limited to £1 in the event of the company ceasing to trade.

The School became fully independent in 1985 having been formerly grant aided, and participated in the Government's now discontinued Assisted Places Scheme. The main School buildings are situated on Kirklee Road, Kelvinside and encompass the original Grade A listed School building, with a number of new wings and blocks. Additional classroom space is provided by two buildings on the other side of the road, and a sixth form centre is situated in an adjacent house and garden. The School Nursery is located at the Balgray campus on Great Western Road which also encompasses Kelvinside Academy's sports pitches. In November 2017 the school entered into a partnership with Green Forest Nursery in Milngavie to create an outdoor nursery facility under the operational control of the SLT and branded as Kelvinside Academy Green Forest Nursery.

Craigholme School was founded in 1894. The School's registered charity number is SC014860, company number SC022095 whose members' liability is limited by guarantee to £1 each. The registered office and principal place of business is 72 St Andrew's Drive, Glasgow. The school is situated in the south side of Glasgow within easy reach from all parts of the city and the Greater Glasgow area due to the good road and rail connections. The school provides co-educational nursery and junior school education for 3-11 year olds.

Kelvinside Academy and Craigholme School entered into a strategic partnership at the beginning of 2018 to see if any benefit could be gained by the two organisations working together and help improve their financial position. A collective agreement was reached with financial and operational control by Kelvinside Academy established from the start of the 2018/19 school session and hence group accounts have been prepared. However due to growing costs of operating an independent school the Board of Governors of both charities decided to restructure the educational offering at Craigholme and combine the teaching of senior school pupils at Kelvinside Academy from August 2019. The remaining Junior School facility at Craigholme School was closed at the end of the 2019-2020 session due to continued falling pupil numbers.

• **Constitution**

Kelvinside Academy, which is a recognised charity in Scotland, is registered as a charitable company limited by guarantee and is governed by its Articles of Association, incorporated 25 May 1921, as amended. An updated Memorandum and Articles of Association was approved at an Extraordinary General Meeting of the Trust on 9 September 2008.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Objectives and activities (continued)

● **Method of appointment or election of Governors**

The Board is a self-appointing body, with one exception, in that the President of Kelvinside Academical Club is an ex officio member whilst in office. Service on the Board is for a term of three years with Retiring Governors being able to opt for re-election. When vacancies occur on the Board of Governors expressions of interest to join are invited from academics, parents and other suitably qualified individuals. Applications are considered by the Governors' Nominations Committee who make their recommendations to the Board for consideration. Governors can be appointed at a General Meeting of the Kelvinside Academy War Memorial Trust and will hold office only until the next Annual General Meeting, where they must be re appointed to remain in office. New Governors undergo an induction programme and are encouraged to attend SCIS organised courses and workshops.

● **Retirement of Governors**

The following Governors are due to retire in accordance with the Articles of Association and, being eligible, offer themselves for reappointment:

A C Palmer B.Acc. CA

● **Organisational structure and decision making**

The Trust is managed by a Board of Governors, the trustees and directors of the charitable company, who are legally responsible for the overall management of Kelvinside Academy and meet six times in the year. There are a number of sub committees that report back to the Board on specific subjects. The day to day running of the School is delegated to the Rector and the Bursar. The Rector is appointed by the Board and is responsible to them for the control and management of the academic areas of the School while the Bursar, who is also appointed by the Board, is in charge of finance and administration on a day to day basis. The Rector and the Bursar attend meetings of the Board and the various committees. The Bursar acts as the Secretary to the Board of Governors.

An Investment Committee has been formed by the Board of Governors to work alongside the School's investment advisors to ensure that we have the correct strategy to maximise the long term return on our investments and maintain income to help fund bursary awards.

● **Charitable objectives and activities**

Kelvinside Academy actively supports well motivated pupils and encourages their participation in a wide range of activities. High standards are achieved as is reflected in the academic attainment in SQA examinations. Quality and performance is regularly evaluated and methods for improvement are put in place. The School co-operates with many local organisations in our endeavours to widen public access to our campus to optimise the use of our cultural and sporting facilities. The School also benefits from a network of Kelvinside Academicals (former pupils) who offer their support in a variety of ways.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

OBJECTIVES AND ACTIVITIES

● **Policies and objectives**

The objectives for the year, which were achieved, are contained in the School Development Plan and updated on an annual basis.

The Trust's Main Objects are twofold:

The advancement of education through the operation of an all through, co educational day School, with the availability of bursarial support to enable as wide as practicably possible access to the School.

The preservation of the School and its Grade A listed buildings as a permanent monument to former pupils who gave their lives in the First World War, 1914-1918.

● **Aims and impact**

Within these objects, the aim is to provide a first class all round education, through strong academic tuition, and through developing wider sporting, artistic and social skills in all its pupils. This provides an environment where each pupil can develop and fulfil his or her potential, to help build self-confidence and promote an understanding of and the wish to contribute to the wider community.

● **Grant making policies**

An Awards Sub-Committee of the Board of Governors oversees the School's policy on bursaries and to approve, on behalf of the Board, the number and level of bursaries awarded. A provision of £840,000 has been made in the Trust's financial forecast for bursaries for the 2020/21 academic year, continuing the year on year increase in the amount of means tested fee support which is provided by Kelvinside Academy and reflects the Board's objective to encourage wider access to the School.

The value of means tested bursaries awarded by the School during the academic year was £794,837, representing 12% of the School's fee income and some seventy seven pupils benefitting from this assistance. Bursaries given varied from 20% to 100% of the academic fee and 17 pupils received a fully assisted place. Financial support was also provided to pupils from external charities and individuals cooperating with the Trust to enable both new and existing pupils to benefit from an education at Kelvinside Academy.

Kelvinside Academy also encourages the children of both the teaching and support staff to attend the School by providing a fee remission scheme.

● **Volunteers**

The Kelvinside Academy and Craigholme Parents' Associations help on a voluntary basis with fundraising, cultural activities and the provision of equipment for the School. The Board would like to highlight the vital role played by the Parents' Associations and the enormous contribution that they make to so many aspects in the life of the School.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

● **Review of activities**

Kelvinside Academy

Kelvinside Academy is an innovative and ambitious school with a bold educational philosophy. With over 600 pupils from Nursery, through to Junior and Senior School we are large enough to run competitive sports programmes and small enough to tailor our education to every child. It is central to our approach that every child is known and nurtured. The main campus of the school is conveniently situated 100m to the North West of the Botanic Gardens in the West End of Glasgow.

The Kelvinside community has responded superbly well to the challenges of a Global pandemic in session 2019-2020. The positive responses the school has enjoyed are a direct result of responsible actions from all the constituent parts of the school: our staff, our pupils, our parents and our wider school community have all played their part. Kelvinside Academy has continued to progress through the year strongly and lead discussion around educational reform and positive change in Scottish education, and be as resilient as possible to the wider effects of the pandemic.

Coronavirus Response and Mitigation

When the Scottish Government announced school closure and national lock down beginning on 23 March 2020 we were fortunate to have had 8 years of sector leading Digital Education experience. As the 1st Digital Schools Award winner in the UK, operating a 1 to 1 device policy and a virtual learning environment since 2012, we moved to online remote learning with a minimum of fuss, and initiated an appropriate level of remote education for each age and stage.

Thanks to an efficient and timely course choice process in the Senior School we were also able to move Senior Phase classes onto their next year's timetable after the Easter break and begin next year's academic work throughout the summer term. Our daily timetable was adapted to recognise the pressure of remote learning and a wellbeing check in was added to the middle of the day so that pastoral staff could support young people experiencing isolation and difficulties associated with the pandemic. Staff in The Innovation School oversaw a community initiative to partner with key organisations and produce 80,000 PPE visors for NHS frontline staff, care home workers and other key staff in the national response to the pandemic. These members of staff partnered with numerous Glasgow businesses and worked throughout the summer distributing visors throughout Scotland and even as far as London hospitals, when requested. This work has been recognised by The TES as we have been shortlisted for an Independent School Community Initiative Award.

Senior Phase pupils were awarded qualifications based upon the Scottish Qualifications Authority's alternative certification model. Teaching staff were able from Preliminary examinations and in-class assessments to evidence our grades and a robust verification and moderation quality assured these grades. All our School leavers achieved expected grades and progressed on to positive university destinations. The loss of exams this year has not led to pupils missing out on university courses or destinations of their choosing. Most of our leavers have accessed university courses in Scottish Universities, with Edinburgh and Glasgow Universities receiving a high percentage. We have had a smaller number of leavers access English universities this year with Cambridge, UCL and Bath amongst the destinations. It is also pleasing to note the interest from our leavers in graduate apprenticeship schemes with companies such as Morgan Stanley and JP Morgan. We encourage our leavers to think about the course of study and approach that best suits them and for some of our leavers a "hands on" relevant workplace experience whilst also studying for their degree is an attractive offer. This option will grow with Kelvinside pupils we feel.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

The management of numerous Kelvinside Assets was developing well before the lockdown and this is an area we plan to redevelop once restrictions ease and it is safe to do so. Use of The John Duff Lodge and our Wilderness Campus on the Eastern edge of the Cairngorms has been curtailed by Coronavirus, with Easter camps cancelled and summer activities including Senior 6 weeks away and leadership camps also being cancelled. We plan to re-energise our Outdoor Education programme once restrictions are eased.

It is very pleasing to report that there has been considerable investment of time and resource to Level Best, the School's yacht and again we have plans to take pupils sailing as soon as it is safe and permissible to do so.

Sport has been very successful again in the time prior to lockdown with participation levels very high throughout the school. We continue to be the leading school and club in Scotland for Handball and amongst the strongest schools in Glasgow and Scotland for Hockey and Rugby. Prior to restrictions and lockdown, we also had a pleasing number of pupils on track for international recognition in Climbing, Handball, Hockey, Karate, and Rugby. Our approach is tailored to support individuals achieve their best, and whilst we have a participatory approach, this does not prevent our most hard working and competent pupils from achieving the highest levels of performance.

We continue to support The Glasgow Hawks RFC at our sports ground at Balgray, and look forward to seeing top Scottish club rugby played on our 1st XV pitch next season.

Innovation on the Kelvinside Academy curriculum

2019-20 was significant for Innovation at Kelvinside Academy as we officially opened our three-storey Innovation School on campus. Within the building we have created a digital design studio on the top floor, a presentation studio, which has the flexibility to also be used as a dance studio on the middle floor and a design and manufacture studio next door to a fabrication room on the ground floor. Moving into a purpose-built space, we moved Innovation from off-timetable studios for our Broad General Education phase, and younger pupils to offering curriculum lessons in Innovation for pupils in Senior 5/6 and Senior 3/4. The Senior 5/6 studio course is a year long and can be adapted for pupils in Senior 5 to follow a second year in Senior 6. The Senior 3/4 studio course is a two-year course to mirror the National 5 national qualification courses that pupils also study in Senior 3 and 4.

Some of the studios covered in this first year of innovation include, S3 – Playful Street Objects. Among the delightful chaos of busy city streets are "boring urban objects" that frequently go unnoticed on a daily commute - bins, electrical boxes, light poles, parking meters, and more. Students transformed these "boring street objects" into interactive objects that encourage play and collaboration in public space.

S5/6 – Devices for Activism. In this studio, students expanded on their existing research on contemporary social issues, and design and fabricate interactive devices that can be embedded around the city or on the body that empower a community to engage with other people, places and challenges through civic participation and engagement.

S5/6 – Emotional Conversations. Designing a wearable device aimed to encourage conversations and reduce stigma around mental health. The studio designs did this by allowing people to express their thoughts in modern fashion through a gear system of colours, emotions, and emojis.

The Innovation School Studio Partners include ongoing studio collaborations with Cerebral Palsy Scotland and Balmanno House. These partnerships have deepened students' engagement with the local community through empathy-centred design projects. Ongoing relationships with Balfour Beatty and their A9 Dualling Project collaboration and in-school collaboration with Filament PD have also been very beneficial for our pupils. Our work with NuVu Global is also developing well with webinars and discussion around the future of education and the need for skills and competencies-based approaches to complement the knowledge-based system we currently have.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

● **Craigholme School**

Although operating solely as a junior school and early year's facility with management and support roles being provided by Kelvinside Academy the school continued to record a significant operating deficit. The low pupil roll at the start of the session did not recover as expected during the first half of the school year and recruitment for 2021 was significantly affected by a rise in demand for bursaries from parents struggling to afford the cost of an Independent education. This was also not helped by the Covid pandemic. A restructure of the school staffing was commenced in February 2020 to address the operating deficit but it became apparent that with rising employment and premises costs that the school was not in a viable financial position. With great sadness the decision to close the school with effect from the end of the 2020 financial year was made.

The sale of the school campus was completed in January 2021 with proceeds from the sale used to address the school's liabilities.

● **Contribution to the Scottish Education and Public Benefit**

KA is firmly committed to contributing to the local community through partnership and outreach work. The following section, although far from exhaustive, provides examples of some of the community partnerships that KA has established.

Many teaching staff at KA work with the Scottish Qualifications Authority to write courses and mark exams. Indeed, a good number hold senior positions within the SQA, and the School also supports a number of student teachers in to the profession. KA welcomes pupils from local state schools, including Clevedon, to sit exam courses that are not offered at their schools. The School hosts a national ethics conference for pupils from across Scotland, and has established an open access curling club. Many KA pupils contribute to the Voluntary Tutor Organisation, which sees them help children from disadvantaged backgrounds with their schoolwork. KA supports numerous charities, including the Glasgow's Golden Generation (GGG). When supporting charities, the School always tries to not only fundraise, but to provide practical hands on support. With regards to GGG, this support includes befriending, and during the festive season, carol singing and serving the Christmas dinner. However, beyond these and many other routine partnerships, KA is involved in a number of more innovative collaborations, and two of these are outlined below.

● **KA-Kelvindale Primary School**

Over the past few years, KA has established a range of partnerships with Kelvindale Primary School. For example, our high performance rugby and hockey coaches run training sessions for Kelvindale pupils at no cost. This affords children from the local community who do not attend KA an opportunity to learn new sports and develop their skills with district and international level coaches.

Furthermore, Kelvinside Academy hosts Kelvindale Primary School at its Balgray Campus for a number of events, including the Kelvindale Sports Day.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

● **KA-Maryhill Integration Network**

In the Autumn of 2016 a group of senior KA pupils decided to reach out to the Syrian refugee population in neighbouring Maryhill. Subsequently, they formed a link with the Maryhill Integration Network, and it became clear that KA pupils could play an important role in helping refugees develop their English language skills.

To facilitate effective language teaching, KA pupils completed TEFL (Teaching English as a Foreign Language) qualifications. This allowed KA pupils to teach Syrian refugees of all ages on a weekly basis in Maryhill throughout the academic year. A highlight of the collaboration was a cultural awareness evening, which saw KA pupils, in kilts, teach ceilidh dancing to their Syrian peers.

The project has continued since, and is now led on the KA side by S6 pupils. Whilst the focus has remained on the teaching of language, sports and sessions on the main KA campus have also been held.

These two projects are examples of the active role KA plays in the local community.

● **Facilities Usage by Community and National Groups**

The school campus and sports pitches are available for use by local community and sporting organisations throughout the year and also provide a home for a number of school holiday activity camps. This year was affected by the Covid 19 lock down and operating restrictions with all external hiring's put-on hold from mid-February 2020 onwards.

POST BALANCE SHEET EVENTS

Early in 2020, the world started to face unprecedented uncertainty and disruption as a result of Covid-19. The results for this financial year have incorporated a period impacted by this global pandemic, which at the date of signing, continues to make itself felt throughout the world. The directors continue to consider the effects of this pandemic on the operations of the business, and going concern considerations and implications for the business post year end are noted in detail within section 2.2 in accounting policies.

INVESTMENTS POLICY

The Board of Governors Finance and Strategy Committee work alongside the School's investment advisors to ensure that we have the correct strategy to maximise the long term return on our investments and maintain income to help fund bursary awards. The statement of investment principles was reviewed in September 2017 by the Board and increased emphasis has been placed on reviewing social, environmental and ethical considerations when selecting new investments.

The Trust's bursary fund, The KA Foundation, is held as a designated fund and exists to help pupils who are unable to afford full fees to benefit from the education experience at Kelvinside Academy. The funds are invested to provide a balanced return from income and capital growth. The current income target is to generate a portfolio yield of around 4% with a medium/high risk approach. Around 50% of the assets in the portfolio are invested in direct equities and the remaining split between UK and international equity funds, fixed interest and index linked gilts. The Trust's portfolio is managed by Rathbones Stockbrokers on an advisory basis and a formal meeting takes place once a year with the Finance and Strategy Committee. Written updates on investment proposals and market conditions are provided by Rathbones for each Committee meeting who review the fund's performance using benchmarking against an agreed portfolio reference point, and the FTSE all share index. The fund has performed better than the market benchmark during the financial period and has continued to provide a yield of over 4%.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Results for the year

Kelvinside Academy began the 2020 financial period in its strongest position for many years with a growing pupil roll, in excess of 620 for the first time since 2008, and having made a significant investment in the Kirklee Campus with the opening of the ground-breaking Innovation School building. This situation helped the School successfully manage the challenges of the Covid-19 pandemic lockdown and associated restrictions. Whilst continuing to provide in-school education for the children of key workers of all age groups a comprehensive remote learning package was put in place for our remaining students. The School fully recognised the affect that the pandemic was having on the local business community and we were able to offer academic fee discounts to our parents for the summer term 2020 of £260,000. In addition to this we provided increased bursary support for struggling families and extended payment periods for academic fees. As a result of these measures the forecast budget figures for the period were not achieved and the audited financial statements for the year ended 31 July 2020 show net outgoing resources of £115,621, before net losses on investments, (2019 - £442,596 net incoming resources). Due to the falling school role at Craigholme School, a deficit of £1,043,659 was recorded for the year after a charge of £40,955 for depreciation and asset impairments of £255,174. On a consolidated basis, the deficit for the year was £1,159,280 before net losses on investments. Reacting to the difficult economic situation Kelvinside placed as many of its nursery and support staff as possible on the Government Furlough scheme and benefited to the tune of £222,000 from this. A review of all staffing was carried out and a redundancy programme took place across all areas of the school to ensure that staffing levels matched the requirement for the forthcoming 2021 school session. The majority of these redundancies were voluntary and support was provided to assist staff, where applicable in finding new employment. It is pleasing to note that pupil numbers in the school had returned to pre-lock down levels by February 2021 and recruitment for the next school year remains buoyant.

The school has a comprehensive business interruption insurance policy that it believed would cover any losses incurred by an event such as a global pandemic. In line with most independent schools in the UK a claim was filed for the Covid-19 outbreak but this was unsuccessful. An appeal was made against the decision through a group action taken by ISBA, however, this was also rejected.

Going concern

The Covid-19 pandemic has directly affected the school's educational activities with the restrictions imposed by the Government. The School has had to adapt to remote teaching whilst maintaining its financial resilience. The School has updated its budget and cashflow forecasts to July 2023 taking into account the current economic uncertainties. The Governors have a reasonable expectation that the school has adequate resources to continue in operation for the foreseeable future and for a period of at least 12 months from the date of approval of these accounts. Hence, the Governors are of the view that the charity is a going concern and the financial statements have been prepared on that basis. Further details are provided in accounting policy 2.2.

Pay policy for senior staff

The Board of Governors are the Directors and Trustees. All governors give of their time freely and no governor received remuneration in the year. Details of directors' expenses are disclosed in the notes to the accounts. The School's senior leadership team (SLT) comprises the Rector, Bursar, Deputy Rector, Head of the Junior School, Academic Deputy, Assistant Rector and the Director of Admissions and Communication. They are in charge of directing and controlling, running and operating the School on a day to day basis.

The pay of the senior staff is reviewed annually by a sub committee of the Board of Governors and is benchmarked against the pay scales of the SNCT and independent schools of a similar nature. Pay is also linked to the skills, experiences and competencies that the School needs from its senior staff and the scope of their roles.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

RISK MANAGEMENT

The Board of Governors are responsible for the management of the risks faced by the School. Risks are considered on a regular basis by the "Finance and Strategy" Committee consisting of members of the Board of Governors, the Rector, Deputy Rector and Bursar. Risks are identified and assessed, and controls are established throughout the year and are recorded using the risk register and management documentation. This consists of four principal areas: Finance, Legal & Regulation, Operational and Strategic. The prime focus throughout the period of this report has been in respect of financial risk and the significant impact of the loss of business rates relief for independent schools. Although this has now been postponed until April 2022 it will represent a significant increase in premises costs and will affect the school's ability to continue to provide the current level of bursary support. Whilst fee increases can mitigate against rising operational expenses they will have a direct impact on the number of parents who can afford to provide the benefits that a Kelvinside Education will give their children. The school conducts an annual review of staffing requirements and closely monitors expenditure in all areas to ensure that best value for money is provided by our academic fees. Kelvinside Academy receives substantial financial support from the parental and Academical communities through the very successful Development Organisation and this has enabled the school to maintain and broaden its facilities in recent years. A whole school Health & Safety Committee meets four times a year with this item being a standing agenda item on all Board of Governors, SLT, Board of Studies, Faculty and Departmental meetings. The Deputy Rector and Head of the Junior School lead an experienced Child Protection Team who report details of their work to the Board of Governors through the Education Committee. As already noted in this report, the Governors have taken appropriate action to mitigate as far as possible the risks associated with the Covid pandemic.

The Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that the systems can only provide reasonable but not absolute assurance.

Reserves

At 31 July 2020 total reserves were £7,938,053 of which £54,725 were restricted, £62,516 were endowed, and £7,818,598 were designated. This left reserves of £18,578 of which a further £4,567,583 were tied up in other fixed assets resulting in no available free reserves. Over the past few years the school has invested in the assets of the school which will allow it to generate future surpluses to build up its free reserves in line with its reserves policy. Since the year end the Craigholme fixed asset property has been sold which has allowed a reduction in debt.

The policy is to hold general unrestricted free reserves at a level of between three and six months operating expenditure.

FUTURE DEVELOPMENTS

The Board has two principal aims, that of ensuring the widest possible access to a Kelvinside Academy education and the continued development of the School and its facilities to meet future educational requirements. The Governors and Senior Leadership Team continue to work on business and development plans to ensure that the Trust's principal aims are met. The Covid pandemic has directly affected the School's activities since March 2020 as explained in the Governors' report however the Board and management team continue to focus on delivering the charity's aims and objectives.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Disclosure of information to auditor

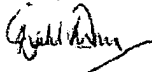
Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, French Duncan LLP, has indicated their willingness to continue in office. The Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors on 28 June 2021 and signed on their behalf by:



.....
J D G Wilson B.Acc. CA

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2020

The Governors (who are also the directors of Kelvinside Academy War Memorial Trust for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charitable company and of the incoming resources and application of resources, including their income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in operation.

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

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

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELVINSIDE ACADEMY WAR MEMORIAL TRUST

Opinion

We have audited the financial statements of Kelvinside Academy War Memorial Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Statement of Cash Flows, the Trust Statement of Cash Flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELVINSIDE ACADEMY WAR MEMORIAL TRUST (CONTINUED)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELVINSIDE ACADEMY WAR MEMORIAL TRUST (CONTINUED)

Responsibilities of governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELVINSIDE ACADEMY WAR MEMORIAL TRUST (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.



Antony J Sinclair (Senior Statutory Auditor)

for and on behalf of
French Duncan LLP

Chartered Accountants & Statutory Auditors

133 Finnieston Street

Glasgow

G3 8HB

Date: 9 July 2021

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

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	4	-	315,360	442,337	757,697	1,112,924
Charitable activities	5	-	132,257	6,292,955	6,425,212	8,309,683
Investments	6	-	-	25,450	25,450	45,568
Other income	7	-	-	45,302	45,302	2,008,716
Total income and endowments		-	447,617	6,806,044	7,253,661	11,476,891
Expenditure on:						
Raising funds	8,9	-	-	54,533	54,533	62,312
Charitable activities	10	-	447,617	7,910,791	8,358,408	9,965,539
Total expenditure		-	447,617	7,965,324	8,412,941	10,027,851
Net (expenditure)/income before net losses on investments		-	-	(1,159,280)	(1,159,280)	1,449,040
Net losses on investments		-	-	(74,746)	(74,746)	(12,923)
Net movement in funds before other recognised gains/(losses)		-	-	(1,234,026)	(1,234,026)	1,436,117
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	-	(119)	(119)	2,406
Net movement in funds		-	-	(1,234,145)	(1,234,145)	1,438,523

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2020

Note	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	62,516	54,725	9,054,957	9,172,198	7,733,675
Net movement in funds	-	-	(1,234,145)	(1,234,145)	1,438,523
Total funds carried forward	62,516	54,725	7,820,812	7,938,053	9,172,198

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

The notes on pages 26 to 54 form part of these financial statements.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC011734

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020

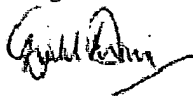
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	10,993,752	11,575,834
Investments	15	545,148	735,811
		<u>11,538,900</u>	<u>12,311,645</u>
Current assets			
Debtors	16	218,202	460,807
Cash at bank and in hand	23	1,606,829	1,119,287
		<u>1,825,031</u>	<u>1,580,094</u>
Creditors: amounts falling due within one year	17	(3,377,708)	(4,635,823)
Net current liabilities		<u>(1,552,677)</u>	<u>(3,055,729)</u>
Total assets less current liabilities		<u>9,986,223</u>	<u>9,255,916</u>
Creditors: amounts falling due after more than one year	18	(2,031,806)	(67,842)
Net assets excluding pension liability		<u>7,954,417</u>	<u>9,188,074</u>
Defined benefit pension scheme liability	26	(16,364)	(15,876)
Total net assets		<u><u>7,938,053</u></u>	<u><u>9,172,198</u></u>
Charity funds			
Endowment funds	19	62,516	62,516
Restricted funds	19	54,725	54,725
Unrestricted funds			
Unrestricted funds excluding pension liability	19	7,837,176	9,070,833
Pension reserve	19	(16,364)	(15,876)
Total unrestricted funds	19	<u>7,820,812</u>	<u>9,054,957</u>
Total funds		<u><u>7,938,053</u></u>	<u><u>9,172,198</u></u>

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC011734

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2020

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 28 June 2021 and signed on their behalf by:



.....
J D G Wilson B.Acc. CA



.....
A C Palmer B.Acc. CA

The notes on pages 26 to 54 form part of these financial statements.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC011734

TRUST BALANCE SHEET
AS AT 31 JULY 2020

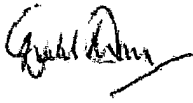
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	8,393,752	8,066,967
Investments	15	544,864	735,527
		<u>8,938,616</u>	<u>8,802,494</u>
Current assets			
Debtors	16	1,512,819	657,687
Cash at bank and in hand		1,577,656	1,113,298
		<u>3,090,475</u>	<u>1,770,985</u>
Creditors: amounts falling due within one year	17	(2,008,653)	(2,324,007)
Net current assets /(liabilities)		<u>1,081,822</u>	<u>(553,022)</u>
Total assets less current liabilities		<u>10,020,438</u>	<u>8,249,472</u>
Creditors: amounts falling due after more than one year	18	(2,031,806)	(67,842)
Net assets excluding pension liability		<u>7,988,632</u>	<u>8,181,630</u>
Defined benefit pension scheme liability	26	(13,364)	(15,876)
Total net assets		<u><u>7,975,268</u></u>	<u><u>8,165,754</u></u>
Charity funds			
Endowment funds	19	62,516	62,516
Restricted funds	19	49,738	49,738
Unrestricted funds			
Unrestricted funds excluding pension liability	19	7,876,378	8,069,376
Pension reserve	19	(13,364)	(15,876)
Total unrestricted funds	19	<u>7,863,014</u>	<u>8,053,500</u>
Total funds		<u><u>7,975,268</u></u>	<u><u>8,165,754</u></u>

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC011734

TRUST BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2020

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 28 June 2021 and signed on their behalf by:



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J D G Wilson B.Acc. CA



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A C Palmer B.Acc. CA

The notes on pages 26 to 54 form part of these financial statements.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(328,068)	192,774
Cash flows from investing activities			
Dividends, interest and rents from investments		25,450	45,568
Proceeds from the sale of tangible fixed assets		724,011	-
Purchase of tangible fixed assets		(627,834)	(1,969,287)
Proceeds from sale of investments		199,344	199,455
Purchase of investments		(83,427)	-
Net cash provided by/(used in) investing activities		237,544	(1,724,264)
Cash flows from financing activities			
Cash inflows from new borrowing		1,282,153	937,173
Repayments of borrowing		(130,808)	(14,340)
Net cash provided by financing activities		1,151,345	922,833
Change in cash and cash equivalents in the year		1,060,821	(608,657)
Cash and cash equivalents at the beginning of the year		546,008	1,154,665
Cash and cash equivalents at the end of the year	23	1,606,829	546,008

The notes on pages 26 to 54 form part of these financial statements

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

TRUST STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(415,334)	1,205,724
Cash flows from investing activities			
Dividends, interests and rents from investments		25,450	45,568
Purchase of tangible fixed assets		(543,828)	(2,269,287)
Proceeds from sale of investments		199,344	199,455
Purchase of investments		(83,427)	-
Net cash used in investing activities		(402,461)	(2,024,264)
Cash flows from financing activities			
Cash inflows from new borrowing		1,282,153	777,173
Net cash provided by financing activities		1,282,153	777,173
Change in cash and cash equivalents in the year		464,358	(41,367)
Cash and cash equivalents at the beginning of the year		1,113,298	1,154,665
Cash and cash equivalents at the end of the year	23	1,577,656	1,113,298

The notes on pages 26 to 54 form part of these financial statements

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. General information

The Trust is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee (Investment) Scotland Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

Kelvinside Academy War Memorial Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its charitable subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

The governors ordinarily review the charity's forecasts and projections to ensure that Kelvinside Academy War Memorial Trust has sufficient resources to enable it to meet its liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements.

In common with other charitable organisations, Kelvinside Academy War Memorial Trust depends upon income from its pupils, donors, grant givers and other supporters in order to ensure its charitable objectives continue to be achieved. The trustees have reviewed and updated the forecasts and projections in light of the Covid-19 pandemic, and the potential impact upon future income streams and services provided, including the actions that could be taken if income were to reduce. Advantage has been taken of government support and initiatives, and the charity has good relationships with both its funders and pupils with no reason to believe this will not continue in current and future years. The charity also has a strong cash balance, and the team have adapted and are working well within the Covid-19 restrictions. After taking all these factors into account, the governors are of the opinion that Kelvinside Academy War Memorial Trust has and will have adequate financial resources to continue its activities for at least 12 months from when the accounts are approved and hence the accounts are prepared on a going concern basis.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.3 Basis of consolidation

The financial statements consolidate the accounts of Kelvinside Academy War Memorial Trust and all of its subsidiary undertakings ("subsidiaries").

The accounts of Kelvinside Academy and Craigholme School have non-coterminous year ends and the consolidated accounts include the results of Craigholme School for the year ended 29 June 2020.

The individual accounts for Craigholme School were prepared on a non-going concern basis due to the decision to close the school at the end of the 2019/20 session. There is no impact on the consolidated Balance Sheet.

The Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The Income and Expenditure Account for the year dealt with in the accounts of the Trust showed a deficit of £190,486 (2019 - surplus of £432,079) after net losses on investments and actuarial pension movements.

2.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charitable company, or the charitable company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.5 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Raising funds include those costs which are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.7 Interest receivable

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

2.8 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Heritable property	- 1% per annum straight line
Long-term leasehold property	- over remaining length of lease
Fixtures and Fittings	- 10% - 33% per annum straight line
Library project	- 20% per annum straight line
Office equipment	- 25% per annum straight line
Outdoor centre	- over remaining length of lease
Building improvements	- 5% - 10% per annum straight line

2.10 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 the 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 Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 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.

2.12 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.

KELVINSIDE ACADEMY WAR MEMORIAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities and provisions 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 charitable group 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.

2.14 Financial instruments

The charitable group 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.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.16 Pensions

The charitable group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

The charitable group operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS 102, the charitable company accounts for the plan as if it was a defined contribution scheme. The amount charged to the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account represents contributions payable to the scheme in respect of the accounting period.

The charitable group is also a member of a multi-employer defined benefits pension scheme for other staff and retirement benefits are funded by the contributions from all participating employers. Payments are made in accordance with periodic valuations by the scheme actuary. The company accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary and reported in the Balance Sheet. Defined benefit costs are recognised in the Statement of Financial Activities.

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2. Accounting policies (continued)

2.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Governors 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 Group 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.

2.18 Value added tax

The charitable group is not registered for VAT and accordingly all figures in the financial statements are disclosed inclusive of irrecoverable VAT.

3. Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Property and equipment

The estimates and assumptions made to determine the depreciation charge requires judgements to be made regarding useful lives and residual values. The useful lives and residual values of the group's financial assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets and in the current year there have been no changes in useful lives noted.

Bad debt provision

The recoverability of trade and other debtor balances requires management judgement based on the information available. Circumstances can change and as a result judgement would be reassessed.

Defined benefit pension liability

The value of the defined benefit pension liability is based on estimates and assumptions as determined by a scheme actuary. The scheme actuary is classed as an expert.

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4. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	315,360	155,904	471,264	1,112,924
Government grants	-	286,433	286,433	-
Total 2020	315,360	442,337	757,697	1,112,924
<i>Total 2019</i>	<i>1,112,924</i>	<i>-</i>	<i>1,112,924</i>	

5. Income from charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
School fees	-	6,163,561	6,163,561	7,843,093
Council funding	-	-	-	3,326
Other educational income	-	3,690	3,690	5,050
Other ancillary activities	132,257	125,704	257,961	458,213
Total 2020	132,257	6,292,955	6,425,212	8,309,682
<i>Total 2019</i>	<i>189,083</i>	<i>8,120,599</i>	<i>8,309,682</i>	

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6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Income from UK listed investments	24,534	24,534	41,696
Bank interest receivable	916	916	3,872
Total 2020	<u>25,450</u>	<u>25,450</u>	<u>45,568</u>
<i>Total 2019</i>	<u>45,568</u>	<u>45,568</u>	

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Gain on sale of fixed assets	27,267	27,267	-
Other income	18,035	18,035	2,008,716
	<u>45,302</u>	<u>45,302</u>	<u>2,008,716</u>

In 2019, £2,003,729 of income was attributable to unrestricted funds and £4,987 was attributable to restricted funds. The unrestricted income included £1,904,161 which represented the net assets of Craigholme School at the date financial and operational control was established. These were represented by fixed assets of £3,863,735, current assets of £201,802 and current and non-current creditors of £1,345,344 and £816,032 respectively.

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8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Cost of fundraising	16,655	16,655	35,645
Voluntary income staff costs	36,419	36,419	24,696
	<u>53,074</u>	<u>53,074</u>	<u>60,341</u>
<i>Total 2019</i>	<u>60,341</u>	<u>60,341</u>	

9. Investment management costs

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment management fees	1,459	1,459	1,971
	<u>1,459</u>	<u>1,459</u>	<u>1,971</u>

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10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	5,528,356	-	5,528,356	6,665,209
Welfare	241,154	-	241,154	265,748
Premises	1,070,101	-	1,070,101	1,493,123
Support costs of schooling	1,475,979	42,818	1,518,797	1,541,459
	<u>8,315,590</u>	<u>42,818</u>	<u>8,358,408</u>	<u>9,965,539</u>
<i>Total 2019</i>	<u>9,927,883</u>	<u>37,656</u>	<u>9,965,539</u>	

In 2019, £9,298,965 of expenditure on charitable activities was attributable to unrestricted funds and £666,574 was attributable to restricted funds.

Analysis of direct costs

	Teaching 2020 £	Welfare 2020 £	Premises 2020 £	Support costs of schooling 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	4,837,762	-	254,037	773,123	5,864,922	6,829,859
Depreciation	119,194	-	125,521	13,283	257,998	267,428
Teaching	571,400	241,154	678,543	641,366	2,132,463	2,498,498
Premises	-	-	12,000	-	12,000	12,000
Other support costs	-	-	-	48,207	48,207	25,644
Professional fees	-	-	-	-	-	294,454
	<u>5,528,356</u>	<u>241,154</u>	<u>1,070,101</u>	<u>1,475,979</u>	<u>8,315,590</u>	<u>9,927,883</u>
<i>Total 2019</i>	<u>6,665,209</u>	<u>265,748</u>	<u>1,493,123</u>	<u>1,503,803</u>	<u>9,927,883</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs of schooling 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	20,217	20,217	18,884
Governance costs	22,601	22,601	18,772
	<u>42,818</u>	<u>42,818</u>	<u>37,656</u>
<i>Total 2019</i>	<u>37,656</u>	<u>37,656</u>	

A proportion of the Bursar's salary has been allocated to governance costs on the basis of time spent.

11. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	10,300	10,000
Fees payable to the Trust's auditor in respect of: The auditing of accounts of the subsidiary of the Trust	<u>10,438</u>	<u>8,180</u>

12. Staff costs

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Wages and salaries	4,735,844	5,649,441	4,078,909	3,692,820
Social security costs	440,274	528,512	397,417	359,557
Contribution to defined contribution pension schemes	745,440	695,486	682,889	476,082
	<u>5,921,558</u>	<u>6,873,439</u>	<u>5,159,215</u>	<u>4,528,459</u>

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12. Staff costs (continued)

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

	Group 2020 No.	<i>Group 2019 No.</i>
Teachers	75	108
Domestic	16	23
Premises, ground and administration	36	35
	<u>127</u>	<u>166</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	<i>Group 2019 No.</i>
In the band £60,001 - £70,000	-	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1

Total employer pension contributions in the year in respect of employees earning more than £60,000 were £33,057 (2019 - £38,525).

The key management personnel of the charitable company are the Board of Governors and the School's senior management team. The School's senior management team comprises the Rector, Bursar, Head of the Junior School, Academic Deputy, Assistant Rector, Director of Admissions and Communication and the Head of Guidance and PS. The total employer benefits of the key management personnel were £618,830 (2019 - £638,580).

13. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 July 2020, no Governor expenses have been incurred (2019 - £592 to one governor).

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14. Tangible fixed assets

Group

	Heritable property & building improvements £	Long-term leasehold property £	Library Project £	Equipment £	Total £
Cost or valuation					
At 1 August 2019	12,354,358	486,752	243,082	2,630,775	15,714,967
Additions	588,117	-	7,994	31,723	627,834
Disposals	(725,000)	-	-	(744)	(725,744)
Impairment	(238,422)	-	-	(654,788)	(893,210)
At 31 July 2020	11,979,053	486,752	251,076	2,006,966	14,723,847
Depreciation					
At 1 August 2019	1,368,650	125,847	145,662	2,498,974	4,139,133
Charge for the year	121,728	13,283	50,215	72,772	257,998
On disposals	(29,000)	-	-	-	(29,000)
On impairment	-	-	-	(638,036)	(638,036)
At 31 July 2020	1,461,378	139,130	195,877	1,933,710	3,730,095
Net book value					
At 31 July 2020	10,517,675	347,622	55,199	73,256	10,993,752
At 31 July 2019	10,985,708	360,905	97,420	131,801	11,575,834

Since the year end the Craigholme School property was sold and the carrying value at the year end has been impaired. Further details are included in note 29.

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14. Tangible fixed assets (continued)

Trust

	Heritable property & building improvements £	Long-term leasehold property £	Library project £	Equipment £	Total £
Cost or valuation					
At 1 August 2019	8,838,108	486,752	243,082	2,583,574	12,151,516
Additions	504,111	-	7,994	31,723	543,828
At 31 July 2020	<u>9,342,219</u>	<u>486,752</u>	<u>251,076</u>	<u>2,615,297</u>	<u>12,695,344</u>
Depreciation					
At 1 August 2019	1,332,400	125,847	145,662	2,480,640	4,084,549
Charge for the year	92,144	13,283	50,215	61,401	217,043
At 31 July 2020	<u>1,424,544</u>	<u>139,130</u>	<u>195,877</u>	<u>2,542,041</u>	<u>4,301,592</u>
Net book value					
At 31 July 2020	<u>7,917,675</u>	<u>347,622</u>	<u>55,199</u>	<u>73,256</u>	<u>8,393,752</u>
At 31 July 2019	<u>7,505,708</u>	<u>360,905</u>	<u>97,420</u>	<u>102,934</u>	<u>8,066,967</u>

15. Fixed asset investments

Group	Investment in subsidiary company £	Investment in participating interest £	Listed securities £	Other investments £	Total £
Cost or valuation					
At 1 August 2019	-	40,000	695,527	284	735,811
Additions	1	-	83,426	-	83,427
Disposals	-	-	(203,560)	-	(203,560)
Revaluations	-	-	(70,530)	-	(70,530)
At 31 July 2020	<u>1</u>	<u>40,000</u>	<u>504,863</u>	<u>284</u>	<u>545,148</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments (continued)

Trust	Investment in subsidiary company £	Investment in participating interest £	Listed securities £	Total £
Cost or valuation				
At 1 August 2019	-	40,000	695,527	735,527
Additions	1	-	83,426	83,427
Disposals	-	-	(203,560)	(203,560)
Revaluations	-	-	(70,530)	(70,530)
At 31 July 2020	1	40,000	504,863	544,864

Group Investments comprise

	2020 £	2019 £
Listed investments at market value	504,863	695,527
Participating interests at cost	40,000	40,000
Other fixed asset investments	284	284
Investment in subsidiary at cost	1	-
Total	545,148	735,811

The following was a subsidiary undertaking of the Trust:

Name	Company number	Principal activity	Class of shares	Holding
Nuvu Global Limited	SC651074	Dormant	Ordinary	100%

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Trust 2020 £	<i>Trust 2019 £</i>
Trade debtors	112,638	177,936	59,734	87,374
Amounts owed by group undertakings	-	-	1,360,444	432,334
Amounts owed by participating interests	24,500	21,500	24,500	21,500
Other debtors	8,223	161,578	7,722	45,805
Prepayments and accrued income	72,841	99,793	60,419	70,674
	<u>218,202</u>	<u>460,807</u>	<u>1,512,819</u>	<u>657,687</u>

17. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Trust 2020 £	<i>Trust 2019 £</i>
Bank overdrafts	-	573,279	-	-
Bank loans	988,911	1,829,233	67,659	777,173
Trade creditors	107,127	229,384	53,258	89,049
Other taxation and social security	454,005	230,808	414,131	93,176
Other creditors	658,388	534,966	327,123	189,341
Accruals and deferred income	1,169,277	1,238,153	1,146,482	1,175,268
	<u>3,377,708</u>	<u>4,635,823</u>	<u>2,008,653</u>	<u>2,324,007</u>

The bank holds a Bond & Floating charge over the whole assets of the company and a Standard Security over Kirklee Road, Glasgow, G12 0SW. There is also a cross corporate guarantee between Kelvininside Academy War Memorial Trust and a third party.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year (continued)

Deferred Income - Trust

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Deferred income at 1 August 2019	1,098,092	1,098,092	178,039
Resources deferred during the year	1,053,293	1,053,293	1,098,092
Amounts released from previous years	(1,098,092)	(1,098,092)	(178,039)
Deferred income at 31 July 2020	1,053,293	1,053,293	1,098,092

Deferred income includes school fees and related income received in advance by the charitable company.

18. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Bank loans	1,991,667	-	1,991,667	-
Accruals and deferred income	40,139	67,842	40,139	67,842
	2,031,806	67,842	2,031,806	67,842

Included within the above are amounts falling due as follows:

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Between one and two years				
Bank loans	168,466	-	168,466	-
Between two and five years				
Bank loans	514,143	-	514,143	-
Over five years				
Bank loans	1,309,058	-	1,309,058	-

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18. Creditors: Amounts falling due after more than one year (continued)

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Payable or repayable by instalments	1,309,058	-	1,309,058	-

19. Statement of funds

Statement of funds - current year - group

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Unrestricted funds						
Designated funds						
Capital Fund	6,499,838	-	-	(73,669)	-	6,426,169
KA Foundation	1,123,175	24,534	(24,534)	-	(74,746)	1,048,429
The Craigholme Foundation	344,000	-	-	-	-	344,000
	<u>7,967,013</u>	<u>24,534</u>	<u>(24,534)</u>	<u>(73,669)</u>	<u>(74,746)</u>	<u>7,818,598</u>
General funds						
General Fund	1,103,820	6,781,510	(7,940,790)	74,038	-	18,578
Pension reserve	(15,876)	-	-	(369)	(119)	(16,364)
	<u>1,087,944</u>	<u>6,781,510</u>	<u>(7,940,790)</u>	<u>73,669</u>	<u>(119)</u>	<u>2,214</u>
Total Unrestricted funds	<u>9,054,957</u>	<u>6,806,044</u>	<u>(7,965,324)</u>	<u>-</u>	<u>(74,865)</u>	<u>7,820,812</u>
Endowment funds						
Warden Bursary	62,516	-	-	-	-	62,516

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Restricted funds						
Miller Drummond Bequest	26,657	-	-	-	-	26,657
Curling Fund	20,756	-	-	-	-	20,756
Other restricted funds including lunches	-	132,257	(132,257)	-	-	-
Other restricted bursary funds	-	47,000	(47,000)	-	-	-
Innovation School	-	268,360	(268,360)	-	-	-
John Duff Lodge	2,325	-	-	-	-	2,325
Prize Fund	2	-	-	-	-	2
Ruth Campbell Memorial Fund	4,985	-	-	-	-	4,985
	<u>54,725</u>	<u>447,617</u>	<u>(447,617)</u>	<u>-</u>	<u>-</u>	<u>54,725</u>
Total of funds	<u>9,172,198</u>	<u>7,253,661</u>	<u>(8,412,941)</u>	<u>-</u>	<u>(74,865)</u>	<u>7,938,053</u>

Included within the group statement of funds are the following fund balances for the Trust:

Endowment funds - £62,516 (2019 - £62,516).

Restricted funds: £49,738 (2019 - £49,738) excluding the Prize Fund and Ruth Campbell Memorial Fund relating to Craigholme School.

Unrestricted funds - £7,863,014 (2019 - £8,053,500) excluding the Craigholme Foundation designated fund, and a general fund deficit of £(386,202) relating to Craigholme School.

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19. Statement of funds (continued)

Statement of funds - prior year - group

	<i>Balance at 1 August 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 July 2019 £</i>
Unrestricted funds						
Designated funds						
Capital Fund	5,869,487	-	-	630,351	-	6,499,838
KA Foundation	1,110,796	41,696	(41,696)	-	12,379	1,123,175
The Craigholme Foundation	-	344,000	-	-	-	344,000
	<u>6,980,283</u>	<u>385,696</u>	<u>(41,696)</u>	<u>630,351</u>	<u>12,379</u>	<u>7,967,013</u>
General funds						
General Fund	535,512	9,784,201	(9,319,581)	128,990	(25,302)	1,103,820
Pension reserve	(20,714)	-	-	2,432	2,406	(15,876)
	<u>514,798</u>	<u>9,784,201</u>	<u>(9,319,581)</u>	<u>131,422</u>	<u>(22,896)</u>	<u>1,087,944</u>
Total Unrestricted funds	<u>7,495,081</u>	<u>10,169,897</u>	<u>(9,361,277)</u>	<u>761,773</u>	<u>(10,517)</u>	<u>9,054,957</u>
Endowment funds						
Warden Bursary	<u>62,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,516</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 August 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 July 2019 £</i>
Restricted funds						
Miller Drummond Bequest	26,657	-	-	-	-	26,657
Curling Fund	20,756	-	-	-	-	20,756
Other restricted funds including lunches	-	190,007	(190,007)	-	-	-
Other restricted bursary funds	-	12,000	(12,000)	-	-	-
Innovation School	126,340	1,100,000	(464,567)	(761,773)	-	-
John Duff Lodge	2,325	-	-	-	-	2,325
Prize Fund	-	2	-	-	-	2
Ruth Campbell Memorial Fund	-	4,985	-	-	-	4,985
	<u>176,078</u>	<u>1,306,994</u>	<u>(666,574)</u>	<u>(761,773)</u>	<u>-</u>	<u>54,725</u>
Total of funds	<u><u>7,733,675</u></u>	<u><u>11,476,891</u></u>	<u><u>(10,027,851)</u></u>	<u><u>-</u></u>	<u><u>(10,517)</u></u>	<u><u>9,172,198</u></u>

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19. Statement of funds (continued)

The Capital Fund represents the net book value of certain tangible fixed assets. There is a heritable security granted by the company in favour of Historic Scotland.

The Warden Bursary Fund was created with a capital sum of £50,000 and uses the interest received to fund bursaries for children who have attended at least one year at the School but find their financial situation has deteriorated and are unable to afford the fees to attend the School. There were no bursaries granted during the current or prior year.

The Miller Drummond Bequest exists to provide bursaries to pupils of gifted musical ability. Bursaries of £nil were granted during the year (2019 - £nil).

The KA Foundation exists to help provide bursaries for pupils who are new to the School, but are unable to afford full fees and for existing pupils whose personal circumstances change. Bursaries are currently paid out of general funds. During the year these amounted to £794,837 (2019 - £592,203). The KA Foundation has recognised incoming resources of £24,534 (2019 - £41,696) and losses on investment revaluations of £74,746 (2019 - £12,379 gain).

The Curling Fund was created from a capital donation of £20,756 to further the sport of Curling and enhance the School's provision of equipment for the sport.

Other Restricted Funds relate to income and expenditure in respect of lunches and other dining hall charges.

Other Restricted Bursary Funds relate to amounts received from W.A. Cargill Fund and Andrew Patron's Charitable Trust to be used in respect of bursary funding.

The Innovation School is an addition to the current curriculum at the School offering a unique Summer Tech Camp in Glasgow. Donations of £268,360 were received in the year towards this project (2019 - £1.1m). During the year £nil (2019 - £761,773) was transferred from the Innovation School to the Capital Fund.

The John Duff Lodge provides the School with an outdoor education programme which is part of a wide-ranging educational strategy implemented throughout the School.

The Prize Funds is utilised to offset the cost of prizes.

The Ruth Campbell Memorial Fund is utilised to support former pupils undertaking approved projects.

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20. Summary of funds

Summary of funds - current year - group

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Designated funds	7,967,013	24,534	(24,534)	(73,669)	(74,746)	7,818,598
General funds	1,087,944	6,781,510	(7,940,790)	73,669	(119)	2,214
Endowment funds	62,516	-	-	-	-	62,516
Restricted funds	54,725	447,617	(447,617)	-	-	54,725
	<u>9,172,198</u>	<u>7,253,661</u>	<u>(8,412,941)</u>	<u>-</u>	<u>(74,865)</u>	<u>7,938,053</u>

Summary of funds - prior year - group

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Designated funds	6,980,283	385,696	(41,696)	630,351	12,379	7,967,013
General funds	514,798	9,784,201	(9,319,581)	131,422	(22,896)	1,087,944
Endowment funds	62,516	-	-	-	-	62,516
Restricted funds	176,078	1,306,994	(666,574)	(761,773)	-	54,725
	<u>7,733,675</u>	<u>11,476,891</u>	<u>(10,027,851)</u>	<u>-</u>	<u>(10,517)</u>	<u>9,172,198</u>

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year - group

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	10,993,752	10,993,752
Fixed asset investments	-	-	545,148	545,148
Current assets	62,516	54,725	1,707,790	1,825,031
Creditors due within one year	-	-	(3,377,708)	(3,377,708)
Creditors due in more than one year	-	-	(2,031,806)	(2,031,806)
Provisions for liabilities and charges	-	-	(16,364)	(16,364)
Total	62,516	54,725	7,820,812	7,938,053

Analysis of net assets between funds - prior year - group

	Endowment funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	11,575,834	11,575,834
Fixed asset investments	-	-	735,811	735,811
Current assets	62,516	54,725	1,462,853	1,580,094
Creditors due within one year	-	-	(4,635,823)	(4,635,823)
Creditors due in more than one year	-	-	(67,842)	(67,842)
Provisions for liabilities and charges	-	-	(15,876)	(15,876)
Total	62,516	54,725	9,054,957	9,172,198

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22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(1,234,026)	1,436,117	(190,367)	429,673
Adjustments for:				
Depreciation charges	257,998	267,428	217,043	212,844
Impairment	255,174	-	-	-
Dividends, interests and rents from investments	(25,450)	(45,568)	(25,450)	(45,568)
Profit on the sale of fixed assets	(27,267)	-	-	-
Decrease/(increase) in debtors	242,605	(398,013)	(855,132)	(473,801)
Increase in creditors	127,783	1,036,387	366,457	1,072,085
Pension - net interest	143	333	143	333
Pension - deficit contributions paid	(2,774)	(2,765)	(2,774)	(2,765)
Loss on revaluation of investments	74,746	12,923	74,746	12,923
Non-cash movements	-	(2,114,068)	-	-
Increase in pension liability	3,000	-	-	-
Net cash provided by/(used in) operating activities	(328,068)	192,774	(415,334)	1,205,724

23. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Cash in hand	6,724	6,508	705	519
Bank accounts	1,600,105	1,112,779	1,576,951	1,112,779
Overdraft facility repayable on demand	-	(573,279)	-	-
Total cash and cash equivalents	1,606,829	546,008	1,577,656	1,113,298

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24. Analysis of changes in net debt

	At 1 August 2019	Cash flows	At 31 July 2020
	£	£	£
Cash at bank and in hand	1,119,287	487,542	1,606,829
Bank overdrafts repayable on demand	(573,279)	573,279	-
Debt due within 1 year	(1,829,233)	840,322	(988,911)
Debt due after 1 year	-	(1,991,667)	(1,991,667)
	<u>(1,283,225)</u>	<u>(90,524)</u>	<u>(1,373,749)</u>

25. Contingent liabilities

A contingent liability exists with Historic Scotland as part of the conditions on a grant received for the preservation of the building. In the event of the building being disposed of or leased, part or all of the grant may be repayable to Historic Scotland. The maximum amount that could be repaid is £331,950.

In addition, Historic Scotland hold a standard security over the property.

26. Pension commitments

Scottish Teachers' Superannuation Scheme and Scottish Teachers' Pension Scheme 2015

Kelvinside Academy participates in the Scottish Teachers' Pension Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four yearly valuation was undertaken as at 31 March 2016. This valuation informed an increase in the employer contribution rate from 17.2% to 23% of pensionable pay from September 2019 and an anticipated yield of 9.4% employees contribution.

Kelvinside Academy has no liability for other employers' obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind up of the scheme or withdrawal from the scheme.

Kelvinside Academy and Craigholme School participate in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the school is unable to identify its share of the underlying assets and liabilities of the scheme. The employer contribution rate for the period is 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay. While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. The cost cap will

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26. Pension commitments (continued)

be reconsidered once the final decision on a remedy and how this affects the Scottish Teachers' Pension Scheme is known and its impact fully assessed in relation to any additional costs to the scheme.

The pension cost in respect of this scheme for the year was £605,865 (2019 - £621,010) and represents a fair estimate of the annual pension cost as defined by FRS 102. Accordingly this is the amount charged in the accounts.

The Pension Trust's Growth Plan

Kelvinside Academy participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11.2m per annum (payable monthly and increasing by 3% on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 30 September 2025: £12.9m per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54.6k per annum (payable monthly and increasing by 3% each on 1st April).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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26. Pension commitments (continued)

Reconciliation of opening and closing provision

	2020 £	2019 £
Provision at start of period	15,876	20,714
Unwinding of the discount factor (interest expense)	143	333
Deficit contribution paid	(2,774)	(2,765)
Remeasurements - impact of any change in assumptions	119	307
Remeasurements - amendments to the contribution schedule	-	(2,713)
Provision at the end of the period	13,364	15,876

LGPS

Other staff at Craigholme School are covered by the Local Government Pension Scheme (LGPS) through Strathclyde Pension Fund. This scheme is a defined benefit scheme, which provides benefits based on final pensionable salary.

Employer contributions to the scheme during the year amounted to £4,759 (2019 - £2,047). Since the year end, the charity has entered an agreement to exit this scheme at a cost of £3,000. This exit cost has been provided in these accounts.

Other

Payments were also made to auto-enrolment and other schemes during the year amounting to £77,024 (2019 - £72,429).

27. Operating lease commitments

At 31 July 2020 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within 1 year	6,748	34,698
Between 1 and 5 years	16,660	32,312
	23,408	67,010

28. Related party transactions

During the year, apart from normal school fees paid by parent Governors, donations of £nil (2019 - £1,000,000) were received without conditions from trustees and related parties.

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29. Post balance sheet events

During the year, and since the year-end, the Covid-19 pandemic has continued to have a significant impact on our way of life and the School's activities. In the 2020-21 session the School closed mid December for all pupils except those of key workers and this continued until late February with the return of Junior school pupils. From 15 March a limited number of senior school pupils were permitted to return under 2m social distancing restrictions with around 50% of students on campus at any time. Educational services were provided remotely during the spring term to all pupils not permitted to attend in person with a combination of on-line lessons and home study. All pupils and staff returned to the school buildings at the start of the summer term on 19 April under government guidelines and measures put in place to reduce the risk of Covid transmission. The economic uncertainty caused by the Covid pandemic will continue for the foreseeable future, however the School has robust budgeting and cashflow forecasting procedures in place to ensure it is able to continue to provide its broad range of educational activities. Further details are provided in accounting policies note 2.2.

Following the decision to wind up the charity, Craigholme School was closed at the end of the 2019-2020 session, with several staff being made redundant.

Since the year end the remaining property asset owned by Craigholme School sold for £2,600,000, before costs and accordingly an impairment adjustment has been made in these accounts. In addition, the charity has entered an agreement to exit the LGPS and further details are included in note 26.

30. Controlling party

In the opinion of the Governors, the Trust had no overall controlling party at the balance sheet date.

31. Principal subsidiaries

Craigholme School

Subsidiary name	Craigholme School
Company registration number	SC022095
Charity registration number	SC014860
Basis of control	Power to govern the financial and operating policies
Total assets as at 29 June 2020	£2,695,284
Total liabilities as at 29 June 2020	£(2,729,499)
Total equity as at 29 June 2020	£(37,215)
Income for the year ended 29 June 2020	£451,679
Expenditure for the year ended 29 June 2020	£1,495,338
Result for the year ended 29 June 2020	£(1,043,659)