

REGISTERED COMPANY NUMBER: SC405964 (Scotland)  
REGISTERED CHARITY NUMBER: SC045144

COMPANIES HOUSE  
EDINBURGH

29 MAR 2019

FRONT DESK

Report of the Trustees and  
Audited Financial Statements for the Year Ended 30 June 2018  
for  
Newlands Junior College Limited



**Newlands Junior College Limited**

**Contents of the Financial Statements  
for the Year Ended 30 June 2018**

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**Report of the Trustees  
for the Year Ended 30 June 2018**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2018. The trustees have adopted the provisions of 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 2015).

**OBJECTIVES AND ACTIVITIES**

**Client group**

Young people aged 14 to 16, and interest in their continuing development thereafter.

**Mission**

Newlands Junior College (NJC) exists in order to provide opportunities for young people who have potential but are at risk of disengaging from education and failing to find a fulfilling and rewarding role in later life.

NJC was set up as a 5-year project to prove a new innovative approach and curriculum to help these young people. The project was set up in Glasgow with the support of Glasgow City Council who nominate students who might benefit from the new approach. The aim of the project is to prove the concept and seek to mainstream the concept across local authorities in Scotland. The Trustees acknowledge the financial support from the private sector, Glasgow City Council and the Scottish Government in the funding of this project, and the additional support from the private sector in providing work experience, mentoring and job opportunities for the students.

**Purpose**

NJC prepares young people for employment and college places through a vocationally focused educational experience aimed at developing the students' existing and latent potential. With positive relationships as the key to success, the experience provides a skills-based, personalised approach through which individual excellence is fostered in preparation for work.

**Curriculum**

The curriculum is markedly different from that experienced in secondary schools, being designed around the four areas given below:

- Academic: English, IT, Mathematics and Physics.
- Vocational: focused on career opportunities provided by partners including City of Glasgow College, GTG Training and the Riverside Music Complex.
- Personal development: enhances the students' experiences, has a focus on the development of skills for life and includes components like the ASDAN Personal Development Award, the Duke of Edinburgh Award and Outward Bound experiences.
- Work experience: all students have periods of work experience to allow them to become familiar with the nature and demands of the work place, become more informed about potential career choices and prepare them for the rigours of competitive selection processes for jobs.

**Culture and ethos**

The NJC culture emphasises the positive and forging excellent relationships amongst all members of the NJC community is imperative. There has been training for staff, focusing on raising aspiration and achievement and providing a positive framework for goal setting and working with all client groups. The training has been extremely well received and has had a significant impact on the team. Young people also receive similar training and benefit from the influence that this approach has on the culture of NJC.

**Staff**

NJC currently has a teaching staff of 6 plus 2 part time administration and 2 part-time bus drivers. There is also an instructor from SkillForce Scotland who delivers courses in personal development.

**Report of the Trustees  
for the Year Ended 30 June 2018**

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**OBJECTIVES AND ACTIVITIES (continued)**

**Student recruitment**

Students were recruited from local Glasgow secondary schools against 2 criteria: (a) being disengaged or disengaging from the school process and (b) having a talent or potential that is not presently being nurtured and developed. They also require to be able to operate at Level 4, at least, in SQA National courses.

The students are nominated by the secondary school in which they are enrolled. A recruitment process then begins which includes a meeting of the prospective student and her/his carers with NJC staff followed by an Assessment Centre which lasts for 1 week.

**Provide a successful educational experience**

Success is measured by customer (carer and student) satisfaction, attendance rates, student performance in courses delivered at NJC and by partners and student destinations. The positive destination is the key performance indicator.

**The Graduates**

Since 2016, three groups of students have now graduated with all 46 students going into positive destinations in employment or Further education

All Graduates had 5 or more passes in National Courses at level 3 and over 90% had 5 or more passes at level 4. Additionally, students gained National 5 qualifications and 1 student has attained Higher English.

In personal development, the qualifications are extensive and include Duke of Edinburgh (Bronze), ASDAN (Bronze Silver and Gold), Outward Bound, John Muir Environmental Award, National Navigation Award, SQA Employability, Heart Start, Saltire Award, Get Set for Community Action and Emergency First Aid at Work.

**Alumni**

During 2017, NJC created an alumni programme for its graduates, recognising that NJC has an important role in supporting the continuing development of its graduates. In many cases NJC has become an important presence in the young peoples' lives. The Ernst & Young Foundation supported NJC in the creation and operation of this alumni programme and this support continues.

**Outcome of Project**

As the project approached its 5 year anniversary, and the point when the project's success was to be reviewed and considered for possible mainstreaming, good faith negotiations were undertaken over a considerable period of time with Glasgow City Council over the possibility of mainstreaming the approach. The Trustees believe the model has been very successful with real, tangible and positive destinations obtained for the students who have generally responded magnificently to the approach and curriculum. Unfortunately, it has not been possible in Glasgow to mainstream the project and the key characteristics that make it work. The Trustees regret this and the impact on the college's staff and with there being no further committed public funding, deeply regret that the operating college in Newlands, Glasgow will consequently have to close. The closure was announced in January 2019. The second year cohort of students will continue with NJC until their exams in May 2019.

It is also with deep regret that the staff of the Glasgow operating college will also leave the employment of NJC in May 2019 and the Trustees would like to record and recognise the fantastic contribution they have made to the improvements in outcomes for some of Glasgow's most deserving children.

**Funding**

NJC receives funding from both the public and private sectors.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Financial performance**

During the year the charity continued to be funded from both the public and private sectors. Donations are both one-off and recurring meaning that income fluctuates from year to year. This will impact the results depending on the amount required to cover the running costs for the year.

Additionally, given the closure of the Glasgow operating college and the need to reduce the fixed assets carrying value to their recoverable amount, the carrying value of the fixed assets was reviewed with an impairment charge of £1,104,561 being provided for so to reduce the fixed assets to their recoverable amount. This obviously has a very significant impact on the financial performance of NJC for 2018, even although the closure of the Glasgow college will not happen until summer 2019.

A loss of £725,769 (2017: loss of £126,271) has been recognised this year. Further detail on the financial performance of the charity can be found in the Statement of Financial Activities, Balance Sheet and supporting notes.

### **Reserves policy and going concern**

At year end there were net liabilities of £774,238 (2017: net liabilities £48,469).

As a result of the closure of the operating college in Glasgow, an adjusting post balance event sheet arises. Therefore the financial statements have not been prepared on a going concern basis and have instead been prepared on a break-up basis. Accordingly, adjustments have been made to provide for the diminution of all fixed assets so to reduce their carrying value to their recoverable amount.

### **Plans for future periods**

The NJC operating college in Glasgow will close towards the beginning of the summer of 2019, after the completion of the end of year exams. All outstanding liabilities will be met at this time.

It is not the intention of the Trustees that the charity will operate a further college as such in the future. However, the Trustees will seek to ensure the valuable lessons are shared and endeavour to ensure that the clear benefits of the model are researched in an independent academic review which is already underway. NJC will also assist other local authorities who are considering implementing a similar model.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

### **Recruitment and appointment of new trustees**

Trustees have been selected based on their experience and support and have completed the appropriate Disclosure Scotland requirements.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Company number**

SC405964 (Scotland)

### **Registered Charity number**

SC045144

### **Registered office**

5 Redwood Crescent  
Peel Park  
East Kilbride  
G74 5PA

**Newlands Junior College Limited**

**Report of the Trustees  
for the Year Ended 30 June 2018**

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

**Trustees**

J A McColl OBE  
A C Dowie  
A Stewart  
G M Bruce  
E Hawthorne  
A J Neilson  
D S O'Neil  
S A Black

**Auditors**

KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

**Solicitor**

CMS Cameron McKenna Naborro Olswang LLP  
1 West Regent Street  
Glasgow  
G2 1AP

**Banker**

Santander UK plc  
301 St Vincent Street  
Glasgow  
G2 5HN

**PRINCIPAL ACTIVITY**

The company was incorporated on 23 August 2011 and remained dormant until trading commenced on 1 May 2014. The company was registered as a charity by OSCR (Office of the Scottish Charity Regulator) on 30 September 2014.

The principal activity of the charity is the provision of alternative educational programmes aimed at young people aged 14 to 16 years old. In January 2019 a review of NJC was taken to assess its long-term viability. Consequently, a decision was taken to close the operating college in Glasgow.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditor is aware of that information.

**AUDITORS**

The auditors, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 29 March 2019 and signed on its behalf by:



A C Dowie - Trustee

## **Newlands Junior College Limited**

### **Statement of Trustees Responsibilities for the Year Ended 30 June 2018**

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The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees 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 charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so. As explained in note 2, the trustees do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The trustees are responsible for keeping adequate and proper 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

## **Report of the Independent Auditors to the Trustees and Members of Newlands Junior College Limited**

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### **Opinion**

We have audited the financial statements of Newlands Junior College Limited ("the charitable company") for the year ended 30 June 2018 which comprise the Statement of Financial Activities, Balance Sheet and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We have been appointed 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 regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 2 of the financial statements which explains that the financial statements have not been prepared on a going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information, which comprises the Report of the Trustees and Statement of Trustees Responsibilities. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended), we are required to report to you if in our opinion:

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



## Report of the Independent Auditors to the Trustees and Members of Newlands Junior College Limited

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- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

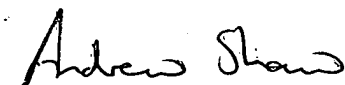
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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 charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body, for our audit work, for this report or for the opinions we have formed.



Andrew Shaw (Senior Statutory Auditor)  
for and on behalf of KPMG LLP

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
319 St Vincent Street  
Glasgow  
G2 5AS

29 March 2019

**Newlands Junior College Limited**

**Statement of Financial Activities  
for the Year Ended 30 June 2018**

		Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
	Notes				
<b>INCOME AND ENDOWMENTS FROM</b>					
Voluntary income	3	<u>1,501,873</u>	<u>31,901</u>	<u>1,533,774</u>	<u>1,026,225</u>
<b>Total</b>		1,501,873	31,901	1,533,774	1,026,225
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Provision of education	4	<u>2,227,642</u>	<u>31,901</u>	<u>2,259,543</u>	<u>1,152,496</u>
<b>NET EXPENDITURE</b>		(725,769)	-	(725,769)	(126,271)
<b>Transfers between funds</b>	13	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(720,769)	(5,000)	(725,769)	(126,271)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		(53,469)	5,000	(48,469)	77,802
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>(774,238)</u>	<u>-</u>	<u>(774,238)</u>	<u>(48,469)</u>

The notes form part of these financial statements

**Newlands Junior College Limited**

**Balance Sheet  
At 30 June 2018**

		Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
	Notes				
<b>FIXED ASSETS</b>					
Tangible assets	8	-	-	-	1,302,277
<b>CURRENT ASSETS</b>					
Debtors	9	131,793	-	131,793	65,152
Cash at bank		<u>125,121</u>	<u>-</u>	<u>125,121</u>	<u>34,506</u>
		256,914	-	256,914	99,658
<b>CREDITORS</b>					
Amounts falling due within one year	10	(1,031,152)	-	(1,031,152)	(950,404)
<b>NET CURRENT LIABILITIES</b>		<u>(774,238)</u>	<u>-</u>	<u>(774,238)</u>	<u>(850,746)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(774,238)	-	(774,238)	451,531
<b>CREDITORS</b>					
Amounts falling due after more than one year	11	-	-	-	(500,000)
<b>NET LIABILITIES</b>		<u>(774,238)</u>	<u>-</u>	<u>(774,238)</u>	<u>(48,469)</u>
<b>FUNDS</b>	13				
Unrestricted funds				(774,238)	(53,469)
Restricted funds				-	<u>5,000</u>
<b>TOTAL FUNDS</b>				<u>(774,238)</u>	<u>(48,469)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 29 March 2019 and were signed on its behalf by:



A C Dowie -Trustee

The notes form part of these financial statements

**1. COMPANY OWNERSHIP**

The company is limited by guarantee of the members and does not have share capital. The liability of members is limited to £5 on winding up of the company.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There were no transitional adjustments on the adoption of the Charities SORP (FRS 102) '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 2015)'.

The financial statements have been prepared under the historical cost convention and on a break-up basis.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated professional services and donated goods and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated goods and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold improvements - on a straight line basis at 10% - 33% per annum

Computer equipment - on a straight line basis at 33% - 100% per annum

Motor vehicles - on a straight line basis at 20% per annum

As stated in the basis of preparation, the trustees have prepared the financial statements on a break-up basis. Accordingly, all tangible fixed assets were reviewed to assess if their carrying value was recoverable and have been written down to their recoverable amount.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Value added tax**

The charity is not registered for VAT as its activities are outside the scope of UK VAT.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**Hire purchase and leasing commitments**

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

**Government grants**

Government grants are recognised at fair value when there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to the income statement over the useful lives of the related assets while grants related to expenses are treated as other income in the income statement.

**Going concern - break-up basis**

In previous years the financial statements have been prepared on a going concern basis.

However, as a result of the closure of the operating college in Glasgow, as detailed in the Report of the Trustees, an adjusting post balance sheet arises. Therefore the financial statements have not been prepared on a going concern basis and have instead been prepared on a break-up basis. Accordingly, adjustments have been made to provide for the diminution of all fixed assets so to reduce their carrying value to their recoverable amount.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2018

**3. VOLUNTARY INCOME**

	2018	2017
	£	£
Miscellaneous income	13,324	67,928
Donations	1,078,109	842,796
Gift aid	3,468	13,250
Grants	<u>438,873</u>	<u>102,251</u>
	<u>1,533,774</u>	<u>1,026,225</u>

**4. NET EXPENDITURE**

Net expenditure is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	205,687	255,696
Impairment of fixed assets	1,104,561	-
Other operating leases	1,570	977
Auditors' remuneration - audit fee	<u>6,000</u>	<u>6,000</u>

There are no other governance costs other than the auditors' remuneration disclosed above.

**5. TRUSTEES' REMUNERATION AND BENEFITS**

No trustee was remunerated for their role in the charity.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2018 nor for the year ended 30 June 2017.

**6. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	343,090	343,314
Social security costs	33,983	36,710
Other pension costs	<u>79,062</u>	<u>68,073</u>
	<u>456,135</u>	<u>448,097</u>

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

	2018	2017
Academic	6	6
Administrative	<u>2</u>	<u>2</u>
	<u>8</u>	<u>8</u>

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Voluntary income	<u>946,365</u>	<u>79,860</u>	<u>1,026,225</u>
<b>Total</b>	<u>946,365</u>	<u>79,860</u>	<u>1,026,225</u>
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Provision of education	<u>1,077,636</u>	<u>74,860</u>	<u>1,152,496</u>
<b>Total</b>	<u>1,077,636</u>	<u>74,860</u>	<u>1,152,496</u>
 <b>NET INCOME/(EXPENDITURE)</b>	<u>(131,271)</u>	<u>5,000</u>	<u>(126,271)</u>
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>77,802</u>	<u>-</u>	<u>77,802</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>(53,469)</u></u>	<u><u>5,000</u></u>	<u><u>(48,469)</u></u>

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2017	1,864,325	34,086	84,654	1,983,065
Additions	-	-	8,164	8,164
Disposals	-	-	(1,786)	(1,786)
Impairments	<u>(1,864,325)</u>	<u>(34,086)</u>	<u>(91,032)</u>	<u>(1,989,443)</u>
At 30 June 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>DEPRECIATION</b>				
At 1 July 2017	601,181	7,953	71,654	680,788
Charge for year	184,092	6,818	14,777	205,687
Eliminated on disposal	-	-	(1,593)	(1,593)
Impairments	<u>(785,273)</u>	<u>(14,771)</u>	<u>(84,838)</u>	<u>(884,882)</u>
At 30 June 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>NET BOOK VALUE</b>				
At 30 June 2018	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
At 30 June 2017	<u><u>1,263,144</u></u>	<u><u>26,133</u></u>	<u><u>13,000</u></u>	<u><u>1,302,277</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2018

**8. TANGIBLE FIXED ASSETS - continued**

Subsequent to the year end a decision was taken to cease operations and close the operating college in Glasgow. The carrying value of the leasehold improvements, motor vehicles and computer equipment has been reviewed and a provision for impairment of £1,104,561 has been made based on the assets recoverable value, being fair value less estimated selling costs.

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Other debtors	116,531	51,232
Prepayments	<u>15,262</u>	<u>13,920</u>
	<u>131,793</u>	<u>65,152</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Bank loans and overdrafts (see note 12)	500,000	-
Other loans (see note 12)	-	583,020
Trade creditors	175,255	190,850
Social security and other taxes	9,855	9,028
Other creditors	8,651	7,690
Accruals and deferred income	337,391	129,515
Deferred government grants	<u>-</u>	<u>30,301</u>
	<u>1,031,152</u>	<u>950,404</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Bank loans (see note 12)	<u>-</u>	<u>500,000</u>



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2018

**12. LOANS**

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year on demand:		
Bank loans	500,000	-
Other loans	-	583,020
	<u>500,000</u>	<u>583,020</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	-	500,000

**13. MOVEMENT IN FUNDS**

	At 1/7/17 £	Net movement in funds £	Transfers between funds £	At 30/6/18 £
<b>Unrestricted funds</b>				
General fund	(53,469)	(725,769)	5,000	(774,238)
<b>Restricted funds</b>				
Donors	5,000	-	(5,000)	-
<b>TOTAL FUNDS</b>	<u>(48,469)</u>	<u>(725,769)</u>	<u>-</u>	<u>(774,238)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,501,873	(2,227,642)	(725,769)
<b>Restricted funds</b>			
Government Grant	30,301	(30,301)	-
Donors	1,600	(1,600)	-
	31,901	(31,901)	-
<b>TOTAL FUNDS</b>	<u>1,533,774</u>	<u>(2,259,543)</u>	<u>(725,769)</u>

**13. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1/7/16 £	Net movement in funds £	At 30/6/17 £
<b>Unrestricted Funds</b>			
General fund	77,802	(131,271)	(53,469)
<b>Restricted Funds</b>			
Donors	-	5,000	5,000
<b>TOTAL FUNDS</b>	<u>77,802</u>	<u>(126,271)</u>	<u>(48,469)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	946,365	(1,077,636)	(131,271)
<b>Restricted funds</b>			
Government Grant	74,860	(74,860)	-
Donors	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	79,860	(74,860)	5,000
<b>TOTAL FUNDS</b>	<u>1,026,225</u>	<u>(1,152,496)</u>	<u>(126,271)</u>

**14. RELATED PARTY DISCLOSURES**

During the year the charity received a £100,000 donation (2017: £162,000) from one of its members and £1,000 in personal donations (2017: £32,820) from one of its trustees.

**15. SUBSEQUENT EVENTS**

Subsequent to the Balance Sheet date, the trustees made the decision to close the operating college in Glasgow (see Report of the Trustees on page 2).