

The Andrew Grant Bequest
Trustee's Report and Financial Statements
Year ended 31 July 2017
Registered Charity Number SC001097

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Reference and administrative information

Charity name: The Andrew Grant Bequest
Charity number: SC001097

The University Court of the University of Edinburgh is the single corporate Trustee of the Andrew Grant Bequest (the "Trustee"). Members of the University Court of the University of Edinburgh at the date of signing the financial statements are given below:

Mr Steve Morrison
Professor Sir Timothy M M O'Shea
Sheriff Principal Edward F Bowen QC
Ms Doreen Davidson
Dr Alan Brown
Mr Ritchie Walker
Professor Sandy Tudhope
Professor Elizabeth Bomberg
Professor Sarah Cooper
Dr Claire Phillips
The Rt Hon Donald Wilson
The Rt Hon Frank Ross
Ms Anne Richards (Vice-Convener of the Court of the University of Edinburgh)
Mr David Bentley
Dr Robert Black
Mr Peter Budd
Dr Chris Masters
Lady Susan Rice
Ms Angi Lamb
Ms Alison Grant
Mr Alan Johnston
Mr Alec Edgecliffe-Johnson (to 8 June 2017)
Ms Jenna Kelly (to 8 June 2017)
Mr Patrick Kilduff (from 9 June 2017)
Ms Esther Dominy (from 9 June 2017)

Principal office: The University of Edinburgh, Old College, South Bridge,
Edinburgh, EH8 9YL

Bankers: The Royal Bank of Scotland plc, 36 St Andrew Square
Edinburgh, EH2 2AD

Solicitors: Lindsays WS, Caledonian Exchange, 19A Canning Street,
Edinburgh, EH3 8HE

Independent Auditors: PricewaterhouseCoopers LLP, 141 Bothwell Street,
Glasgow, G2 7EQ

Investment advisors: Mercer, Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EP – as adviser to the
University Investment Committee for the University of Edinburgh Endowment Fund.

Trustee's report

The corporate Trustee presents the annual Report and audited Financial Statements for the year ended 31 July 2017. With the merger of the Edinburgh College of Art with the University of Edinburgh on 1 August 2011, under the Edinburgh College of Art (Transfer) (Scotland) Order 2011 Scottish Statutory Instrument No 42 (the "2011 Order"), the University Court of the University of Edinburgh became the single corporate Trustee of the Andrew Grant Bequest and is referred to in this Trustee's report as "the Trustee".

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the 2011 Order, the Edinburgh College of Art (Scotland) Order of Council 1995 (the "1995 Order"), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Structure, governance and management

The Andrew Grant Bequest does not actively fundraise and seeks to continue the charitable work desired by Andrew Grant through the careful stewardship of its existing resources. The Andrew Grant Bequest is a lasting testimony to the generosity of Andrew Grant and his wish to contribute to the support of students now studying at the Edinburgh College of Art within the University of Edinburgh. The on-going aim and objective of the Andrew Grant Bequest is to ensure sufficient interest is generated from the trust to support scholarships and awards for students studying at the Edinburgh College of Art within the University of Edinburgh. The corporate Trustee seeks to achieve the objectives of the Andrew Grant Bequest as set out above and will continue to do so during 2017-2018.

The University Court of the University of Edinburgh is the single corporate Trustee of the Andrew Grant Bequest. The University Court of the University of Edinburgh (the "Court") is constituted by the Universities (Scotland) Acts 1858 to 1966 and secondary or subordinate legislation and in particular Edinburgh Ordinances No 187, 192, and 201.

The corporate Trustee met on two occasions during 2016-2017. The Vice-Convenor of the University Court of the University of Edinburgh, Ms Anne Richards, is the chairperson of the corporate Trustee, chairs meetings of the corporate Trustee and is responsible for the conduct of meetings and governance arrangements. She was appointed through an open and transparent recruitment process from 1 August 2014 and re-appointed by Court in at its meeting on 8 February 2016 following a successful appraisal led by the intermediary Court member.

Members of Court acting in the capacity of corporate Trustee of the Andrew Grant Bequest gave freely of their time and no remuneration was paid in the year. Members of Court are required to disclose all relevant interests and these are maintained in a Register of Interests which is publically available on the University of Edinburgh's web site at: <http://www.ed.ac.uk/schools-departments/governance-strategic-planning/governance/university-court/overview>

System of Internal Control

The corporate Trustee is responsible for the system of internal control and for ensuring that such a system is designed to manage rather than eliminate risks and provide reasonable and not absolute assurance against material mis-statement or loss. It relies on the University of Edinburgh's internal control environment, policies, procedural and system controls to discharge this responsibility under delegated arrangements. During 2016-2017 the Audit and Risk Committee of the University of Edinburgh received regular reports from internal audit prepared on a risk basis which include recommendations for improvement.

By its 4 December 2017 meeting, the corporate Trustee had received the University of Edinburgh's Audit and Risk Committee report for the year ended 31 July 2017 on the Andrew Grant Bequest and is satisfied that adequate controls were in place for the year ending 31 July 2017.

In reaching this view, the corporate Trustee was informed by the following:

- a) the University of Edinburgh's Internal Audit Service's Annual Report to the University of Edinburgh's Audit and Risk Committee on the adequacy and effectiveness of systems of internal control;
- b) the University of Edinburgh's Risk Management Committee's Annual Report to the University of Edinburgh's Audit and Risk Committee regarding its operation;
- c) comments made by the External Auditor of the Andrew Grant Bequest in their Audit Highlights Memorandum; and
- d) review to ensure that awards were made in line with section 8 of the 2011 Order.

Reserves policy

The corporate Trustee normally aims to disburse all income received as student support or awards to deserving students of the Edinburgh College of Art within the University of Edinburgh. All endowments held by the Fund are permanent endowments; the capital must be maintained and only the income received from investing the capital sums may be distributed each year. The corporate Trustee plans to continue this policy during 2017-2018.

Total funds held at 31 July 2017 was £4,874,569 (2016:£4,259,857). This comprised entirely of permanent endowments.

Disclosure of information to auditor

The corporate Trustee confirms that, so far as it is aware, there is no relevant audit information of which the trust's auditor is unaware; and the corporate Trustee has taken all the steps that it ought to have taken as a corporate trustee to make itself aware of any relevant audit information and to establish that the trust's auditor is aware of that information.

Objectives and activities

The Andrew Grant Bequest's objective is the advancement of education of existing and previous students of the Edinburgh College of Art within the University of Edinburgh. These objectives are met through a variety of routes, primarily the provision of scholarships and travel awards, in line with the terms of the original benefaction from Andrew Grant. The corporate Trustee has delegated responsibility for the management and awarding of prizes and scholarships in accordance with section 8 of the 2011 Order to the Edinburgh College of Art, Awards and Bequests Committee convened by the Principal of the Edinburgh College of Art within the University of Edinburgh. The corporate Trustee plans to continue to achieve the above objective and to delegate the management and awarding of prizes to the Edinburgh College of Art, Awards and Bequests Committee during 2017-2018.

Section 8 of the 2011 Order states:

- (1) The endowment created by a codicil dated 12th September 1911 to the trust disposition and settlement dated 24th October 1894 of the late Andrew Grant and known as the Andrew Grant Bequest (in this article referred to as the 'bequest') is to be held and administered by the transferee in accordance with the provisions of this article.

(2) The transferee –

(a) must apply not less than four-fifths of the free income of the bequest in each financial year to provide scholarships or bursaries to deserving students of the University on programmes of study within the ECA either during such programme of study or in the way of travelling scholarships or otherwise after such programme of study is finished under such regulations as the transferee shall from time to time appoint: and

(b) may apply the remainder –

- (i) in the meeting of the expenses of organised educational excursions for the benefit of students of the University on programmes of study within the College or the expenses of holding exhibitions of works of art at the University;
- (ii) in providing equipment and facilities for special study at the College;
- (iii) in assisting the provision and development of sports activities at or in connection with the College;
- (iv) in assisting the formation, maintenance and encouragement of clubs, societies, and other organisations conducted for the benefit of students of the University on programmes of study at the College.

(3) Income unused at the end of the financial year may be carried forward to the next financial year or added to the capital of the bequest or both.

In the above Articles the transferor means the Governors of the Edinburgh College of Art and the transferee means the Court of the University of Edinburgh.

Achievements and performance

In May 2015, the Trustee approved changes to the regulations governing the use of Andrew Grant Bequest funds which enabled some significant improvements in the management and use of income. In particular, emphasis has been placed on a more visible, open and transparent application process which allows Andrew Grant funds to be used strategically through closer alignment of Andrew Grant scholarships with existing College of Arts, Humanities & Social Science award processes. All subject areas within Edinburgh College of Art can now benefit from the Bequest, and themes such as the further development of cross-disciplinarily can be encouraged. The bulk of income is directed at larger, openly advertised, postgraduate scholarships and the updated awards process has bedded in well. However, spend on smaller awards remains important and includes support for innovative final year projects, scholarships to support student research travel, attendance at conferences, etc.

Financial review

As in previous years, a forecast of income to the Andrew Grant Bequest is made and awards allocated up to that limit. The Andrew Grant Bequest's income from investments in the year totalled £108,621. The market value of the Andrew Grant Bequest's investments increased by £632,299 to £5,023,905 which representing a 14% increase on the previous year.

The fund benefits from a share of income and investment return arising on units held in the University of Edinburgh Endowment Fund which is under the remit of the University's Investment Committee. This Committee considers the strategic formulation and risk containment of the Fund's investments and has

implemented its policy to lower risk by diversifying investment over several fund managers and different asset types. The funds are invested by Baillie Gifford, BlackRock, Kames Capital, Hermes Property Unit Trust and in UoE Deaconess Ltd and pooled with other investments of the University in the unitised fund. The Trustee considers the variability of investment returns to constitute the charity's major financial risk. To diversify risk endowment assets are spread over six fund managers and various asset types.

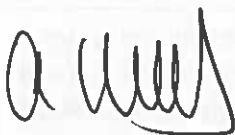
Plans for the future

The Andrew Grant Bequest is a lasting testimony to the generosity of its donor wishing to support students studying at the Edinburgh College of Art within the University of Edinburgh. The Trustee aims to generate sufficient interest to support scholarships and awards in accordance with the directions of the original benefaction

Charitable Status

The Andrew Grant Bequest has charitable status (No. SC001097). The corporate Trustee considers that the Andrew Grant Bequest meets the 'Charity Test' set out in Section 7 of the Charities and Trustee Investment (Scotland) Act 2005. It will take such actions as are necessary to ensure continued full compliance with the legislation and retention of its charitable status.

On behalf of the corporate Trustee



4 December 2017

Statement of the Corporate Trustee's responsibilities in respect of the Trustee's Report and the Financial Statements

The corporate Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The corporate Trustee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditors' report to the trustee of The Andrew Grant Bequest

Report on the audit of the financial statements

Opinion

In our opinion, The Andrew Grant Bequest's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 July 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Trustee's Report and Financial Statement (the "Annual Report"), which comprise: the balance sheet as at 31 July 2017; the statement of financial activities, and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Trustee's Report and Financial Statements other than the financial statements and our auditors' report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the trustee of The Andrew Grant Bequest (continued)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustee's Report

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion the information given in the Trustee's Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the corporate trustee for the financial statements

As explained more fully in the Statement of the Corporate Trustee's responsibilities in respect of the Trustee's Report and the Financial Statements set out on page 6, the trustee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustee is also 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.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Our 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustee as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under that Act (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended)) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the trustee of The Andrew Grant Bequest (continued)

Other required reporting

Charities Accounts (Scotland) regulations 2006 (as amended) exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

4 December 2017

Statement of Financial Activities
for the year ending 31 July 2017

	Note	Unrestricted funds 2016-17 £	Endowment funds 2016-17 £	Total funds 2016-17 £	Total funds 2015-16 £
Income and endowments					
Donations	2	3,006	-	3,006	2,532
Investment Income	2	108,621	-	108,621	119,340
Total income		111,627	-	111,627	121,872
Expenditure					
<i>Costs of raising funds:</i>					
Investment management costs		-	3,547	3,547	5,707
<i>Expenditure on charitable activities:</i>					
Grants awarded	3	109,348	-	109,348	121,138
Total expenditure		109,348	3,547	112,895	126,845
Net income/(expenditure) and net movement in funds before gains/(losses) on investments		2,279	(3,547)	(1,268)	(4,973)
Net gains on investment assets		-	615,980	615,980	279,053
Net income/(expenditure)		2,279	612,433	614,712	274,080
Transfers between funds		(2,279)	2,279	-	-
Net movement in funds		-	614,712	614,712	274,080
<i>Reconciliation of funds:</i>					
Total funds brought forward at 1 August		-	4,259,857	4,259,857	3,985,777
Total funds carried forward at 31 July		-	4,874,569	4,874,569	4,259,857

All of the charities activities are continuing.

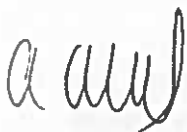
All gains and losses recognised in the year are included in the Statement of Financial Activities.

Balance Sheet
as at 31 July 2017

	Note	Total funds 2016-17 £	Total funds 2015-16 £
Fixed assets:			
Investments	5	5,023,905	4,391,606
		<hr/>	<hr/>
Total fixed assets		5,023,905	4,391,606
Current Assets			
Debtors		-	-
Liabilities: Creditors falling due within one year			
Creditors and Accruals	6	(149,336)	(131,748)
		<hr/>	<hr/>
Net current liabilities		(149,336)	(131,748)
		<hr/>	<hr/>
Net assets		4,874,569	4,259,857
		<hr/>	<hr/>
The funds of the charity:			
Endowment funds	7	4,874,569	4,259,857
		<hr/>	<hr/>
Total charity funds		4,874,569	4,259,857
		<hr/>	<hr/>

The notes on pages 12 to 18 form part of these financial statements.

These financial statements on pages 10 to 18 were approved by the Trustee on 4 December 2017 and were signed on its behalf by:



On behalf of the Trustee

4 December 2017

Notes to the financial statements

1 Principal accounting policies

a) Statement of Compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including 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 United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

b) Basis of preparation

The financial statements have been prepared on an accruals basis, under the historic cost convention, with the exception that investment assets are included at market value. The financial statements have been prepared on the going concern basis.

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

c) Reconciliation with previous Generally Accepted Accounting Practice

This is the first year that the charitable company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 July 2016. The date of transition to FRS 102 was 1 August 2015. In preparing the accounts, the Trustee have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required, however, under FRS 102, gains and losses on investments are now a component of net income and expenditure. In accordance with the requirements of FRS102 a reconciliation of opening balances and net income/(expenditure) for the year is provided:

Reconciliation of reported net income	£
Net income/(Expenditure) as previously stated	(4,973)
Investment gain now treated as component of net income	<u>279,053</u>
2015/16 net income as restated	<u>274,080</u>

d) Funds

The Fund consists of a permanent endowment, namely the Andrew Grant Bequest. The funds are invested in such a way that the Trustee can distribute the interest received, by way of provision of scholarships or bursaries, to students. All endowment funds are permanent and the capital must be maintained. Revenue income generated is transferred between the funds to permit the award of relevant resources.

Unrestricted funds – The Andrew Grant Bequest

The Trustee, after paying all expenses of management properly chargeable against the income of the bequest and any taxes or other burdens affecting the bequest; apply not less than four-fifths of the free income of the bequest in each year in providing scholarships or bursaries to deserving students of

Notes to the financial statements (continued)

1 Principal accounting policies (continued)

d) Funds (continued)

either sex of the reconstituted Edinburgh College of Art within the University of Edinburgh either during their course or in the way of travelling scholarships or otherwise after their course is finished. The Trustee may also apply so much of the remainder of the free annual income of the bequest in each year to assist the expenses of organised educational excursions, providing equipment and facilities for special study and/or sports activities, and in the encouragement of clubs, societies and other organisations within reconstituted Edinburgh College of Art within the University of Edinburgh.

e) Income Recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations receivable for general purposes are credited to unrestricted funds. Investment income receivable is credited to income in the period to which it relates.

f) Expenditure Recognition

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

All expenditure is accounted for on an accruals basis. Expenditure includes any irrecoverable VAT.

Costs of raising funds: represent costs of investment management costs
Charitable activities: represents grants awarded, governance costs and an apportionment of support costs cost (shown in note 4).

Resources expended in the statement of financial activities include support costs of running the Fund. These are charged as charitable expenditure, being expenses incurred in the ordinary operations of the Fund. Support costs are allocated to the categories of charitable activities on a pro-rata basis if it is not possible to allocate the costs on a specific basis.

g) Fixed Assets Investments

Non-current investments are held on the balance sheet at fair value. Current asset investments include temporary and money market deposits and are included at the lower of cost and net realisable value. The statement of financial activities includes the net gain and losses arising on revaluation and disposals throughout the year.

h) Gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Unrealised gains and losses on investments are calculated as the difference between the fair value at the year end and their carrying value.

i) Contingent Liabilities and Provisions

In accordance with the SORP, a contingent liability would be disclosed for activities, which do not represent liabilities, where the possible obligation which arises from past events, will only be confirmed by the occurrence of one or more uncertain events not wholly within the Trustees' control. Provisions would be recognised for activities where there is uncertainty as to the timing or amount,

Notes to the financial statements (continued)

1 Principal accounting policies (continued)

i) Contingent Liabilities and Provisions (continued)

and any uncertainty regarding the amount is more than one of determining a basis for reasonable estimation of the liability arising from that constructive obligation.

j) Taxation

The Fund is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes. There is no similar exemption for VAT: non reclaimable VAT is charged to the statement of financial activities on an accruals basis.

Notes to the financial statements (continued)

2 Income and endowments

	2017 £	2016 £
Donations	3,006	2,532
Dividends received	108,621	119,340
	<u>111,627</u>	<u>121,872</u>

3 Expenditure on charitable activities

	2017 Grants Awarded £	2017 Governance & Support Costs (See note 4) £	2017 Total £	2016 Grants Awarded	2016 Governance & Support Costs (See note 4)	2016 Total £
Organised Travel	1,536	179	1,715	-	-	-
Scholarships and prizes	96,400	11,233	107,633	109,450	11,688	121,138
	<u>97,936</u>	<u>11,412</u>	<u>109,348</u>	<u>109,450</u>	<u>11,688</u>	<u>121,138</u>

Governance and support costs are allocated to the categories of charitable activities on a pro-rata basis to direct costs as it is not possible to allocate the costs on a specific basis.

Notes to the financial statements (continued)

4 Governance and support costs

	2017 £	2016 £
Auditors' remuneration in respect of the statutory financial statements	3,006	2,532
Management fee	8,406	9,156
	<u>11,412</u>	<u>11,688</u>

The Fund has no employees (2015-16: nil) and the Corporate Trustee / University Court members received neither remuneration nor expenses for work performed in connection with the affairs of the Fund during the year (2015-16: nil). The University does not charge support services to Endowments, instead it charges a management fee which is shown under governance and support costs.

5 Fixed asset investments

	Total 2017 £	Total 2016 £
<i>Movements in fixed asset investments</i>		
Market value brought forward	4,391,606	4,112,553
Additions to investments at cost	16,319	-
Add net gain on revaluation	615,980	279,053
	<u>5,023,905</u>	<u>4,391,606</u>
Market value as at 31 July		

The investments are held in the University of Edinburgh Endowment Fund. This is a pooled unitised fund overseen by the University of Edinburgh Investment committee. The market price of the fund is calculated independently by the Bank of New York Mellon on a monthly basis. The University of Edinburgh Endowment Fund holds a range of investments designed to protect capital and provide a sustainable income stream. A breakdown of the underlying investments is as follows:

Notes to the financial statements (continued)

5 Fixed asset investments (continued)

	2017	2016
	£	£
<i>Investment at market value</i>		
Equities	2,873,574	2,563,744
Fixed interest securities	651,875	435,807
Property	1,027,864	892,351
Multi asset	385,628	402,436
Venture Capital	33,492	29,520
Cash	51,472	67,748
Investment units value	<u>5,023,905</u>	<u>4,391,606</u>
	2017	2016
<i>Units held at 31 July:</i>		
Opening units	127,265	127,265
Investment	446	0
Closing units	<u>127,711</u>	<u>127,265</u>
Unit price	£ 39.34	£ 34.50

6 Creditors falling due within one year

	Total 2017	Total 2016
		£
Accruals for grant payable	87,155	104,606
Amounts owed to group and associated undertakings	62,181	27,142
Total creditors falling due within one year	<u>149,336</u>	<u>131,748</u>

Notes to the financial statements (continued)

7 Endowment and unrestricted funds

	Balance 1 August 2016	Income	Expenditure	Transfer between funds	Gains and losses	Balance 31 July 2017
	£	£	£	£	£	£
Endowment funds	4,259,857	-	(3,547)	2,279	615,980	4,874,569
Unrestricted funds	-	111,627	(109,348)	(2,279)	-	-
Total funds	4,259,857	111,627	(112,895)	-	615,980	4,879,569

8 Analysis of funds

	Endowment fund £	Total 2017 £	Total 2016 £
Investments	5,023,905	5,023,905	4,391,606
Current liabilities	(149,336)	(149,336)	(131,748)
Total funds	4,874,569	4,874,569	4,259,857

9 Ultimate parent undertaking

The Fund's immediate and ultimate parent undertaking and controlling party at 31 July 2017 was The University of Edinburgh (SC005336), a higher education institution with its principal place of business at Old College, South Bridge, Edinburgh, EH8 9YL.

Copies of The University of Edinburgh financial statements can be accessed at <http://www.accounts.finance.ed.ac.uk>