

# THE GORDON FOUNDATION

England & Wales · Charity number 312092

## Details

|                |                                                         |
|----------------|---------------------------------------------------------|
| Status         | Registered                                              |
| Legal form     | Charitable company                                      |
| Company number | <a href="#">00027272</a>                                |
| Registered     | 1963-09-11                                              |
| Register       | <a href="#">View on the Charity Commission register</a> |

## Contact

|         |                                                                          |
|---------|--------------------------------------------------------------------------|
| Address | Gordons School<br>Bagshot Road<br>West End<br>Woking<br>GU24 9PT         |
| Phone   | 01276 858084                                                             |
| Email   | <a href="mailto:foundation@gordons.school">foundation@gordons.school</a> |
| Website | <a href="http://www.gordons.school">www.gordons.school</a>               |

## Activities

**Objects:** TO EDUCATE OR CONTRIBUTE TO THE EDUCATION OF BOYS AND GIRLS HAVING PARTICULAR REGARD TO THOSE WITH A SPECIFIC BOARDING OR EDUCATIONAL NEED, WITH A VIEW TO FITTING THEM FOR FURTHER EDUCATION OR FOR EARNING THEIR LIVELIHOOD, SUCH OBJECT BEING IN CONTINUATION OF THE WORK OF THE UNINCORPORATED INSTITUTION KNOWN AS THE GORDON BOYS' HOME, ESTABLISHED IN JULY 1885 AS A NATIONAL MEMORIAL TO GENERAL GORDON.

**Activities:** The Foundation is established to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need with a view to fitting them for further education or for earning their livelihood.

## Classification

- **How:** Makes Grants To Individuals, Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

- Surrey

## Finances

| Period end | Income      | Expenditure | Assets      | Employees |
|------------|-------------|-------------|-------------|-----------|
| 2024-08-31 | £19,319,910 | £19,242,958 | £15,224,871 | 271       |
| 2023-08-31 | £18,194,658 | £18,368,231 | £14,595,568 | 257       |
| 2022-08-31 | £16,307,953 | £16,542,244 | £14,361,987 | 287       |
| 2021-08-31 | £14,121,911 | £15,743,295 | £13,280,979 | 246       |
| 2020-08-31 | £13,150,321 | £13,791,413 | £14,645,941 | 225       |

## Trustees

| Name                                     | Role  | Appointed  |
|------------------------------------------|-------|------------|
| Lieutenant General Richard John Cripwell | Chair | 2022-05-01 |
| Angus Fay                                |       | 2016-06-20 |
| Anne Lesley Motan                        |       | 2018-01-19 |
| Brigadier Jonathan Mullin                |       | 2022-01-22 |
| Charles Whiffin                          |       | 2017-06-15 |
| JANE VALNER                              |       | 2015-06-11 |
| Jessica Kruger                           |       | 2023-01-21 |
| LYNN BANNISTER                           |       | 2014-07-08 |
| Lord John Mark Lancaster                 |       | 2023-01-21 |
| Martin Barnes                            |       | 2016-01-16 |
| Mr Peter Jones                           |       | 2020-09-29 |
| Mr Shahid Azeem                          |       | 2021-01-23 |
| Mrs Deborah McKenzie                     |       | 2020-01-18 |
| Mrs Sally Hounsham                       |       | 2020-06-18 |
| RICHARD WHITTINGTON                      |       | 2012-07-07 |
| Thomas Oliver Gordon                     |       | 2014-01-18 |

## Linked charities

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- THE GORDON BOYS' SCHOOL MUSEUM FUND (312092-1)
- DR HAWKSLEY EDUCATIONAL FUND (312092-2)
- DOVER GORDON BOYS' ORPHANAGE AND HOME (312092-3)
- BRUCE PRIZE (312092-4)
- WILLIAM ANDREW GUESDON FUND (312092-5)
- BARBER BEAUMONT AID-IN-LIFE FUND (312092-6)
- THE GORDON FOUNDATION SPECIAL FUND (312092-7)

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# Accounts

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**THE GORDON FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2024**



Company Number 00027272  
Charity Number 312092



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## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION

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|                        |                                                                                      |
|------------------------|--------------------------------------------------------------------------------------|
| <b>Patron</b>          | His Majesty The King                                                                 |
| <b>Vice Presidents</b> | The Lord Mayor of London<br>The Lord Lieutenant of Surrey<br>The Bishop of Guildford |
| <b>Ambassadors</b>     | Mr P Talbot<br>Mr M Hawkesworth<br>Mr P Wynter Bee                                   |

#### Foundation Committee (The Board)

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| Lieutenant General Richard Cripwell CB, CBE | Chairman                             |
| Mr R Whittington DL <sup>1,2,4,5,8,</sup>   | Vice Chairman                        |
| Mr C Whiffin <sup>1,2,8</sup>               | Treasurer: resigned 27 January 2024  |
| Mr M Barnes <sup>1,2,5,8</sup>              | Treasurer: appointed 27 January 2024 |
| Mrs J Valner <sup>1,2,3,4,5,7,9</sup>       | Chair of Governors                   |
| Mr T Gordon                                 |                                      |
| Mrs L Bannister <sup>3,7,9</sup>            | retired 27 January 2024              |
| Mrs A Stephens <sup>1,3</sup>               |                                      |
| Major General A Fay CB                      |                                      |
| Mrs D McKenzie <sup>5,9</sup>               |                                      |
| Mrs S Hounsham <sup>4,6,7</sup>             |                                      |
| Mr P Jones <sup>1,2</sup>                   |                                      |
| Mr S Azeem                                  |                                      |
| Brigadier J Mullin <sup>4,7</sup>           |                                      |
| Ms J Kruger                                 |                                      |
| Lord Lancaster                              |                                      |
| Lt Col J Fernandes MBE                      | elected 27 January 2024              |
| Mrs S Rawal <sup>1,7</sup>                  | elected 27 January 2024              |

#### Head Teacher

Mr A Moss

#### Foundation and Company Secretary

Mrs J Taylor Appointed 1 September 2023

#### Clerk to the Foundation Committee

Mrs A Mitchley Appointed 1 September 2023

#### Committee Membership

Member of the Foundation Development Committee = 1  
Member of the Joint Finance & Estates Committee = 2  
Member of the Investment Panel = 3  
Member of the Awards Panel = 4  
Member of the Governance Committee = 5  
Member of the Enterprises Committee = 6  
Governor of Gordon's School = 7  
Member of the Risk & Audit Committee = 8  
Member of the Performance Management & Salaries Committee = 9

## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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#### ADVISERS

|                             |                                                                                 |
|-----------------------------|---------------------------------------------------------------------------------|
| <b>Bankers:</b>             | Bank of Scotland<br>38 Threadneedle Street<br>London EC2P 2HL                   |
| <b>Auditors:</b>            | Alliotts LLP<br>3, London Square<br>Cross Lanes<br>Guildford<br>GU1 1UJ         |
| <b>Investment Managers:</b> | Quilter Cheviot<br>Senator House<br>85 Queen Victoria Street<br>London EC4V 4AB |
| <b>Legal Advisers:</b>      | Moore Barlow LLP<br>The Oriel<br>Guildford<br>Surrey GU1 3SR                    |

#### STATUS AND ADMINISTRATION

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| <b>Registered Office:</b> | The Gordon Foundation<br>Gordon's School<br>West End<br>Woking<br>Surrey GU24 9PT |
|---------------------------|-----------------------------------------------------------------------------------|

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Gordon Foundation is a company limited by guarantee (Company No 27272), its registered office being at Gordon's School, West End, Woking, Surrey, GU24 9PT. The company is a charity for educational purposes (registered charity No 312092). Following an external review of governance during 2022, revised and updated Articles were approved on 21 January 2023 and lodged with Companies House and the Charity Commission.

Management of the charity is vested in the Foundation Committee, who are directors for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP (FRS 102). Foundation Committee members are required to retire from office every third year from the date of election but are eligible for re-election for a maximum of three terms. The Foundation Committee has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Head Teacher, Finance & Operations Director, HR Director, Estates Director and Development Director.

The charity was founded at the express wish of Queen Victoria as the national memorial to General Gordon who was killed in Khartoum in 1885. The Gordon Foundation owns, freehold, the land and buildings formerly known as the Gordon Boys' Home which was changed to The Gordon's Boys' Home in 1943, started to accept girls and day boarders from 1990 and is now known as Gordon's School.

The majority of the Governors of Gordon's School, a State Boarding School with Academy status, are either trustees of or are appointed by The Gordon Foundation.

Following a decision made in 2019 to increase the number of (ex-officio) Vice Presidents, a recommendation to introduce the position of Ambassador was also approved. Ambassadors, a seven-year appointment, are former trustees of seniority or long service who have continued interest in supporting the Foundation's work. Paul Talbot, Gordonian and former trustee of over 30 years' service, and Mark Hawkesworth, former Treasurer, accepted the invitation to be the first Ambassadors for The Gordon Foundation while Peter Wynter Bee who retired in 2021 after 21 years' service to Gordon's as trustee and for eight years a School Governor, accepted the Committee's invitation to continue his links as a Gordon's Ambassador.

The Leadership Team controls the running of the Foundation and School at an executive level and implements the policies and decisions of the trustees and governors through agreed schemes of delegation. Key management personnel are defined as the Head Teacher, Foundation Directors of the Business services, Deputy Heads (Curriculum and Pastoral), Head of Sixth Form, a newly appointed Director of Co-Curricular and Assistant Heads.

### **Arrangements for setting pay and remuneration of key management personnel**

The Leadership Team is paid on the Leadership pay scale which broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Leaders must demonstrate sustained performance in respect to their performance objectives; non-teaching leadership salaries are benchmarked against local market conditions. The Performance Management and Salaries Committee awards one incremental point on the Gordon's Pay Scale where performance objectives are met and where there is a sustained high quality of overall performance.

### **Policies and Procedures adopted for the Induction and Training of Trustees**

Prospective trustees are invited to Gordon's School prior to their appointment to meet with the Head Teacher, the Finance & Operations Director, the Development Director and at least two trustees who make their report to the next meeting of the Governance Committee. A schedule of trustees with their qualifications and experience is maintained, cross-referenced against the business requirements of the Foundation, which assists in the selection of new trustees.

Once appointed, new trustees follow an induction program which includes an induction meeting with the Foundation Secretary and the Clerk which includes an overview of the company and the relationship between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All trustees are encouraged to either attend professional training courses or take online courses for trustees. All Trustees are DBS checked.

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **OBJECT AND OBJECTIVES**

##### **General**

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for 946 residential and day boarding students aged 11-18 years. The School changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education and Skills Funding Agency pays the cost of teaching and learning, delivery of the national curriculum and some classroom facilities. In addition to managing the estate and buildings, The Gordon Foundation provides support services to the School and in particular runs the boarding operation for the day, weekly and full boarding students and the extensive Co-Curricular programmes. For families who require financial assistance with boarding charges, The Gordon Foundation is able to provide means-tested bursaries.

The Gordon Enterprises UK Ltd, a subsidiary of The Gordon Foundation, oversees management of and hire of the Gordon's Sports Hub, letting of the school facilities when not required by the School and other opportunities for non-boarding revenue generation. Proceeds from such activities are gift-aided to The Gordon Foundation.

##### **Vision**

Our long-term vision is a family of Gordon Foundation schools where students, particularly those from disadvantaged backgrounds, benefit from a Gordon's education. An education recognised as amongst the finest in the world for the calibre of young people we develop, the progress they make and the difference they make to the lives of others.

##### **Object**

The object of The Gordon Foundation is to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need, with a view to preparing them for education or for earning their livelihood, such object being in continuation of the work of the unincorporated institution known as the Gordon Boys' Home, established in July 1885 as the National Memorial to General Charles Gordon CB.

##### **Objectives**

Whilst the main objective of The Gordon Foundation is support for Gordon's School, trustees appreciate its wider objects of encouraging and supporting residential boarding for 'necessitous' young people, improving the public's awareness of the value and benefits of residential boarding and increasing funds available to support residential boarding. In setting these objectives and planning activities, trustees give careful consideration to the Charity Commission's guidance on Public Benefit.

The objectives for The Gordon Foundation are;

- To maintain the National Memorial to General Gordon
- Be alert to and take advantage of opportunities to extend the influence of Gordon's both at home and overseas
- Ensure that business services provided by The Gordon Foundation are fit for purpose and commensurate with outstanding provision
- Increase the Foundation's financial stability and support for financially necessitous students
- Deliver world-class pastoral care, curriculum, and co-curriculum provision

#### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

##### **The Vision for Gordon's**

The 'Vision for Gordon's' is the strategic plan for Gordon's which sets out our vision for the national memorial to General Gordon to be more than a school, but a symbol of what can be achieved by a community united in making an outstanding contribution for the good of global society, through its educational leadership and through the lives Gordonians go on to lead. This vision will be extended towards 2035, the Foundation's 150<sup>th</sup> anniversary.

A Gordon's education strives to be more than the best possible examination results, but a thorough preparation for life. Our aim is to develop rounded world class, global citizens with the character, capabilities and confident humility to achieve well, to stay active, to appreciate what they have and to connect and give back to the communities in which they live and work.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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The Vision for Gordon's is for the national memorial to General Gordon to be a force for a more caring and just world: a world in which inequality in opportunities is diminishing; where individuals are treated similarly and have equal chances based not on privilege, but on how hard they work for themselves and others.

#### Academic Results for the School

During the year the School educated approximately 978 students between the ages of 11 and 18. Recruitment continues to be strong with waiting lists for Key Stages 3 and 4. There were 279 residential boarders and 353 students in the Sixth Form..

Compared to many state schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects. 42% of Y13 Leavers obtaining places at Russell Group universities and 73% gained places at their preferred destination. Two students gained places at Oxford and Cambridge, four embarked on Medical training courses, six gained places at Music/Drama schools, four accepted Sports Scholarships overseas and five secured Degree Apprenticeships

#### A Level results 2024

40% of entries were graded A\* - A  
71% of entries were graded A\* - B  
88% of entries were graded A\* - C

#### GCSE results 2024

51% of entries were graded 9 - 7  
84% of entries were graded 9 - 5  
93% of entries were graded 9 - 4

Average performance per student – BBB

#### BTEC L3 2024

53% of entries were graded D\* - D  
88% of entries were graded D\* - M

#### BTEC L2 2024

100% of entries were graded D\* - P

More detailed information on student activities and the Co-Curricular programme can be found on the School website [www.gordons.school](http://www.gordons.school) as well as the Annual Report of the Gordon's School Academy Trust.

#### Capital Developments

The current focus has been the reconstruction of Pitch 1 along with the first of two years of development of the Old pool and Gym to create a Theatre including break out rooms and teaching areas. Continued improvements have been made to teaching spaces with two new classrooms along with some additional smaller teaching spaces. IT launched eight classrooms of the future to include a docking system for IT devices rather than desk top machines and the new screens with all the functionality needing for teaching and learning for the future.

#### General

The Development team is responsible for activities focusing on support for the school community as well as strengthening local and wider community links, ranging from regular talks, organising all larger school internal and external events and seeking opportunities to let facilities when not required by the school, and fundraising.

Development Prefects assist the department with appropriate administration and hosting of events, providing them with some insight into a different area of the school as well as useful experience. A strong working partnership continues with the Gordon's School Parents' Association which clearly benefits the school and the parent community.

Following the dissolution of the Gordonian Association and responsibility for all alumni-focused activity incorporated within the Development Office, a key focus continues to be developing a strategy for appropriate communication and engagement activity with each age groups. The Gordonian Football team, sponsored by a local business, is also supported by providing home match facilities on the new 3G pitch. In the summer, Gordonians of all ages enjoyed being able to return to the School for the Annual Parade and previously meeting up in London after the Whitehall Parade. Former members of the Pipe Band are invited to play in the Big Blaw, the summer cricket match is popular as well as a three-way netball tournament for Gordonians, staff and current students. The Gordonian Awards, for Arts and for Sports, attract increasing numbers of high calibre applicants; these financially support two Year 11 students with the costs for developing a particular talent, and encouragement to continue into the Gordon's Sixth Form.

Support is provided to the Careers team to assist with finding work placements and speakers as well as organising the annual Careers Fair. Opportunities for parents and members of the local community to network continue with reinstatement of the monthly Business Networking Breakfasts held at the School. The Development team encourages the School Charities Committee with appropriate links and organisational support; Make a difference Day saw student volunteers in the school working for the community from organised sports events for local primary schools, activities in care homes to litter-picking and clearing of graveyards. A total of 430 student volunteers took part with 1,611 hours recorded.

The Gordon's Pipe Band, now officially the Music Section of the Gordon's CCF, participated in over numerous events that included travel to Scotland to compete in the World Championships, playing at the Houses of Parliament, at Wembley Stadium and, following a longstanding link with Brookwood Last Post Association at Brookwood Military Cemetery, members of the Pipes and Drums who represent the School at Brookwood Last Post were selected to go to Menin Gate to play and take part in the Last Post Association's Remembrance Service. A partnership developing with the National Piping Centre, Glasgow, is proving beneficial to Gordon's Pipe Band.

#### **Commercial**

A planning condition for the Sports Hall and 3G pitch is community use with a Community Use Agreement in place between Gordon's and Surrey Heath Council. There is continued significant interest in hire of these facilities, with a focus on supporting local grass-roots sports clubs.

Other commercial activity includes the Sports Hub Café, part of the Sports Hall building available for use in conjunction with sports hire as well as Gordon's Sixth Form students during the school day. The monthly Networking Breakfasts continue with a number of useful links being followed up. We were pleased to secure a new contract for hire of residential and classroom facilities for four weeks during the summer holidays, while will expand in future years, while again hosting Barracuda Day Camps during the Easter and Summer holidays.

#### **Partnerships**

The partnership launched with Aldershot Town Football Club in July 2021 whereby their 1<sup>st</sup> team is based and trains at Gordon's during weekday mornings, and provided with catering and other facilities, continues positively. In addition to hire charges, School football teams are provided with coaching by the ATFC coaching team and for free home match tickets are available to Gordon's families. Other sporting partnerships continue, with Harlequins Rugby Football Club and London Pulse (Premier Netball).

Gordon's is proud to help reduce global educational poverty through a working partnership with the Commonwealth Education Trust (CET). Formally known as the Commonwealth Institute, the CET is a well-established, leading charity that champions education across the Commonwealth. Their digital platforms reach teachers in underserved, often rural communities around the world, providing them with much needed bite-size professional development courses. Gordon's teachers work with CET to establish courses to help improve pedagogy and classroom management, later extending to support designated schools through fundraising and practical resources.

The Camelthorn Foundation supports community-led wildlife initiatives alongside promoting education and socio-economic opportunities in Zimbabwe's Hwange province. Gordon's has pledged to work with the Camelthorn Foundation to raise sufficient funds to provide, initially, a girls' boarding house and then accommodation for boys, attending Ngamo Secondary School. In time, we hope that students and staff may be able to volunteer with the Camelthorn Foundation in their conservation, education or social programmes.



## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### External support

Applications to trusts and foundations continue for bursary funding as well as specific projects. The support for Gordon's students from a range of educational trusts is valued, in particular the continued generosity of the Girdlers' Livery Company.

Support for Gordon's students by The Seb Foundation, Girdlers, Heights Education, Buttle UK, Lloyd Foundation, Emmott Foundation, The Royal Springboard Children's Foundation and Tak Turton Trust continues to be welcomed by student families and the School.

In 2021, two significant new competitions were launched, the Wynter Bee Global Citizen Prize and the Headmaster's Global Citizen Prize, for which students were asked to engage with one of the UN 17 Sustainable Development Goals. We are immensely grateful to Peter Wynter Bee, former trustee and now Gordon's Ambassador, for encouraging the institution of these student competitions and for his generosity in funding these prizes.

Gordon's is proud to have signed up to the Forces Covenant and to display the Bronze Award of the Employers' Recognition Scheme, recognising the School's role in supporting our Forces families as well as being a major employer in the area. The link with the Corps of Royal Engineers continues to be valued, in particular CCF students participating in Field Days organised at Gibraltar Barracks; training staff from Pirbright Camp assist with ceremonial drill. Members of the Pipes and Drums play regularly for the Last Post Association at Brookwood Cemeteries, also for Surrey Police Pass-Out Parades and with Surrey Police Band in a Festival Remembrance Parade.

#### Fundraising

The trustees recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The Foundation keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The Foundation only raises funds from those individuals and organisations known to it and the Foundation does not undertake fundraising campaigns to members of the public.

#### Patronage

Following the sad loss of Her Majesty Queen Elizabeth II, Patron of Gordon's, King Charles accepted the Patronage of the School earlier this year continuing an unbroken line of Sovereign Patronage since Queen Victoria in 1885.

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The main sources of funding for the Foundation are through boarding charges and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a waiting list. The fee income received by the Foundation was £11,935,120 (2023: £11,104,652).

The net movement in funds for the year was a surplus of £629,303 (2023: surplus of £233,581). This surplus includes net investment gains of £346,351 (2023: net losses £92,846) and actuarial gains on the pension scheme of £206,000 (2023: actuarial gain £500,000). Excluding these gains the operating surplus for the year was £76,952 (2023: deficit of £173,573).

Investments performed well during the year. The investment portfolio has increased by £450,390 to £3,497,081 (2023: £3,046,691).

On 1 January 2013, Gordon's School converted to Academy Trust status under the Academies Act 2010 with all operations, assets and liabilities transferred over to the Gordon's School Academy Trust. This transfer was accounted for using the acquisition method resulting in a £389,000 deficit on the Local Government Pension Scheme transferring into the Trust. Most years since there has been an additional deficit on the scheme.

In the year ended 31 August 2024 the pension liability reduced by £203,000 to an asset surplus of £1,000. This asset surplus has been eliminated as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments. An asset should only be recognised to the extent that there is the ability for the Academy Trust to recover the surplus either through reduced contribution in the future or refunds from the plan.

Further information on the pension schemes is given in note 21.

## RESERVES

At 31 August 2024, funds comprised unrestricted funds of £13,602,694 (2023: £13,186,883) and restricted funds, excluding pension reserve, of £1,622,177 (2023: £1,610,685). The restricted funds pension deficit reserve was £nil as explained above (2023: £202,000 deficit). The restricted funds are set out in note 17.

Unrestricted funds are represented by the Foundation's property and other tangible fixed assets, investments and net working capital. Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are negative and the Foundation Committee have set a policy to restore and build free reserves in order to maintain the site and fund the modernisation and future development of Gordon's School. Any surplus funds generated in a financial year are invested in capital development.

## Risk

The trustees have assessed the major risks to which The Gordon Foundation is exposed and have taken steps to reduce and manage these risks. Trustees approve a formal Risk Register which is updated regularly and reviewed by the Joint Audit and Risk Committee at least annually. The most significant retained risks identified are noted below together with the means by which to manage the risk:

| Risk area                                       | Risk Factor                                                                                                                                                                                | Existing control procedures                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Political, educational & financial              | Adverse impact on school model                                                                                                                                                             | Ensure frequent reporting of student roll and finances. Hold back on plans, reduce costs where possible. Maintain a schedule of pre-agreed changes in the event of significantly reduced income. Focus on developing alternative income streams. Membership of appropriate bodies for advice and forecasts. |
| Charitable status / Taxation                    | Adverse financial effect such as tax on profits, loss of business rates. VAT on boarding charges: increased boarding charges made unaffordable for many parents and changes school profile | Take appropriate professional advice, reflect in budgets / planning                                                                                                                                                                                                                                         |
| Worsening economic climate, including inflation | Adverse financial effect                                                                                                                                                                   | Contingency planning                                                                                                                                                                                                                                                                                        |
| Software / hardware                             | Loss of curriculum or administrative data; loss of major systems applications                                                                                                              | Engagement of external IT Services with extended resources and experience. Cloud storage in use. Data back up regularly tested for ability to restore file. Daily back-ups. IT a part of disaster recovery plan. Files restore been tested but needs test application regularly.                            |

## INVESTMENT POLICY

The charity aims to manage the investment portfolio such that investment income is maintained, and capital growth is achieved, in real terms. The performance of investments and the investment policy is reviewed regularly by the Investment Panel. The Investment Panel does not impose any constraints that might limit selection of individual investments for social, environmental or ethical reasons.

**PLANS FOR FUTURE YEARS**

**3-year Strategic Priorities:**

- i) Develop a working and learning environment for Gordon's School that moves beyond outstanding
- ii) Develop the School's Digital Strategy across both learning and administrative processes
- iii) Progress the Estates Master Plan
- iv) Design and implement our environmental policy
- v) Further develop 'Gordon's Connected' platform, boosting parent, student and staff engagement by creating partnerships between Gordon's Careers department, Business Network, alumni and parents
- vi) Further develop Gordon's Schools' Partnership, boosting collaborative opportunities for students and staff.

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Group's auditor was unaware and
- that Director had taken all the steps that the Director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

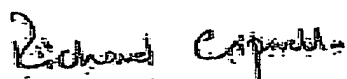
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The trustees 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITOR**

Our auditor, Alliotts LLP, has indicated their willingness to continue in office.

The Trustees' Report, incorporating the Strategic Report was approved by the trustees of The Gordon Foundation on 18 January 2025 and signed on its behalf by:



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**Lieutenant General Richard Cripwell CB, CBE**  
**Chairman**

### Opinion

We have audited the consolidated financial statements of The Gordon Foundation for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the 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.

### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

### Opinions 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 Foundation Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Foundation Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company 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.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 10, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook 2023, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION (continued)**

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We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Foundation Committee;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

**Use of this report**

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Alliotts LLP**

Senior Statutory Auditor  
Alliotts LLP  
3 London Square,  
Guildford, GU1 1UJ

28/1/25

**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

|                                                             |        | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>2024     | Total<br>2023     |
|-------------------------------------------------------------|--------|-----------------------|---------------------|-------------------|-------------------|
|                                                             | Note   | £                     | £                   | £                 | £                 |
| <b>Income from:</b>                                         |        |                       |                     |                   |                   |
| Donations and legacies                                      | 1      | 21,042                | -                   | 21,042            | 28,751            |
| Grants                                                      | 2      | -                     | 30,466              | 30,466            | 188,675           |
| <b>Charitable activity:</b>                                 |        |                       |                     |                   |                   |
| Income from boarding charges                                | 3      | 11,895,762            | 39,358              | 11,935,120        | 11,104,652        |
| Other operating income                                      | 3      | 751,126               | -                   | 751,126           | 654,337           |
| Funding for the Academy's educational operations            | 3      | -                     | 6,157,715           | 6,157,715         | 5,874,019         |
| <b>Trading activities:</b>                                  |        |                       |                     |                   |                   |
| Trading income                                              | 4      | 316,380               | -                   | 316,380           | 241,685           |
| <b>Investment income</b>                                    | 5      | 95,573                | 12,488              | 108,061           | 102,539           |
| <b>Total income</b>                                         |        | <b>13,079,883</b>     | <b>6,240,027</b>    | <b>19,319,910</b> | <b>18,194,658</b> |
| <b>Expenditure on:</b>                                      | 6      |                       |                     |                   |                   |
| <b>Charitable activity:</b>                                 |        |                       |                     |                   |                   |
| Staff costs                                                 |        | 7,492,017             | 4,608,036           | 12,100,053        | 10,788,007        |
| Educational costs                                           |        | -                     | 464,652             | 464,652           | 480,061           |
| Welfare costs                                               |        | 2,674,178             | -                   | 2,674,178         | 2,303,053         |
| Premises costs                                              |        | 1,825,816             | 727,431             | 2,553,247         | 3,207,709         |
| Support costs                                               |        | 555,053               | 446,974             | 1,002,027         | 1,101,846         |
| <b>Raising funds:</b>                                       |        |                       |                     |                   |                   |
| Finance costs                                               |        | 242,490               | -                   | 242,490           | 255,185           |
| Investment management                                       |        | 77                    | 1,808               | 1,885             | 1,944             |
| <b>Trading activities:</b>                                  |        |                       |                     |                   |                   |
| Trading costs                                               |        | 204,426               | -                   | 204,426           | 230,426           |
| <b>Total expenditure</b>                                    | 6      | <b>12,994,057</b>     | <b>6,248,901</b>    | <b>19,242,958</b> | <b>18,368,231</b> |
| <b>Operating income/(expenditure)</b>                       |        | <b>85,826</b>         | <b>(8,874)</b>      | <b>76,952</b>     | <b>(173,573)</b>  |
| Net gains/(losses) on investments                           | 9      | 329,985               | 16,366              | 346,351           | (92,846)          |
| <b>Net income/(expenditure)</b>                             |        | <b>415,811</b>        | <b>7,492</b>        | <b>423,303</b>    | <b>(266,149)</b>  |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                     | 206,000             | 206,000           | 500,000           |
| <b>Net movement in funds for the year</b>                   |        | <b>415,811</b>        | <b>213,492</b>      | <b>629,303</b>    | <b>233,581</b>    |
| <b>Fund balances brought forward at 1 September 2023</b>    | 16, 17 | <b>13,186,883</b>     | <b>1,408,685</b>    | <b>14,595,568</b> | <b>14,361,987</b> |
| <b>Fund balances carried forward at 31 August 2024</b>      | 16, 17 | <b>13,602,694</b>     | <b>1,622,177</b>    | <b>15,224,871</b> | <b>14,595,568</b> |

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

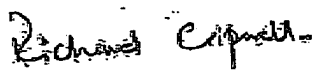
Details of comparative figures by fund are disclosed in note 23.

## GROUP BALANCE SHEET

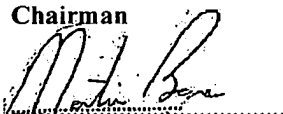
AS AT 31 AUGUST 2024

|                                                                |       | 2024               |                          | 2023               |                          |
|----------------------------------------------------------------|-------|--------------------|--------------------------|--------------------|--------------------------|
|                                                                | Notes | £                  | £                        | £                  | £                        |
| <b>FIXED ASSETS</b>                                            |       |                    |                          |                    |                          |
| Tangible                                                       | 8     |                    | 21,597,756               |                    | 21,557,334               |
| Investments                                                    | 9,10  |                    | 3,497,081                |                    | 3,046,691                |
|                                                                |       |                    | <u>25,094,837</u>        |                    | <u>24,604,025</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                    |                          |                    |                          |
| Debtors                                                        | 12    | 826,669            |                          | 1,048,713          |                          |
| Cash at bank and in hand                                       |       | 87,739             |                          | 541,892            |                          |
|                                                                |       | <u>914,408</u>     |                          | <u>1,590,605</u>   |                          |
| <b>CREDITORS: Amounts falling due within one year</b>          | 13    | <u>(4,234,376)</u> |                          | <u>(4,514,683)</u> |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                    | <u>(3,319,968)</u>       |                    | <u>(2,924,078)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                    | 21,774,869               |                    | 21,679,947               |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 14    |                    | <u>(6,549,998)</u>       |                    | <u>(6,882,379)</u>       |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |       |                    | 15,224,871               |                    | 14,797,568               |
| <b>PENSION SCHEME LIABILITY</b>                                | 21    |                    | -                        |                    | (202,000)                |
| <b>NET ASSETS</b>                                              |       |                    | <u><u>15,224,871</u></u> |                    | <u><u>14,595,568</u></u> |
| <b>FUNDS</b>                                                   |       |                    |                          |                    |                          |
| Unrestricted funds                                             | 16    |                    | 13,602,694               |                    | 13,186,883               |
| Restricted – Specific Funds                                    | 17    |                    | 1,622,177                |                    | 1,610,685                |
| Restricted - Pension Reserve                                   | 17    |                    | -                        |                    | (202,000)                |
|                                                                |       |                    | <u><u>15,224,871</u></u> |                    | <u><u>14,595,568</u></u> |

The financial statements were approved and authorised for issue by the Board on 18 January 2025 and were signed below on its behalf by:



Lieutenant General Richard Cripwell CB, CBE  
Chairman



Mr M Barnes  
Treasurer

The accompanying notes form part of these financial statements.



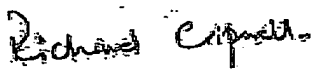
## CHARITY BALANCE SHEET

AS AT 31 AUGUST 2024

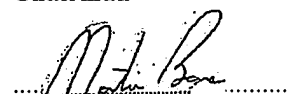
|                                                                |       | 2024           |                          | 2023           |                          |
|----------------------------------------------------------------|-------|----------------|--------------------------|----------------|--------------------------|
|                                                                | Notes | £              | £                        | £              | £                        |
| <b>FIXED ASSETS</b>                                            |       |                |                          |                |                          |
| Tangible                                                       | 8     |                | 21,408,359               |                | 21,342,616               |
| Investments                                                    | 9     |                | 3,497,081                |                | 3,046,691                |
| Investment in subsidiary company                               | 10    |                | 2                        |                | 2                        |
|                                                                |       |                | <u>24,905,442</u>        |                | <u>24,389,309</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                |                          |                |                          |
| Debtors                                                        | 12    | 675,918        |                          | 457,397        |                          |
| Cash at bank and in hand                                       |       | 80,277         |                          | 538,531        |                          |
|                                                                |       | <u>756,195</u> |                          | <u>995,928</u> |                          |
| <b>CREDITORS: Amounts falling due within one year</b>          | 13    | (3,968,724)    |                          | (4,000,635)    |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                | <u>(3,212,529)</u>       |                | <u>(3,004,707)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                | 21,692,913               |                | 21,384,602               |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 14    |                | (6,506,667)              |                | (6,826,667)              |
| <b>NET ASSETS</b>                                              |       |                | <u><u>15,186,246</u></u> |                | <u><u>14,557,935</u></u> |
| <b>FUNDS</b>                                                   |       |                |                          |                |                          |
| Unrestricted funds                                             | 19    |                | 14,092,935               |                | 13,531,028               |
| Restricted funds                                               | 20    |                | 1,093,311                |                | 1,026,907                |
|                                                                |       |                | <u><u>15,186,246</u></u> |                | <u><u>14,557,935</u></u> |

The charitable company has taken exemption from presenting the charity statement of financial activities under section 408 of the Companies Act 2006. The net income of the charitable company for the year was £628,311 (2023: net income £232,762).

The financial statements were approved and authorised for issue by the Board on 18 January 2025 and were signed below on its behalf by:



Lieutenant General Richard Cripwell CB, CBE  
Chairman



Mr M Barnes  
Treasurer

The accompanying notes form part of these financial statements.

**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2024**

|                                                                                                | Note     | 2024<br>£         | 2023<br>£         |
|------------------------------------------------------------------------------------------------|----------|-------------------|-------------------|
| <b>Net cash inflow from operating activities</b>                                               | <b>A</b> | <b>759,082</b>    | <b>800,946</b>    |
| <b>Cash flows from investing activities</b>                                                    |          |                   |                   |
| Investment income received                                                                     |          | 108,061           | 102,539           |
| Capital grants from DFE/ESFA                                                                   |          | 30,466            | 286,682           |
| Purchase of fixed assets                                                                       |          | (672,853)         | (423,192)         |
| Purchase of investments                                                                        |          | (149,484)         | (25,234)          |
| Sale of investments                                                                            |          | 45,445            | 115,669           |
| <b>Net cash outflow from investing activities</b>                                              |          | <b>(638,365)</b>  | <b>56,464</b>     |
| <b>Cash flow from financing activities</b>                                                     |          |                   |                   |
| Loan repayments                                                                                |          | (332,380)         | (332,380)         |
| New loan finance                                                                               |          | -                 | -                 |
| Interest paid                                                                                  |          | (242,490)         | (255,185)         |
| <b>Net cash inflow from financing activities</b>                                               |          | <b>(574,870)</b>  | <b>(587,565)</b>  |
| <b>Change in cash and cash equivalents in the year</b>                                         |          | <b>(454,153)</b>  | <b>(269,845)</b>  |
| Cash and cash equivalents at the beginning of the year                                         |          | 541,892           | 272,047           |
| Cash and cash equivalents at the end of the year                                               |          | <b>87,739</b>     | <b>541,892</b>    |
| <b>A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |          | <b>2024<br/>£</b> | <b>2023<br/>£</b> |
| Net movement in funds for the year                                                             |          | 629,303           | 233,581           |
| Depreciation                                                                                   |          | 632,431           | 622,512           |
| ESFA capital grants                                                                            |          | (30,466)          | (188,675)         |
| Losses/(Gains) on investments                                                                  |          | (346,351)         | 92,846            |
| Decrease/(increase) in debtors                                                                 |          | 434,790           | (366,662)         |
| (Decrease)/increase in creditors                                                               |          | (493,054)         | 662,698           |
| Investment income receivable                                                                   |          | (108,061)         | (102,539)         |
| Finance Costs                                                                                  |          | 242,490           | 255,185           |
| Pension adjustment                                                                             |          | (202,000)         | (408,000)         |
| <b>Net cash inflow from operating activities</b>                                               |          | <b>759,082</b>    | <b>800,946</b>    |
| <b>B. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                                |          | <b>2024<br/>£</b> | <b>2023<br/>£</b> |
| Cash at bank                                                                                   |          | 87,739            | 541,892           |
| Overdraft                                                                                      |          | -                 | -                 |
|                                                                                                |          | <b>87,739</b>     | <b>541,892</b>    |

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES

#### FOR THE YEAR ENDED 31 AUGUST 2024

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The Gordon Foundation is a charitable company limited by guarantee, incorporated in England and Wales (company number: 00027272) and a charity registered in England and Wales (charity number: 312092). The Charity's registered office address is: The Gordon Foundation, Gordon's School, West End, Woking, Surrey, GU24 9PT.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (the FRS 102 Charities SORP) (effective from 1 January 2019) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

**Boarding Charge Debtor Policy**

Boarding Charges debts, in debtors, reflect outstanding debts for the boarding charges to 31 August 2024, whilst Boarding Charges in advance, in creditors, reflect cash received prior to 31 August 2024 for the autumn term 2024 boarding charges.

**Basis of Consolidation**

The consolidated financial statements incorporate those of The Gordon Foundation and all its subsidiaries. All financial statements are made up to 31 August 2024. All subsidiary undertakings have been included within the financial statements.

The entities are consolidated on a line by line basis and all intra-group transactions and balances between group companies are eliminated on consolidation.

**b) Going concern**

The financial statements are prepared under the going concern basis which assumes the Group will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The trustees have reviewed regularly revised budgets and cash flow forecasts based on various scenarios including the requirements of the bank loan covenants and are keeping the situation under constant review, meeting regularly with senior management.

Based on the information available on the date of signing these financial statements, the trustees cannot make a reliable estimate as to the ultimate financial impact, however they believe the actions taken have ensured the Group's ability to continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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c) **Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Judgment 1** – the present value of the Local Government Pension Scheme defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.
- **Judgement 2** - a bad debt provision against potential future uncollectible boarding charges.

d) **Income**

All income included in the Statement of Financial Activities (SOFA) when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, and receipt is probable.

*Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

*Donations*

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of raising funds.

*Investment Income*

Investment income is accounted for when receivable and includes the related tax recoverable.

e) **Expenditure:**

Expenditure is accounted for on an accruals basis.

*Costs of raising funds*

Costs of raising funds comprise finance charges associated with interest payable on the Group's borrowings and costs associated with lettings.

*Charitable activities*

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs. Charitable activity costs represent costs directly associated with the provision of education and related support costs.

*Governance costs*

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Trading activities*

Costs of trading activities include costs directly associated with providing the services provided through trading.

f) **Leased Assets**

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

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**g) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets, other than freehold land, on the following methods at rates calculated to write off the assets over their estimated useful lives. The methods and rates are

|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| Freehold land and buildings | - | 2% - 4% per annum straight line |
| Machinery and equipment     | - | 20% per annum straight line     |
| Fixtures and fittings       | - | 20% per annum straight line     |
| Motor vehicles              | - | 20% per annum straight line     |

Buildings erected before the year 2000 are depreciated over 50 years, and newer buildings over 25 years.

**h) Investments**

Listed investments are stated at market value at the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**j) Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**k) Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**l) Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see notes 17 and 20).

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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##### **m) Pension Costs**

Retirement benefit to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Foundation employees are part of a defined contribution workplace pension scheme with Salvus Master. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2024**

|                                                  | <b>Unrestricted<br/>Funds<br/>£</b> | <b>2024<br/>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>£</b> | <b>2023<br/>Total<br/>£</b> |
|--------------------------------------------------|-------------------------------------|--------------------------------------------|--------------------|-----------------------------|
| <b>1. DONATIONS AND LEGACIES</b>                 |                                     |                                            |                    |                             |
| Donations and gifts                              | 21,042                              | -                                          | 21,042             | 28,751                      |
| Legacies                                         | -                                   | -                                          | -                  | -                           |
|                                                  | <u>21,042</u>                       | <u>-</u>                                   | <u>21,042</u>      | <u>28,751</u>               |
| <b>2. GRANTS</b>                                 |                                     |                                            |                    |                             |
| ESFA capital grants                              |                                     | 30,466                                     | 30,466             | 188,675                     |
|                                                  | <u>-</u>                            | <u>30,466</u>                              | <u>30,466</u>      | <u>188,675</u>              |
| <b>3. INCOME FROM CHARITABLE ACTIVITIES</b>      |                                     |                                            |                    |                             |
| Gross income from boarding charges               | 12,524,052                          | 39,358                                     | 12,563,410         | 11,617,620                  |
| <b>Less:</b>                                     |                                     |                                            |                    |                             |
| Bursaries                                        | (582,977)                           | -                                          | (528,977)          | (478,328)                   |
| Staff discounts                                  | (35,958)                            | -                                          | (35,958)           | (26,486)                    |
| Other discounts                                  | (9,355)                             | -                                          | (9,355)            | (8,154)                     |
| Net income from boarding charges                 | <u>11,895,762</u>                   | <u>39,358</u>                              | <u>11,935,120</u>  | <u>11,104,652</u>           |
| Other operating income                           | 751,126                             | -                                          | 751,126            | 654,337                     |
| Funding for the Academy's educational operations | -                                   | 6,157,715                                  | 6,157,715          | 5,874,019                   |
|                                                  | <u>12,646,888</u>                   | <u>6,197,073</u>                           | <u>18,843,961</u>  | <u>17,633,008</u>           |
| <b>4. TRADING ACTIVITIES</b>                     |                                     |                                            |                    |                             |
| Trading income                                   | 316,380                             | -                                          | 316,380            | 241,685                     |
|                                                  | <u>316,380</u>                      | <u>-</u>                                   | <u>316,380</u>     | <u>241,685</u>              |
| <b>5. INVESTMENT INCOME</b>                      |                                     |                                            |                    |                             |
| Interest received                                | -                                   | -                                          | -                  | 1,647                       |
| Dividends received                               | 95,573                              | 12,488                                     | 108,061            | 100,892                     |
|                                                  | <u>95,573</u>                       | <u>12,488</u>                              | <u>108,061</u>     | <u>102,539</u>              |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**6. EXPENDITURE**

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2024<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 12,100,053        | -                | -                 | 12,100,053         |
| Teaching costs              | -                 | 464,652          | -                 | 464,652            |
| Welfare costs               | -                 | 2,674,178        | -                 | 2,674,178          |
| Premises costs              | -                 | 1,920,816        | 632,431           | 2,553,247          |
| Support costs               | -                 | 1,002,027        | -                 | 1,002,027          |
|                             | <u>12,100,053</u> | <u>6,061,673</u> | <u>632,431</u>    | <u>18,794,157</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 242,490          | -                 | 242,490            |
| Other costs                 | -                 | 1,885            | -                 | 1,885              |
| Trading costs               | -                 | 204,426          | -                 | 204,426            |
|                             | <u>12,100,053</u> | <u>6,510,474</u> | <u>632,431</u>    | <u>19,242,958</u>  |

**EXPENDITURE (PRIOR YEAR)**

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2023<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 10,788,007        | -                | -                 | 10,788,007         |
| Teaching costs              | -                 | 480,061          | -                 | 480,061            |
| Welfare costs               | -                 | 2,303,053        | -                 | 2,303,053          |
| Premises costs              | -                 | 2,585,197        | 622,512           | 3,207,709          |
| Support costs               | -                 | 1,101,846        | -                 | 1,101,846          |
|                             | <u>10,788,007</u> | <u>6,470,157</u> | <u>622,512</u>    | <u>17,880,676</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 255,185          | -                 | 255,185            |
| Other costs                 | -                 | 1,944            | -                 | 1,944              |
| Trading costs               | -                 | 230,426          | -                 | 230,426            |
|                             | <u>10,788,007</u> | <u>6,957,712</u> | <u>622,512</u>    | <u>18,368,231</u>  |

|                                                   | 2024<br>£ | 2023<br>£ |
|---------------------------------------------------|-----------|-----------|
| <b>Total expenditure includes:</b>                |           |           |
| Depreciation                                      | 632,431   | 622,512   |
| Operating lease payments recognised as an expense | 344,040   | 225,624   |
| Auditor's remuneration: - Audit fees              | 31,400    | 28,760    |
| - Other services                                  | 14,240    | 13,310    |



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**7. STAFF COSTS**

|                           | <b>2024</b>              | <b>2023</b>              |
|---------------------------|--------------------------|--------------------------|
|                           | <b>£</b>                 | <b>£</b>                 |
| Wages and salaries        | 9,570,614                | 8,541,643                |
| Social security costs     | 953,301                  | 853,930                  |
| Other pension costs       | 1,576,138                | 1,392,434                |
| Staff restructuring costs | -                        | -                        |
|                           | <u><b>12,100,053</b></u> | <u><b>10,788,007</b></u> |

|                                                           | <b>2024</b>       | <b>2023</b>       |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | <b>No</b>         | <b>No</b>         |
| The average number of employees in the year was:          |                   |                   |
| Teachers                                                  | 77                | 73                |
| Administration (including academic support & maintenance) | 194               | 184               |
|                                                           | <u><b>271</b></u> | <u><b>257</b></u> |

The number of higher paid staff during the year was as follows:

|                      |                  |                  |
|----------------------|------------------|------------------|
| £60,001 to £70,000   | 15               | 15               |
| £70,001 to £80,000   | 9                | 5                |
| £80,001 to £90,000   | 5                | 1                |
| £90,001 to £100,000  | 1                | 1                |
| £100,001 to £110,000 | -                | 1                |
| £130,001 to £140,000 | 1                | 1                |
|                      | <u><b>31</b></u> | <u><b>24</b></u> |

No trustees received any remuneration or benefits-in-kind during the year (2023: £nil). No trustees received reimbursement of expenses in respect of travel and subsistence during the year (2023: £771 to one trustee)

Pension contributions of £100,258 (2023: £98,525) were made to personal pension plans in respect of higher paid staff during the year.

The key management personnel of the group comprise the Trustees, Head Teacher, Finance & Operations Director, Development Director, HR Director, Estates Director, Deputy Head of Pastoral and Deputy Head of Curriculum. The total remuneration of the key management personnel during the year was £840,215 (2023: £875,447).

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**8. FIXED ASSETS – GROUP AND CHARITY**

|                          | Freehold<br>Land &<br>Buildings<br>£ | Machinery &<br>Equipment<br>£ | Fixtures<br>&<br>Fittings<br>£ | Assets under<br>Construction<br>£ | Total<br>Charity<br>£ | Academy<br>Trust<br>£ | Total<br>Group<br>£ |
|--------------------------|--------------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------|-----------------------|---------------------|
| <b>COST</b>              |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2023      | 27,087,812                           | 1,171,356                     | 1,048,832                      | 277,701                           | 29,585,701            | 1,250,159             | 30,412,668          |
| Additions                | 75,364                               | 37,369                        | 61,419                         | 449,151                           | 623,303               | 49,550                | 672,853             |
| Reclassification         | -                                    | -                             | -                              | -                                 | -                     | -                     | -                   |
| <b>At 31 August 2024</b> | <b>27,163,176</b>                    | <b>1,208,725</b>              | <b>1,110,251</b>               | <b>726,852</b>                    | <b>30,209,004</b>     | <b>1,299,709</b>      | <b>31,508,713</b>   |
| <b>DEPRECIATION</b>      |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2023      | 6,326,425                            | 1,004,073                     | 912,587                        | -                                 | 8,243,085             | 1,035,441             | 9,278,526           |
| Charge for the year      | 344,110                              | 94,931                        | 118,519                        | -                                 | 557,560               | 74,871                | 632,431             |
| <b>At 31 August 2024</b> | <b>6,670,535</b>                     | <b>1,099,004</b>              | <b>1,031,106</b>               | <b>-</b>                          | <b>8,800,645</b>      | <b>1,110,312</b>      | <b>9,910,957</b>    |
| <b>NET BOOK VALUE</b>    |                                      |                               |                                |                                   |                       |                       |                     |
| <b>At 31 August 2024</b> | <b>20,492,641</b>                    | <b>109,721</b>                | <b>79,145</b>                  | <b>726,852</b>                    | <b>21,408,359</b>     | <b>189,397</b>        | <b>21,597,756</b>   |
| <b>At 31 August 2023</b> | <b>20,761,387</b>                    | <b>167,283</b>                | <b>136,245</b>                 | <b>277,701</b>                    | <b>21,342,616</b>     | <b>214,718</b>        | <b>21,557,334</b>   |

**9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY**

|                                                            | 2024<br>£        | 2023<br>£        |
|------------------------------------------------------------|------------------|------------------|
| Balance at 1 September 2023 (excluding cash deposits)      | 3,013,280        | 3,113,522        |
| Additions                                                  | 149,484          | 25,234           |
| Disposals at opening market value                          | (56,180)         | (32,481)         |
| Realised and unrealised (losses)/gains                     | 346,571          | (92,995)         |
| <b>Balance at 31 August 2024 (excluding cash deposits)</b> | <b>3,453,155</b> | <b>3,013,280</b> |
| Cash deposits                                              | 43,926           | 33,411           |
| <b>Balance at 31 August 2024</b>                           | <b>3,497,081</b> | <b>3,046,691</b> |

Class of investments is split as follow:

|                                  | 2024<br>£        |
|----------------------------------|------------------|
| Cash or cash equivalents         | 43,926           |
| Equities                         | 3,351,387        |
| Alternative investments          | 57,419           |
| Fixed interest                   | 44,349           |
| <b>Balance at 31 August 2024</b> | <b>3,497,081</b> |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY**

**Shares in  
group  
undertakings  
£**  
**2**

Balance at 1 September 2023 and 31 August 2024

Details of the charitable company's subsidiaries at 31 August 2024 are as follows:

(i) **Gordon's School Academy Trust** is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT. On the basis that The Gordon Foundation is member of the Gordon's School Academy Trust and has significant influence over the entity, Gordon's School Academy Trust has been included within the consolidated financial statements.

**Academy results:**

|                                                     | <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| <b><u>SOFA</u></b>                                  |                             |                             |
| Total Income                                        | 9,027,865                   | 8,574,034                   |
| Total Expenditure                                   | (9,232,873)                 | (9,073,212)                 |
| Net income/(expenditure)                            | (205,008)                   | (499,178)                   |
| Other recognised gains and losses                   |                             |                             |
| Actuarial(losses) on defined benefit pension scheme | 207,000                     | 500,000                     |
| Adjustment for restriction on pension assets        | (1,000)                     | -                           |
| Net movement in funds                               | <b>992</b>                  | <b>822</b>                  |
| Total funds brought forward at 1 September 2023     | 24,048                      | 23,226                      |
| Total funds carried forward at 31 August 2024       | <b>25,040</b>               | <b>24,048</b>               |
| <b><u>Balance Sheet</u></b>                         |                             |                             |
| Fixed Assets                                        | 189,397                     | 214,718                     |
| Current Assets                                      | 1,000,089                   | 1,825,414                   |
| Current Liabilities                                 | (1,121,115)                 | (1,758,372)                 |
| Creditors falling due after more than one year      | (43,331)                    | (55,712)                    |
| LGPS Pension Scheme Liabilities                     | -                           | (202,000)                   |
| Total Funds                                         | <b>25,040</b>               | <b>24,048</b>               |

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

(ii) The Foundation holds 100% of the share capital of **The Gordon Enterprises UK Limited** (company number: 04104254, registered in England and Wales, registered office: Bagshot Road, West End, Surrey, G24 9PT), whose principal activities are letting the buildings and grounds of Gordon's School and selling memorabilia. A summary of the profit and loss account and the balance sheet from the audited financial statements is set out below:

| <u>Profit and Loss Account</u>    | 2024<br>£     | 2023<br>£     |
|-----------------------------------|---------------|---------------|
| Turnover                          | 269,839       | 233,724       |
| Costs                             | (204,427)     | (230,425)     |
| Profit for the year               | 65,412        | 3,299         |
| Donation to The Gordon Foundation | (65,412)      | (3,299)       |
| Retained Profit for the Year      | <u>£Nil</u>   | <u>£Nil</u>   |
| <u>Balance Sheet</u>              |               |               |
| Net Current Assets                | <u>13,587</u> | <u>13,587</u> |
| Retained Profits                  | 13,585        | 13,585        |
| Share capital                     | <u>2</u>      | <u>2</u>      |
| Total equity                      | <u>13,587</u> | <u>13,587</u> |

| 12. DEBTORS                  | Group<br>2024<br>£ | Group<br>2023<br>£ | Charity<br>2024<br>£ | Charity<br>2023<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| Boarding charge debtors      | 351,721            | 208,815            | 351,721              | 208,815              |
| Sundry debtors               | 20,506             | 24,791             | -                    | -                    |
| Amount owing to subsidiaries | -                  | -                  | 3,112                | -                    |
| Prepayments                  | 290,677            | 524,644            | 157,320              | 88,051               |
| VAT reclaim                  | 163,765            | 290,463            | 163,765              | 160,531              |
|                              | <u>826,669</u>     | <u>1,048,713</u>   | <u>675,918</u>       | <u>457,397</u>       |

| 13. CREDITORS: amounts falling due within one year | Group<br>2024<br>£ | Group<br>2023<br>£ | Charity<br>2024<br>£ | Charity<br>2023<br>£ |
|----------------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Loans and overdraft                                | 332,380            | 332,380            | 320,000              | 320,000              |
| Trade creditors                                    | 1,442,721          | 1,817,000          | 1,117,527            | 1,066,413            |
| Boarding charges in advance and pupil deposits     | 1,165,818          | 879,790            | 1,165,818            | 879,790              |
| Taxation and social security                       | 284,321            | 215,236            | 67,576               | 62,731               |
| Other creditors                                    | 769,681            | 1,022,519          | 240,041              | 233,062              |
| Amount owing to subsidiaries                       | -                  | -                  | 865,028              | 1,262,729            |
| Accruals and deferred income                       | 239,455            | 247,758            | 192,734              | 175,910              |
|                                                    | <u>4,234,376</u>   | <u>4,514,683</u>   | <u>3,968,724</u>     | <u>4,000,635</u>     |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

| <b>14. CREDITORS: amounts falling due after more than one year</b> | <b>Group<br/>2024<br/>£</b> | <b>Group<br/>2023<br/>£</b> | <b>Charity<br/>2024<br/>£</b> | <b>Charity<br/>2023<br/>£</b> |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loan                                                          | 6,549,998                   | 6,882,379                   | 6,506,667                     | 6,826,667                     |
|                                                                    | <u>6,549,998</u>            | <u>6,882,379</u>            | <u>6,506,667</u>              | <u>6,826,667</u>              |
| <b>Analysis of loans:</b>                                          |                             |                             |                               |                               |
| Between one and two years                                          | 332,380                     | 332,380                     | 320,000                       | 320,000                       |
| Between two and five years                                         | 990,951                     | 997,141                     | 960,000                       | 960,000                       |
| After five years                                                   | 5,226,667                   | 5,552,858                   | 5,226,667                     | 5,546,667                     |
|                                                                    | <u>6,549,998</u>            | <u>6,882,379</u>            | <u>6,506,667</u>              | <u>6,826,667</u>              |
| Due within one year                                                | 332,380                     | 332,380                     | 320,000                       | 320,000                       |
|                                                                    | <u>6,882,378</u>            | <u>7,214,759</u>            | <u>6,826,667</u>              | <u>7,146,667</u>              |

At the year end, The Gordon Foundation had two long term loans. Both loans are secured by legal first charges over freehold land and buildings of The Gordon Foundation.

The first bank loan of £2,000,000 was taken out in December 2018 and is due for repayment by instalments by January 2044. Interest accrues on this loan at 3.8%. and interest payments are made quarterly. Capital repayments commenced in January 2020.

The second bank loan facility of £6,000,000 was taken out in December 2019 to fund construction of a new sports facility and all weather pitch. A sum of £5,440,000 was outstanding at 31 August 2023 and the capital will be repaid by instalments until January 2046. Interest accrues on this loan at a rate of 3.3% and interest payments are made monthly. Capital repayments commenced in April 2021.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**15. LEASE COMMITMENTS**

At 31 August 2024 the total of future minimum lease payments under non-cancellable operating leases were:

|                            | 2024<br>£      | 2023<br>£      |
|----------------------------|----------------|----------------|
| <b>Leases expiring:</b>    |                |                |
| Within one year            | 300,311        | 213,481        |
| Between two and five years | 183,606        | 84,603         |
| More than five years       | -              | -              |
|                            | <u>483,917</u> | <u>298,084</u> |

**16. UNRESTRICTED FUNDS**

|                        | 1 September<br>2023<br>£ | Income<br>£       | Expenditure<br>£    | Investment<br>(Losses)<br>£ | Transfers<br>£ | 31 August<br>2024<br>£ |
|------------------------|--------------------------|-------------------|---------------------|-----------------------------|----------------|------------------------|
| Designated - Eyre Fund | 50,651                   | -                 | -                   | -                           | -              | 50,651                 |
| General Fund           | 13,136,232               | 13,079,883        | (12,994,057)        | 329,985                     | -              | 13,552,043             |
|                        | <u>13,186,883</u>        | <u>13,079,883</u> | <u>(12,994,057)</u> | <u>329,985</u>              | <u>-</u>       | <u>13,602,694</u>      |

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | 1 September<br>2022<br>£ | Income<br>£       | Expenditure<br>£    | Investment<br>Losses<br>£ | Transfers<br>£ | 31 August<br>2023<br>£ |
|------------------------|--------------------------|-------------------|---------------------|---------------------------|----------------|------------------------|
| Designated - Eyre Fund | 50,651                   | -                 | -                   | -                         | -              | 50,651                 |
| General Fund           | 13,535,465               | 11,987,578        | (12,314,074)        | (72,737)                  | -              | 13,136,232             |
|                        | <u>13,586,116</u>        | <u>11,987,578</u> | <u>(12,314,074)</u> | <u>(72,737)</u>           | <u>-</u>       | <u>13,186,883</u>      |

The Designated Eyre Fund represents the balance on an unrestricted donation which is used to help finance music lessons.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**17. RESTRICTED FUNDS**

|                        | Balance at<br>1 September<br>2023<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2024<br>£ |
|------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds:</b> |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation      | 417,729                                | 12,488           | (1,808)            | 16,366                            | -              | 444,775                              |
| Special fund           |                                        |                  |                    |                                   |                |                                      |
| Stepping Forward       | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Appeal fund            |                                        |                  |                    |                                   |                |                                      |
| Piano fund             | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries              | 227,348                                | 39,358           | -                  | -                                 | -              | 266,706                              |
| DfCSF (DfE) fund       | 28,738                                 | 6,157,715        | (6,168,222)        | -                                 | -              | 18,231                               |
| Other restricted funds | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund   | 555,040                                | 30,466           | (74,871)           | -                                 | -              | 510,635                              |
|                        | <u>1,610,685</u>                       | <u>6,240,027</u> | <u>(6,244,901)</u> | <u>16,366</u>                     | <u>-</u>       | <u>1,622,177</u>                     |
| <b>Pension reserve</b> | <u>(202,000)</u>                       | <u>-</u>         | <u>(4,000)</u>     | <u>206,000</u>                    | <u>-</u>       | <u>-</u>                             |

**RESTRICTED FUNDS  
(PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2022<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2023<br>£ |
|------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds</b>  |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation      |                                        |                  |                    |                                   |                |                                      |
| Special fund           | 426,766                                | 12,932           | (1,860)            | (20,109)                          | -              | 417,729                              |
| Stepping Forward       |                                        |                  |                    |                                   |                |                                      |
| Appeal fund            | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund             | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries              | 95,894                                 | 131,454          | -                  | -                                 | -              | 227,348                              |
| DfCSF (DfE) fund       | 30,386                                 | 5,874,019        | (5,875,667)        | -                                 | -              | 28,738                               |
| Other restricted funds | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund   | 450,995                                | 188,675          | (84,630)           | -                                 | -              | 555,040                              |
|                        | <u>1,385,871</u>                       | <u>6,207,080</u> | <u>(5,962,157)</u> | <u>(20,109)</u>                   | <u>-</u>       | <u>1,610,685</u>                     |
| <b>Pension reserve</b> | <u>(610,000)</u>                       | <u>-</u>         | <u>(92,000)</u>    | <u>500,000</u>                    | <u>-</u>       | <u>(202,000)</u>                     |

**Gordon Foundation Special Fund** – this fund represents the balance of assets transferred by several connected charities on 1 April 1996.

**Stepping Forward Appeal Fund** - this fund reflects an appeal to enhance performing arts facilities at Gordon's School.

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

### 17. RESTRICTED FUNDS (Continued)

**DfCSF (DfE) Fund & DfE Fixed Asset fund** – these funds reflect monies received from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of assisting with the general academy running costs and building projects.

**Other restricted funds** represent other specific donations to fund activities of the Foundation.

**Pension Reserve** – this fund represents the share of the pension deficit borne by the subsidiary, Gordon's School Academy Trust, in the Local Government Pension Scheme. Further detail is given in note 21 below.

### 18. ALLOCATION OF THE GROUP NET ASSETS

|                              | Investments      | Tangible Assets   | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 273,522          | 189,397           | 1,159,258                        | -                              | 1,622,177         |
| Restricted – Pension reserve | -                | -                 | -                                | -                              | -                 |
| Unrestricted                 | 3,223,559        | 21,408,359        | (4,479,226)                      | (6,549,998)                    | 13,602,694        |
|                              | <u>3,497,081</u> | <u>21,597,756</u> | <u>(3,319,968)</u>               | <u>(6,549,999)</u>             | <u>15,224,871</u> |

### ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 248,613          | 214,718           | 1,147,354                        | -                              | 1,610,685         |
| Restricted – Pension reserve | -                | -                 | -                                | (202,000)                      | (202,000)         |
| Unrestricted                 | 2,798,078        | 21,342,616        | (4,071,432)                      | (6,882,379)                    | 13,186,883        |
|                              | <u>3,046,691</u> | <u>21,557,334</u> | <u>(2,924,078)</u>               | <u>(7,084,379)</u>             | <u>14,595,568</u> |

### 19. CHARITY UNRESTRICTED FUNDS

#### UNRESTRICTED FUNDS

|                        | Balance at 1 September 2023 | Income            | Expenditure         | Investment Gains/(losses) | Transfers | Balance at 31 August 2024 |
|------------------------|-----------------------------|-------------------|---------------------|---------------------------|-----------|---------------------------|
|                        | £                           | £                 | £                   | £                         | £         | £                         |
| Designated - Eyre Fund | 50,651                      | -                 | -                   | -                         | -         | 50,651                    |
| General Fund           | 13,480,377                  | 12,828,914        | (12,596,992)        | 329,985                   | -         | 14,042,284                |
|                        | <u>13,531,028</u>           | <u>12,828,914</u> | <u>(12,596,992)</u> | <u>329,985</u>            | <u>-</u>  | <u>14,092,935</u>         |



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**19. CHARITY UNRESTRICTED FUNDS (Continued)**

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2022 | Income            | Expenditure         | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2023 |
|------------------------|-----------------------------------|-------------------|---------------------|------------------------------|-----------|---------------------------------|
|                        | £                                 | £                 | £                   | £                            | £         | £                               |
| Designated - Eyre Fund | 50,651                            | -                 | -                   | -                            | -         | 50,651                          |
| General Fund           | 13,370,032                        | 11,749,192        | (11,566,110)        | (72,737)                     | -         | 13,480,377                      |
|                        | <u>13,420,683</u>                 | <u>11,749,192</u> | <u>(11,566,110)</u> | <u>(72,737)</u>              | <u>-</u>  | <u>13,531,028</u>               |

**20. CHARITY RESTRICTED FUNDS**

|                              | Balance at<br>1 September<br>2023 | Income        | Expenditure    | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2024 |
|------------------------------|-----------------------------------|---------------|----------------|------------------------------|-----------|---------------------------------|
|                              | £                                 | £             | £              | £                            | £         | £                               |
| Gordon Foundation            | 417,729                           | 12,488        | (1,808)        | 16,366                       | -         | 444,775                         |
| Special fund                 |                                   |               |                |                              |           |                                 |
| Stepping Forward Appeal fund | 300,686                           | -             | -              | -                            | -         | 300,686                         |
| Piano fund                   | 1,740                             | -             | -              | -                            | -         | 1,740                           |
| Bursaries                    | 227,348                           | 39,358        | -              | -                            | -         | 266,706                         |
| Other restricted funds       | 79,404                            | -             | -              | -                            | -         | 79,404                          |
|                              | <u>1,026,907</u>                  | <u>51,846</u> | <u>(1,808)</u> | <u>16,366</u>                | <u>-</u>  | <u>1,093,311</u>                |

**CHARITY RESTRICTED FUNDS (PRIOR YEAR)**

|                              | Balance at<br>1 September<br>2022 | Income         | Expenditure    | Investment<br>Gains | Transfers | Balance at<br>31 August<br>2023 |
|------------------------------|-----------------------------------|----------------|----------------|---------------------|-----------|---------------------------------|
|                              | £                                 | £              | £              | £                   | £         | £                               |
| Gordon Foundation            |                                   |                |                |                     |           |                                 |
| Special fund                 | 426,766                           | 12,932         | (1,860)        | (20,109)            | -         | 417,729                         |
| Stepping Forward Appeal fund | 300,686                           | -              | -              | -                   | -         | 300,686                         |
| Piano fund                   | 1,740                             | -              | -              | -                   | -         | 1,740                           |
| Bursaries                    | 95,894                            | 131,454        | -              | -                   | -         | 227,348                         |
| Other restricted funds       | 79,404                            | -              | -              | -                   | -         | 79,404                          |
|                              | <u>904,490</u>                    | <u>144,386</u> | <u>(1,860)</u> | <u>(20,109)</u>     | <u>-</u>  | <u>1,026,907</u>                |

## THE GORDON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £529,641 were payable to the schemes at 31 August 2024 (2023: £789,456) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £1,209,396 (2023: £976,587).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

**Total contributions made**

|                          | <b>2024</b>    | <b>2023</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Employer's contributions | 201,000        | 165,000        |
| Employees' contributions | 67,000         | 48,000         |
|                          | <u>268,000</u> | <u>213,000</u> |

**Principal actuarial assumptions**

|                                                    | <b>2024</b> | <b>2023</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 3.65        | 4.00        |
| Rate of increase for pensions in payment/inflation | 2.65        | 3.00        |
| Discount rate for scheme liabilities               | <u>5.00</u> | <u>5.20</u> |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                      | <b>2024</b>  | <b>2023</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| - Males              | 21.8         | 21.9         |
| - Females            | 25.3         | 25.4         |
| Retiring in 20 years |              |              |
| - Males              | 22.7         | 22.8         |
| - Females            | <u>25.9</u>  | <u>25.9</u>  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | 2024      | 2023      |
|-------------------------------|-----------|-----------|
|                               | £         | £         |
| Discount rate + 0.1%          | (61,000)  | (54,000)  |
| Discount rate - 0.1%          | 61,000    | 54,000    |
| Mortality assumption + 1 year | 114,000   | 100,000   |
| Mortality assumption - 1 year | (114,000) | (100,000) |
| CPI rate + 0.1%               | 61,000    | 53,000    |
| CPI rate - 0.1%               | (61,000)  | (53,000)  |

**Defined benefit pension scheme net liability**

|                    | 2024        | 2023        |
|--------------------|-------------|-------------|
|                    | £           | £           |
| Scheme assets      | 2,841,000   | 2,297,000   |
| Scheme obligations | (2,841,000) | (2,499,000) |
| Net liability      | -           | (202,000)   |

**The academy trust's share of the assets in the scheme**

|                       | 2024       | 2023       |
|-----------------------|------------|------------|
|                       | Fair value | Fair value |
|                       | £          | £          |
| Equities              | 2,103,000  | 1,769,000  |
| Bonds                 | 398,000    | 275,000    |
| Cash                  | 114,000    | 69,000     |
| Property              | 227,000    | 184,000    |
| FRS 102 Asset ceiling | (1,000)    | -          |
|                       | 2,841,000  | 2,297,000  |

The actual return on scheme assets was £328,000 (2023: a gain of £118,000).

**Amount recognised in the Statement of Financial Activities**

|                        | 2024      | 2023     |
|------------------------|-----------|----------|
|                        | £         | £        |
| Current service cost   | 195,000   | 230,000  |
| Interest income        | (125,000) | (89,000) |
| Interest cost          | 135,000   | 116,000  |
| Total operating charge | 205,000   | 257,000  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

| <b>Changes in the present value of defined benefit obligations</b>             | <b>2024</b>      | <b>2023</b>      |
|--------------------------------------------------------------------------------|------------------|------------------|
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2023                                                            | 2,499,000        | 2,614,000        |
| Current service cost                                                           | 195,000          | 230,000          |
| Interest cost                                                                  | 135,000          | 116,000          |
| Employee contributions                                                         | 67,000           | 48,000           |
| Actuarial gain                                                                 | (3,000)          | (471,000)        |
| Benefits paid                                                                  | (52,000)         | (38,000)         |
|                                                                                | <u>2,841,000</u> | <u>2,499,000</u> |
| At 31 August 2024                                                              |                  |                  |
|                                                                                | <u>2,841,000</u> | <u>2,499,000</u> |
| <b>Changes in the fair value of the academy trust's share of scheme assets</b> |                  |                  |
|                                                                                | <b>2024</b>      | <b>2023</b>      |
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2023                                                            | 2,297,000        | 2,004,000        |
| Interest income                                                                | 125,000          | 89,000           |
| Actuarial (gain)/loss                                                          | 204,000          | 29,000           |
| Employer contributions                                                         | 201,000          | 165,000          |
| Employee contributions                                                         | 67,000           | 48,000           |
| Benefits paid                                                                  | (52,000)         | (38,000)         |
| FRS 102 Asset ceiling                                                          | (1,000)          | -                |
|                                                                                | <u>2,841,000</u> | <u>2,297,000</u> |
| At 31 August 2024                                                              |                  |                  |
|                                                                                | <u>2,841,000</u> | <u>2,297,000</u> |

The actuarial report for the local government pension scheme shows a pension asset of £1,000 at 31 August 2024.

We have not recognised the pension asset as a positive position but have instead shown a break-even position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

An asset should only be recognised to the extent that the Trust is able to recover the surplus either through reduced contribution in the future or refunds from the plan.

We have made further disclosure in the Trustees Report and in the note on judgements to adequately reflect this.

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £203,959 (2023: £187,619) and there were no contributions payable to the scheme at 31 August 2024 (2023: £nil).

**22. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period (2023: None).

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2023**

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 28,751                     | -                        | 28,751             | 91,975             |
| Grants                                                      | 2      | -                          | 188,675                  | 188,675            | 238,513            |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 10,973,198                 | 131,454                  | 11,104,652         | 10,193,082         |
| Other operating income                                      | 3      | 654,337                    | -                        | 654,337            | 206,276            |
| Funding for the Academy's educational operations            | 3      | -                          | 5,874,019                | 5,874,019          | 5,323,140          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 241,685                    | -                        | 241,685            | 153,278            |
| <b>Investment income</b>                                    | 5      | 89,607                     | 12,932                   | 102,539            | 101,689            |
| <b>Total income</b>                                         |        | <b>11,987,578</b>          | <b>6,207,080</b>         | <b>18,194,658</b>  | <b>16,307,953</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 6,967,592                  | 3,820,415                | 10,788,007         | 10,121,499         |
| Educational costs                                           |        | -                          | 480,061                  | 480,061            | 529,173            |
| Welfare costs                                               |        | 2,303,053                  | -                        | 2,303,053          | 1,908,141          |
| Premises costs                                              |        | 1,969,180                  | 1,238,529                | 3,207,709          | 2,617,312          |
| Support costs                                               |        | 588,554                    | 513,292                  | 1,101,846          | 929,457            |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 255,185                    | -                        | 255,185            | 291,509            |
| Investment management                                       |        | 84                         | 1,860                    | 1,944              | 2,261              |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 230,426                    | -                        | 230,426            | 141,892            |
| <b>Total expenditure</b>                                    | 6      | <b>12,314,074</b>          | <b>6,054,157</b>         | <b>18,368,231</b>  | <b>16,542,244</b>  |
| <b>Operating income/(expenditure)</b>                       |        | <b>(326,496)</b>           | <b>152,923</b>           | <b>(173,573)</b>   | <b>(234,291)</b>   |
| Net gains/(losses) on investments                           | 9      | (72,737)                   | (20,109)                 | (92,846)           | (295,701)          |
| <b>Net income/(expenditure)</b>                             |        | <b>(399,233)</b>           | <b>132,814</b>           | <b>(266,149)</b>   | <b>(529,992)</b>   |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | 500,000                  | 500,000            | 1,611,000          |
| <b>Net movement in funds for the year</b>                   |        | <b>(399,233)</b>           | <b>632,814</b>           | <b>233,581</b>     | <b>1,081,008</b>   |
| <b>Fund balances brought forward at 1 September 2022</b>    | 16, 17 | <b>13,586,116</b>          | <b>775,871</b>           | <b>14,361,987</b>  | <b>13,280,979</b>  |
| <b>Fund balances carried forward at 31 August 2023</b>      | 16, 17 | <b>13,186,883</b>          | <b>1,408,685</b>         | <b>14,595,568</b>  | <b>14,361,987</b>  |

All of the charitable group's activities are continuing.

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

**THE GORDON FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2024**



Company Number 00027272  
Charity Number 312092



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## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION

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|                        |                                                                                      |
|------------------------|--------------------------------------------------------------------------------------|
| <b>Patron</b>          | His Majesty The King                                                                 |
| <b>Vice Presidents</b> | The Lord Mayor of London<br>The Lord Lieutenant of Surrey<br>The Bishop of Guildford |
| <b>Ambassadors</b>     | Mr P Talbot<br>Mr M Hawkesworth<br>Mr P Wynter Bee                                   |

#### **Foundation Committee (The Board)**

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| Lieutenant General Richard Cripwell CB, CBE | Chairman                             |
| Mr R Whittington DL <sup>1,2,4,5,8,</sup>   | Vice Chairman                        |
| Mr C Whiffin <sup>1,2,8</sup>               | Treasurer: resigned 27 January 2024  |
| Mr M Barnes <sup>1,2,5,8</sup>              | Treasurer: appointed 27 January 2024 |
| Mrs J Valner <sup>1,2,3,4,5,7,9</sup>       | Chair of Governors                   |
| Mr T Gordon                                 |                                      |
| Mrs L Bannister <sup>3,7,9</sup>            | retired 27 January 2024              |
| Mrs A Stephens <sup>1,3</sup>               |                                      |
| Major General A Fay CB                      |                                      |
| Mrs D McKenzie <sup>5,9</sup>               |                                      |
| Mrs S Hounsham <sup>4,6,7</sup>             |                                      |
| Mr P Jones <sup>1,2</sup>                   |                                      |
| Mr S Azeem                                  |                                      |
| Brigadier J Mullin <sup>4,7</sup>           |                                      |
| Ms J Kruger                                 |                                      |
| Lord Lancaster                              |                                      |
| Lt Col J Fernandes MBE                      | elected 27 January 2024              |
| Mrs S Rawal <sup>1,7</sup>                  | elected 27 January 2024              |

#### **Head Teacher**

Mr A Moss

#### **Foundation and Company Secretary**

Mrs J Taylor Appointed 1 September 2023

#### **Clerk to the Foundation Committee**

Mrs A Mitchley Appointed 1 September 2023

#### **Committee Membership**

Member of the Foundation Development Committee = 1  
Member of the Joint Finance & Estates Committee = 2  
Member of the Investment Panel = 3  
Member of the Awards Panel = 4  
Member of the Governance Committee = 5  
Member of the Enterprises Committee = 6  
Governor of Gordon's School = 7  
Member of the Risk & Audit Committee = 8  
Member of the Performance Management & Salaries Committee = 9

## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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#### ADVISERS

|                             |                                                                                 |
|-----------------------------|---------------------------------------------------------------------------------|
| <b>Bankers:</b>             | Bank of Scotland<br>38 Threadneedle Street<br>London EC2P 2HL                   |
| <b>Auditors:</b>            | Alliotts LLP<br>3, London Square<br>Cross Lanes<br>Guildford<br>GU1 1UJ         |
| <b>Investment Managers:</b> | Quilter Cheviot<br>Senator House<br>85 Queen Victoria Street<br>London EC4V 4AB |
| <b>Legal Advisers:</b>      | Moore Barlow LLP<br>The Oriel<br>Guildford<br>Surrey GU1 3SR                    |

#### STATUS AND ADMINISTRATION

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| <b>Registered Office:</b> | The Gordon Foundation<br>Gordon's School<br>West End<br>Woking<br>Surrey GU24 9PT |
|---------------------------|-----------------------------------------------------------------------------------|

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Gordon Foundation is a company limited by guarantee (Company No 27272), its registered office being at Gordon's School, West End, Woking, Surrey, GU24 9PT. The company is a charity for educational purposes (registered charity No 312092). Following an external review of governance during 2022, revised and updated Articles were approved on 21 January 2023 and lodged with Companies House and the Charity Commission.

Management of the charity is vested in the Foundation Committee, who are directors for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP (FRS 102). Foundation Committee members are required to retire from office every third year from the date of election but are eligible for re-election for a maximum of three terms. The Foundation Committee has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Head Teacher, Finance & Operations Director, HR Director, Estates Director and Development Director.

The charity was founded at the express wish of Queen Victoria as the national memorial to General Gordon who was killed in Khartoum in 1885. The Gordon Foundation owns, freehold, the land and buildings formerly known as the Gordon Boys' Home which was changed to The Gordon's Boys' Home in 1943, started to accept girls and day boarders from 1990 and is now known as Gordon's School.

The majority of the Governors of Gordon's School, a State Boarding School with Academy status, are either trustees of or are appointed by The Gordon Foundation.

Following a decision made in 2019 to increase the number of (ex-officio) Vice Presidents, a recommendation to introduce the position of Ambassador was also approved. Ambassadors, a seven-year appointment, are former trustees of seniority or long service who have continued interest in supporting the Foundation's work. Paul Talbot, Gordonian and former trustee of over 30 years' service, and Mark Hawkesworth, former Treasurer, accepted the invitation to be the first Ambassadors for The Gordon Foundation while Peter Wynter Bee who retired in 2021 after 21 years' service to Gordon's as trustee and for eight years a School Governor, accepted the Committee's invitation to continue his links as a Gordon's Ambassador.

The Leadership Team controls the running of the Foundation and School at an executive level and implements the policies and decisions of the trustees and governors through agreed schemes of delegation. Key management personnel are defined as the Head Teacher, Foundation Directors of the Business services, Deputy Heads (Curriculum and Pastoral), Head of Sixth Form, a newly appointed Director of Co-Curricular and Assistant Heads.

### **Arrangements for setting pay and remuneration of key management personnel**

The Leadership Team is paid on the Leadership pay scale which broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Leaders must demonstrate sustained performance in respect to their performance objectives; non-teaching leadership salaries are benchmarked against local market conditions. The Performance Management and Salaries Committee awards one incremental point on the Gordon's Pay Scale where performance objectives are met and where there is a sustained high quality of overall performance.

### **Policies and Procedures adopted for the Induction and Training of Trustees**

Prospective trustees are invited to Gordon's School prior to their appointment to meet with the Head Teacher, the Finance & Operations Director, the Development Director and at least two trustees who make their report to the next meeting of the Governance Committee. A schedule of trustees with their qualifications and experience is maintained, cross-referenced against the business requirements of the Foundation, which assists in the selection of new trustees.

Once appointed, new trustees follow an induction program which includes an induction meeting with the Foundation Secretary and the Clerk which includes an overview of the company and the relationship between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All trustees are encouraged to either attend professional training courses or take online courses for trustees. All Trustees are DBS checked.

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

---

#### **OBJECT AND OBJECTIVES**

##### **General**

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for 946 residential and day boarding students aged 11-18 years. The School changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education and Skills Funding Agency pays the cost of teaching and learning, delivery of the national curriculum and some classroom facilities. In addition to managing the estate and buildings, The Gordon Foundation provides support services to the School and in particular runs the boarding operation for the day, weekly and full boarding students and the extensive Co-Curricular programmes. For families who require financial assistance with boarding charges, The Gordon Foundation is able to provide means-tested bursaries.

The Gordon Enterprises UK Ltd, a subsidiary of The Gordon Foundation, oversees management of and hire of the Gordon's Sports Hub, letting of the school facilities when not required by the School and other opportunities for non-boarding revenue generation. Proceeds from such activities are gift-aided to The Gordon Foundation.

##### **Vision**

Our long-term vision is a family of Gordon Foundation schools where students, particularly those from disadvantaged backgrounds, benefit from a Gordon's education. An education recognised as amongst the finest in the world for the calibre of young people we develop, the progress they make and the difference they make to the lives of others.

##### **Object**

The object of The Gordon Foundation is to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need, with a view to preparing them for education or for earning their livelihood, such object being in continuation of the work of the unincorporated institution known as the Gordon Boys' Home, established in July 1885 as the National Memorial to General Charles Gordon CB.

##### **Objectives**

Whilst the main objective of The Gordon Foundation is support for Gordon's School, trustees appreciate its wider objects of encouraging and supporting residential boarding for 'necessitous' young people, improving the public's awareness of the value and benefits of residential boarding and increasing funds available to support residential boarding. In setting these objectives and planning activities, trustees give careful consideration to the Charity Commission's guidance on Public Benefit.

The objectives for The Gordon Foundation are;

- To maintain the National Memorial to General Gordon
- Be alert to and take advantage of opportunities to extend the influence of Gordon's both at home and overseas
- Ensure that business services provided by The Gordon Foundation are fit for purpose and commensurate with outstanding provision
- Increase the Foundation's financial stability and support for financially necessitous students
- Deliver world-class pastoral care, curriculum, and co-curriculum provision

#### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

##### **The Vision for Gordon's**

The 'Vision for Gordon's' is the strategic plan for Gordon's which sets out our vision for the national memorial to General Gordon to be more than a school, but a symbol of what can be achieved by a community united in making an outstanding contribution for the good of global society, through its educational leadership and through the lives Gordonians go on to lead. This vision will be extended towards 2035, the Foundation's 150<sup>th</sup> anniversary.

A Gordon's education strives to be more than the best possible examination results, but a thorough preparation for life. Our aim is to develop rounded world class, global citizens with the character, capabilities and confident humility to achieve well, to stay active, to appreciate what they have and to connect and give back to the communities in which they live and work.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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The Vision for Gordon's is for the national memorial to General Gordon to be a force for a more caring and just world: a world in which inequality in opportunities is diminishing; where individuals are treated similarly and have equal chances based not on privilege, but on how hard they work for themselves and others.

#### Academic Results for the School

During the year the School educated approximately 978 students between the ages of 11 and 18. Recruitment continues to be strong with waiting lists for Key Stages 3 and 4. There were 279 residential boarders and 353 students in the Sixth Form..

Compared to many state schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects. 42% of Y13 Leavers obtaining places at Russell Group universities and 73% gained places at their preferred destination. Two students gained places at Oxford and Cambridge, four embarked on Medical training courses, six gained places at Music/Drama schools, four accepted Sports Scholarships overseas and five secured Degree Apprenticeships

#### A Level results 2024

40% of entries were graded A\* - A  
71% of entries were graded A\* - B  
88% of entries were graded A\* - C

#### GCSE results 2024

51% of entries were graded 9 - 7  
84% of entries were graded 9 - 5  
93% of entries were graded 9 - 4

Average performance per student – BBB

#### BTEC L3 2024

53% of entries were graded D\* - D  
88% of entries were graded D\* - M

#### BTEC L2 2024

100% of entries were graded D\* - P

More detailed information on student activities and the Co-Curricular programme can be found on the School website [www.gordons.school](http://www.gordons.school) as well as the Annual Report of the Gordon's School Academy Trust.

#### Capital Developments

The current focus has been the reconstruction of Pitch 1 along with the first of two years of development of the Old pool and Gym to create a Theatre including break out rooms and teaching areas. Continued improvements have been made to teaching spaces with two new classrooms along with some additional smaller teaching spaces. IT launched eight classrooms of the future to include a docking system for IT devices rather than desk top machines and the new screens with all the functionality needing for teaching and learning for the future.

#### General

The Development team is responsible for activities focusing on support for the school community as well as strengthening local and wider community links, ranging from regular talks, organising all larger school internal and external events and seeking opportunities to let facilities when not required by the school, and fundraising.

Development Prefects assist the department with appropriate administration and hosting of events, providing them with some insight into a different area of the school as well as useful experience. A strong working partnership continues with the Gordon's School Parents' Association which clearly benefits the school and the parent community.

Following the dissolution of the Gordonian Association and responsibility for all alumni-focused activity incorporated within the Development Office, a key focus continues to be developing a strategy for appropriate communication and engagement activity with each age groups. The Gordonian Football team, sponsored by a local business, is also supported by providing home match facilities on the new 3G pitch. In the summer, Gordonians of all ages enjoyed being able to return to the School for the Annual Parade and previously meeting up in London after the Whitehall Parade. Former members of the Pipe Band are invited to play in the Big Blaw, the summer cricket match is popular as well as a three-way netball tournament for Gordonians, staff and current students. The Gordonian Awards, for Arts and for Sports, attract increasing numbers of high calibre applicants; these financially support two Year 11 students with the costs for developing a particular talent, and encouragement to continue into the Gordon's Sixth Form.

Support is provided to the Careers team to assist with finding work placements and speakers as well as organising the annual Careers Fair. Opportunities for parents and members of the local community to network continue with reinstatement of the monthly Business Networking Breakfasts held at the School. The Development team encourages the School Charities Committee with appropriate links and organisational support; Make a difference Day saw student volunteers in the school working for the community from organised sports events for local primary schools, activities in care homes to litter-picking and clearing of graveyards. A total of 430 student volunteers took part with 1,611 hours recorded.

The Gordon's Pipe Band, now officially the Music Section of the Gordon's CCF, participated in over numerous events that included travel to Scotland to compete in the World Championships, playing at the Houses of Parliament, at Wembley Stadium and, following a longstanding link with Brookwood Last Post Association at Brookwood Military Cemetery, members of the Pipes and Drums who represent the School at Brookwood Last Post were selected to go to Menin Gate to play and take part in the Last Post Association's Remembrance Service. A partnership developing with the National Piping Centre, Glasgow, is proving beneficial to Gordon's Pipe Band.

#### **Commercial**

A planning condition for the Sports Hall and 3G pitch is community use with a Community Use Agreement in place between Gordon's and Surrey Heath Council. There is continued significant interest in hire of these facilities, with a focus on supporting local grass-roots sports clubs.

Other commercial activity includes the Sports Hub Café, part of the Sports Hall building available for use in conjunction with sports hire as well as Gordon's Sixth Form students during the school day. The monthly Networking Breakfasts continue with a number of useful links being followed up. We were pleased to secure a new contract for hire of residential and classroom facilities for four weeks during the summer holidays, while will expand in future years, while again hosting Barracuda Day Camps during the Easter and Summer holidays.

#### **Partnerships**

The partnership launched with Aldershot Town Football Club in July 2021 whereby their 1<sup>st</sup> team is based and trains at Gordon's during weekday mornings, and provided with catering and other facilities, continues positively. In addition to hire charges, School football teams are provided with coaching by the ATFC coaching team and for free home match tickets are available to Gordon's families. Other sporting partnerships continue, with Harlequins Rugby Football Club and London Pulse (Premier Netball).

Gordon's is proud to help reduce global educational poverty through a working partnership with the Commonwealth Education Trust (CET). Formally known as the Commonwealth Institute, the CET is a well-established, leading charity that champions education across the Commonwealth. Their digital platforms reach teachers in underserved, often rural communities around the world, providing them with much needed bite-size professional development courses. Gordon's teachers work with CET to establish courses to help improve pedagogy and classroom management, later extending to support designated schools through fundraising and practical resources.

The Camelthorn Foundation supports community-led wildlife initiatives alongside promoting education and socio-economic opportunities in Zimbabwe's Hwange province. Gordon's has pledged to work with the Camelthorn Foundation to raise sufficient funds to provide, initially, a girls' boarding house and then accommodation for boys, attending Ngamo Secondary School. In time, we hope that students and staff may be able to volunteer with the Camelthorn Foundation in their conservation, education or social programmes.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### External support

Applications to trusts and foundations continue for bursary funding as well as specific projects. The support for Gordon's students from a range of educational trusts is valued, in particular the continued generosity of the Girdlers' Livery Company.

Support for Gordon's students by The Seb Foundation, Girdlers, Heights Education, Buttle UK, Lloyd Foundation, Emmott Foundation, The Royal Springboard Children's Foundation and Tak Turton Trust continues to be welcomed by student families and the School.

In 2021, two significant new competitions were launched, the Wynter Bee Global Citizen Prize and the Headmaster's Global Citizen Prize, for which students were asked to engage with one of the UN 17 Sustainable Development Goals. We are immensely grateful to Peter Wynter Bee, former trustee and now Gordon's Ambassador, for encouraging the institution of these student competitions and for his generosity in funding these prizes.

Gordon's is proud to have signed up to the Forces Covenant and to display the Bronze Award of the Employers' Recognition Scheme, recognising the School's role in supporting our Forces families as well as being a major employer in the area. The link with the Corps of Royal Engineers continues to be valued, in particular CCF students participating in Field Days organised at Gibraltar Barracks; training staff from Pirbright Camp assist with ceremonial drill. Members of the Pipes and Drums play regularly for the Last Post Association at Brookwood Cemeteries, also for Surrey Police Pass-Out Parades and with Surrey Police Band in a Festival Remembrance Parade.

#### Fundraising

The trustees recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The Foundation keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The Foundation only raises funds from those individuals and organisations known to it and the Foundation does not undertake fundraising campaigns to members of the public.

#### Patronage

Following the sad loss of Her Majesty Queen Elizabeth II, Patron of Gordon's, King Charles accepted the Patronage of the School earlier this year continuing an unbroken line of Sovereign Patronage since Queen Victoria in 1885.

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The main sources of funding for the Foundation are through boarding charges and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a waiting list. The fee income received by the Foundation was £11,935,120 (2023: £11,104,652).

The net movement in funds for the year was a surplus of £629,303 (2023: surplus of £233,581). This surplus includes net investment gains of £346,351 (2023: net losses £92,846) and actuarial gains on the pension scheme of £206,000 (2023: actuarial gain £500,000). Excluding these gains the operating surplus for the year was £76,952 (2023: deficit of £173,573).

Investments performed well during the year. The investment portfolio has increased by £450,390 to £3,497,081 (2023: £3,046,691).

On 1 January 2013, Gordon's School converted to Academy Trust status under the Academies Act 2010 with all operations, assets and liabilities transferred over to the Gordon's School Academy Trust. This transfer was accounted for using the acquisition method resulting in a £389,000 deficit on the Local Government Pension Scheme transferring into the Trust. Most years since there has been an additional deficit on the scheme.

In the year ended 31 August 2024 the pension liability reduced by £203,000 to an asset surplus of £1,000. This asset surplus has been eliminated as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments. An asset should only be recognised to the extent that there is the ability for the Academy Trust to recover the surplus either through reduced contribution in the future or refunds from the plan.

Further information on the pension schemes is given in note 21.

## RESERVES

At 31 August 2024, funds comprised unrestricted funds of £13,602,694 (2023: £13,186,883) and restricted funds, excluding pension reserve, of £1,622,177 (2023: £1,610,685). The restricted funds pension deficit reserve was £nil as explained above (2023: £202,000 deficit). The restricted funds are set out in note 17.

Unrestricted funds are represented by the Foundation's property and other tangible fixed assets, investments and net working capital. Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are negative and the Foundation Committee have set a policy to restore and build free reserves in order to maintain the site and fund the modernisation and future development of Gordon's School. Any surplus funds generated in a financial year are invested in capital development.

## Risk

The trustees have assessed the major risks to which The Gordon Foundation is exposed and have taken steps to reduce and manage these risks. Trustees approve a formal Risk Register which is updated regularly and reviewed by the Joint Audit and Risk Committee at least annually. The most significant retained risks identified are noted below together with the means by which to manage the risk:

| Risk area                                              | Risk Factor                                                                                                                                                                                | Existing control procedures                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Political, educational &amp; financial</b>          | Adverse impact on school model                                                                                                                                                             | Ensure frequent reporting of student roll and finances. Hold back on plans, reduce costs where possible. Maintain a schedule of pre-agreed changes in the event of significantly reduced income. Focus on developing alternative income streams. Membership of appropriate bodies for advice and forecasts. |
| <b>Charitable status / Taxation</b>                    | Adverse financial effect such as tax on profits, loss of business rates. VAT on boarding charges: increased boarding charges made unaffordable for many parents and changes school profile | Take appropriate professional advice, reflect in budgets / planning                                                                                                                                                                                                                                         |
| <b>Worsening economic climate, including inflation</b> | Adverse financial effect                                                                                                                                                                   | Contingency planning                                                                                                                                                                                                                                                                                        |
| <b>Software / hardware</b>                             | Loss of curriculum or administrative data; loss of major systems applications                                                                                                              | Engagement of external IT Services with extended resources and experience. Cloud storage in use. Data back up regularly tested for ability to restore file. Daily back-ups. IT a part of disaster recovery plan. Files restore been tested but needs test application regularly.                            |

## INVESTMENT POLICY

The charity aims to manage the investment portfolio such that investment income is maintained, and capital growth is achieved, in real terms. The performance of investments and the investment policy is reviewed regularly by the Investment Panel. The Investment Panel does not impose any constraints that might limit selection of individual investments for social, environmental or ethical reasons.



**PLANS FOR FUTURE YEARS**

**3-year Strategic Priorities:**

- i) Develop a working and learning environment for Gordon's School that moves beyond outstanding
- ii) Develop the School's Digital Strategy across both learning and administrative processes
- iii) Progress the Estates Master Plan
- iv) Design and implement our environmental policy
- v) Further develop 'Gordon's Connected' platform, boosting parent, student and staff engagement by creating partnerships between Gordon's Careers department, Business Network, alumni and parents
- vi) Further develop Gordon's Schools' Partnership, boosting collaborative opportunities for students and staff.

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Group's auditor was unaware and
- that Director had taken all the steps that the Director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

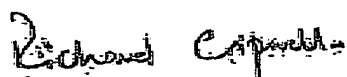
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The trustees 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITOR**

Our auditor, Alliotts LLP, has indicated their willingness to continue in office.

The Trustees' Report, incorporating the Strategic Report was approved by the trustees of The Gordon Foundation on 18 January 2025 and signed on its behalf by:



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**Lieutenant General Richard Cripwell CB, CBE**  
**Chairman**

### Opinion

We have audited the consolidated financial statements of The Gordon Foundation for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the 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.

### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

### Opinions 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 Foundation Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Foundation Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company 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.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 10, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook 2023, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION (continued)**

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We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Foundation Committee;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

**Use of this report**

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Alliotts LLP**

Senior Statutory Auditor  
Alliotts LLP  
3 London Square,  
Guildford, GU1 1UJ

28/1/25

**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 21,042                     | -                        | 21,042             | 28,751             |
| Grants                                                      | 2      | -                          | 30,466                   | 30,466             | 188,675            |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 11,895,762                 | 39,358                   | 11,935,120         | 11,104,652         |
| Other operating income                                      | 3      | 751,126                    | -                        | 751,126            | 654,337            |
| Funding for the Academy's educational operations            | 3      | -                          | 6,157,715                | 6,157,715          | 5,874,019          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 316,380                    | -                        | 316,380            | 241,685            |
| <b>Investment income</b>                                    | 5      | 95,573                     | 12,488                   | 108,061            | 102,539            |
| <b>Total income</b>                                         |        | <b>13,079,883</b>          | <b>6,240,027</b>         | <b>19,319,910</b>  | <b>18,194,658</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 7,492,017                  | 4,608,036                | 12,100,053         | 10,788,007         |
| Educational costs                                           |        | -                          | 464,652                  | 464,652            | 480,061            |
| Welfare costs                                               |        | 2,674,178                  | -                        | 2,674,178          | 2,303,053          |
| Premises costs                                              |        | 1,825,816                  | 727,431                  | 2,553,247          | 3,207,709          |
| Support costs                                               |        | 555,053                    | 446,974                  | 1,002,027          | 1,101,846          |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 242,490                    | -                        | 242,490            | 255,185            |
| Investment management                                       |        | 77                         | 1,808                    | 1,885              | 1,944              |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 204,426                    | -                        | 204,426            | 230,426            |
| <b>Total expenditure</b>                                    | 6      | <b>12,994,057</b>          | <b>6,248,901</b>         | <b>19,242,958</b>  | <b>18,368,231</b>  |
| <b>Operating income/(expenditure)</b>                       |        | <b>85,826</b>              | <b>(8,874)</b>           | <b>76,952</b>      | <b>(173,573)</b>   |
| Net gains/(losses) on investments                           | 9      | 329,985                    | 16,366                   | 346,351            | (92,846)           |
| <b>Net income/(expenditure)</b>                             |        | <b>415,811</b>             | <b>7,492</b>             | <b>423,303</b>     | <b>(266,149)</b>   |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | 206,000                  | 206,000            | 500,000            |
| <b>Net movement in funds for the year</b>                   |        | <b>415,811</b>             | <b>213,492</b>           | <b>629,303</b>     | <b>233,581</b>     |
| <b>Fund balances brought forward at 1 September 2023</b>    | 16, 17 | <b>13,186,883</b>          | <b>1,408,685</b>         | <b>14,595,568</b>  | <b>14,361,987</b>  |
| <b>Fund balances carried forward at 31 August 2024</b>      | 16, 17 | <b>13,602,694</b>          | <b>1,622,177</b>         | <b>15,224,871</b>  | <b>14,595,568</b>  |

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

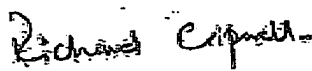
Details of comparative figures by fund are disclosed in note 23.

## GROUP BALANCE SHEET

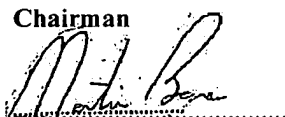
AS AT 31 AUGUST 2024

|                                                                |       | 2024               |                          | 2023               |                          |
|----------------------------------------------------------------|-------|--------------------|--------------------------|--------------------|--------------------------|
|                                                                | Notes | £                  | £                        | £                  | £                        |
| <b>FIXED ASSETS</b>                                            |       |                    |                          |                    |                          |
| Tangible                                                       | 8     |                    | 21,597,756               |                    | 21,557,334               |
| Investments                                                    | 9,10  |                    | 3,497,081                |                    | 3,046,691                |
|                                                                |       |                    | <u>25,094,837</u>        |                    | <u>24,604,025</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                    |                          |                    |                          |
| Debtors                                                        | 12    | 826,669            |                          | 1,048,713          |                          |
| Cash at bank and in hand                                       |       | 87,739             |                          | 541,892            |                          |
|                                                                |       | <u>914,408</u>     |                          | <u>1,590,605</u>   |                          |
| <b>CREDITORS: Amounts falling due within one year</b>          | 13    | <u>(4,234,376)</u> |                          | <u>(4,514,683)</u> |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                    | <u>(3,319,968)</u>       |                    | <u>(2,924,078)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                    | 21,774,869               |                    | 21,679,947               |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 14    |                    | <u>(6,549,998)</u>       |                    | <u>(6,882,379)</u>       |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |       |                    | 15,224,871               |                    | 14,797,568               |
| <b>PENSION SCHEME LIABILITY</b>                                | 21    |                    | -                        |                    | (202,000)                |
| <b>NET ASSETS</b>                                              |       |                    | <u><u>15,224,871</u></u> |                    | <u><u>14,595,568</u></u> |
| <b>FUNDS</b>                                                   |       |                    |                          |                    |                          |
| Unrestricted funds                                             | 16    |                    | 13,602,694               |                    | 13,186,883               |
| Restricted – Specific Funds                                    | 17    |                    | 1,622,177                |                    | 1,610,685                |
| Restricted - Pension Reserve                                   | 17    |                    | -                        |                    | (202,000)                |
|                                                                |       |                    | <u><u>15,224,871</u></u> |                    | <u><u>14,595,568</u></u> |

The financial statements were approved and authorised for issue by the Board on 18 January 2025 and were signed below on its behalf by:



Lieutenant General Richard Cripwell CB, CBE  
Chairman



Mr M Barnes  
Treasurer

The accompanying notes form part of these financial statements.

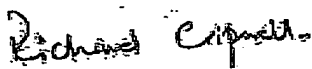
## CHARITY BALANCE SHEET

AS AT 31 AUGUST 2024

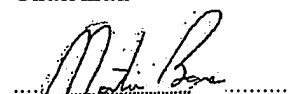
|                                                                |       | 2024               |                          | 2023               |                          |
|----------------------------------------------------------------|-------|--------------------|--------------------------|--------------------|--------------------------|
|                                                                | Notes | £                  | £                        | £                  | £                        |
| <b>FIXED ASSETS</b>                                            |       |                    |                          |                    |                          |
| Tangible                                                       | 8     |                    | 21,408,359               |                    | 21,342,616               |
| Investments                                                    | 9     |                    | 3,497,081                |                    | 3,046,691                |
| Investment in subsidiary company                               | 10    |                    | 2                        |                    | 2                        |
|                                                                |       |                    | <u>24,905,442</u>        |                    | <u>24,389,309</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                    |                          |                    |                          |
| Debtors                                                        | 12    | 675,918            |                          | 457,397            |                          |
| Cash at bank and in hand                                       |       | 80,277             |                          | 538,531            |                          |
|                                                                |       | <u>756,195</u>     |                          | <u>995,928</u>     |                          |
| <b>CREDITORS: Amounts falling due within one year</b>          | 13    | <u>(3,968,724)</u> |                          | <u>(4,000,635)</u> |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                    | <u>(3,212,529)</u>       |                    | <u>(3,004,707)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                    | 21,692,913               |                    | 21,384,602               |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 14    |                    | <u>(6,506,667)</u>       |                    | <u>(6,826,667)</u>       |
| <b>NET ASSETS</b>                                              |       |                    | <u><u>15,186,246</u></u> |                    | <u><u>14,557,935</u></u> |
| <b>FUNDS</b>                                                   |       |                    |                          |                    |                          |
| Unrestricted funds                                             | 19    |                    | 14,092,935               |                    | 13,531,028               |
| Restricted funds                                               | 20    |                    | 1,093,311                |                    | 1,026,907                |
|                                                                |       |                    | <u><u>15,186,246</u></u> |                    | <u><u>14,557,935</u></u> |

The charitable company has taken exemption from presenting the charity statement of financial activities under section 408 of the Companies Act 2006. The net income of the charitable company for the year was £628,311 (2023: net income £232,762).

The financial statements were approved and authorised for issue by the Board on 18 January 2025 and were signed below on its behalf by:



Lieutenant General Richard Cripwell CB, CBE  
Chairman



Mr M Barnes  
Treasurer

The accompanying notes form part of these financial statements.

**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2024**

|                                                                                                | Note     | 2024<br>£         | 2023<br>£         |
|------------------------------------------------------------------------------------------------|----------|-------------------|-------------------|
| <b>Net cash inflow from operating activities</b>                                               | <b>A</b> | <b>759,082</b>    | <b>800,946</b>    |
| <b>Cash flows from investing activities</b>                                                    |          |                   |                   |
| Investment income received                                                                     |          | 108,061           | 102,539           |
| Capital grants from DFE/ESFA                                                                   |          | 30,466            | 286,682           |
| Purchase of fixed assets                                                                       |          | (672,853)         | (423,192)         |
| Purchase of investments                                                                        |          | (149,484)         | (25,234)          |
| Sale of investments                                                                            |          | 45,445            | 115,669           |
| <b>Net cash outflow from investing activities</b>                                              |          | <b>(638,365)</b>  | <b>56,464</b>     |
| <b>Cash flow from financing activities</b>                                                     |          |                   |                   |
| Loan repayments                                                                                |          | (332,380)         | (332,380)         |
| New loan finance                                                                               |          | -                 | -                 |
| Interest paid                                                                                  |          | (242,490)         | (255,185)         |
| <b>Net cash inflow from financing activities</b>                                               |          | <b>(574,870)</b>  | <b>(587,565)</b>  |
| <b>Change in cash and cash equivalents in the year</b>                                         |          | <b>(454,153)</b>  | <b>(269,845)</b>  |
| Cash and cash equivalents at the beginning of the year                                         |          | 541,892           | 272,047           |
| Cash and cash equivalents at the end of the year                                               |          | <b>87,739</b>     | <b>541,892</b>    |
| <b>A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |          | <b>2024<br/>£</b> | <b>2023<br/>£</b> |
| Net movement in funds for the year                                                             |          | 629,303           | 233,581           |
| Depreciation                                                                                   |          | 632,431           | 622,512           |
| ESFA capital grants                                                                            |          | (30,466)          | (188,675)         |
| Losses/(Gains) on investments                                                                  |          | (346,351)         | 92,846            |
| Decrease/(increase) in debtors                                                                 |          | 434,790           | (366,662)         |
| (Decrease)/increase in creditors                                                               |          | (493,054)         | 662,698           |
| Investment income receivable                                                                   |          | (108,061)         | (102,539)         |
| Finance Costs                                                                                  |          | 242,490           | 255,185           |
| Pension adjustment                                                                             |          | (202,000)         | (408,000)         |
| <b>Net cash inflow from operating activities</b>                                               |          | <b>759,082</b>    | <b>800,946</b>    |
| <b>B. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                                |          | <b>2024<br/>£</b> | <b>2023<br/>£</b> |
| Cash at bank                                                                                   |          | 87,739            | 541,892           |
| Overdraft                                                                                      |          | -                 | -                 |
|                                                                                                |          | <b>87,739</b>     | <b>541,892</b>    |



## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES

#### FOR THE YEAR ENDED 31 AUGUST 2024

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The Gordon Foundation is a charitable company limited by guarantee, incorporated in England and Wales (company number: 00027272) and a charity registered in England and Wales (charity number: 312092). The Charity's registered office address is: The Gordon Foundation, Gordon's School, West End, Woking, Surrey, GU24 9PT.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (the FRS 102 Charities SORP) (effective from 1 January 2019) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

**Boarding Charge Debtor Policy**

Boarding Charges debts, in debtors, reflect outstanding debts for the boarding charges to 31 August 2024, whilst Boarding Charges in advance, in creditors, reflect cash received prior to 31 August 2024 for the autumn term 2024 boarding charges.

**Basis of Consolidation**

The consolidated financial statements incorporate those of The Gordon Foundation and all its subsidiaries. All financial statements are made up to 31 August 2024. All subsidiary undertakings have been included within the financial statements.

The entities are consolidated on a line by line basis and all intra-group transactions and balances between group companies are eliminated on consolidation.

**b) Going concern**

The financial statements are prepared under the going concern basis which assumes the Group will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The trustees have reviewed regularly revised budgets and cash flow forecasts based on various scenarios including the requirements of the bank loan covenants and are keeping the situation under constant review, meeting regularly with senior management.

Based on the information available on the date of signing these financial statements, the trustees cannot make a reliable estimate as to the ultimate financial impact, however they believe the actions taken have ensured the Group's ability to continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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**c) Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Judgment 1** – the present value of the Local Government Pension Scheme defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.
- **Judgement 2** - a bad debt provision against potential future uncollectible boarding charges.

**d) Income**

All income included in the Statement of Financial Activities (SOFA) when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, and receipt is probable.

*Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

*Donations*

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of raising funds.

*Investment Income*

Investment income is accounted for when receivable and includes the related tax recoverable.

**e) Expenditure:**

Expenditure is accounted for on an accruals basis.

*Costs of raising funds*

Costs of raising funds comprise finance charges associated with interest payable on the Group's borrowings and costs associated with lettings.

*Charitable activities*

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs. Charitable activity costs represent costs directly associated with the provision of education and related support costs.

*Governance costs*

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Trading activities*

Costs of trading activities include costs directly associated with providing the services provided through trading.

**f) Leased Assets**

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

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**g) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets, other than freehold land, on the following methods at rates calculated to write off the assets over their estimated useful lives. The methods and rates are

|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| Freehold land and buildings | - | 2% - 4% per annum straight line |
| Machinery and equipment     | - | 20% per annum straight line     |
| Fixtures and fittings       | - | 20% per annum straight line     |
| Motor vehicles              | - | 20% per annum straight line     |

Buildings erected before the year 2000 are depreciated over 50 years, and newer buildings over 25 years.

**h) Investments**

Listed investments are stated at market value at the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**j) Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**k) Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**l) Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see notes 17 and 20).

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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##### **m) Pension Costs**

Retirement benefit to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Foundation employees are part of a defined contribution workplace pension scheme with Salvus Master. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2024**

|                                                  | <b>Unrestricted<br/>Funds<br/>£</b> | <b>2024<br/>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>£</b> | <b>2023<br/>Total<br/>£</b> |
|--------------------------------------------------|-------------------------------------|--------------------------------------------|--------------------|-----------------------------|
| <b>1. DONATIONS AND LEGACIES</b>                 |                                     |                                            |                    |                             |
| Donations and gifts                              | 21,042                              | -                                          | 21,042             | 28,751                      |
| Legacies                                         | -                                   | -                                          | -                  | -                           |
|                                                  | <u>21,042</u>                       | <u>-</u>                                   | <u>21,042</u>      | <u>28,751</u>               |
| <b>2. GRANTS</b>                                 |                                     |                                            |                    |                             |
| ESFA capital grants                              |                                     | 30,466                                     | 30,466             | 188,675                     |
|                                                  | <u>-</u>                            | <u>30,466</u>                              | <u>30,466</u>      | <u>188,675</u>              |
| <b>3. INCOME FROM CHARITABLE ACTIVITIES</b>      |                                     |                                            |                    |                             |
| Gross income from boarding charges               | 12,524,052                          | 39,358                                     | 12,563,410         | 11,617,620                  |
| <b>Less:</b>                                     |                                     |                                            |                    |                             |
| Bursaries                                        | (582,977)                           | -                                          | (528,977)          | (478,328)                   |
| Staff discounts                                  | (35,958)                            | -                                          | (35,958)           | (26,486)                    |
| Other discounts                                  | (9,355)                             | -                                          | (9,355)            | (8,154)                     |
| Net income from boarding charges                 | <u>11,895,762</u>                   | <u>39,358</u>                              | <u>11,935,120</u>  | <u>11,104,652</u>           |
| Other operating income                           | 751,126                             | -                                          | 751,126            | 654,337                     |
| Funding for the Academy's educational operations | -                                   | 6,157,715                                  | 6,157,715          | 5,874,019                   |
|                                                  | <u>12,646,888</u>                   | <u>6,197,073</u>                           | <u>18,843,961</u>  | <u>17,633,008</u>           |
| <b>4. TRADING ACTIVITIES</b>                     |                                     |                                            |                    |                             |
| Trading income                                   | 316,380                             | -                                          | 316,380            | 241,685                     |
|                                                  | <u>316,380</u>                      | <u>-</u>                                   | <u>316,380</u>     | <u>241,685</u>              |
| <b>5. INVESTMENT INCOME</b>                      |                                     |                                            |                    |                             |
| Interest received                                | -                                   | -                                          | -                  | 1,647                       |
| Dividends received                               | 95,573                              | 12,488                                     | 108,061            | 100,892                     |
|                                                  | <u>95,573</u>                       | <u>12,488</u>                              | <u>108,061</u>     | <u>102,539</u>              |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**6. EXPENDITURE**

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2024<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 12,100,053        | -                | -                 | 12,100,053         |
| Teaching costs              | -                 | 464,652          | -                 | 464,652            |
| Welfare costs               | -                 | 2,674,178        | -                 | 2,674,178          |
| Premises costs              | -                 | 1,920,816        | 632,431           | 2,553,247          |
| Support costs               | -                 | 1,002,027        | -                 | 1,002,027          |
|                             | <u>12,100,053</u> | <u>6,061,673</u> | <u>632,431</u>    | <u>18,794,157</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 242,490          | -                 | 242,490            |
| Other costs                 | -                 | 1,885            | -                 | 1,885              |
| Trading costs               | -                 | 204,426          | -                 | 204,426            |
|                             | <u>12,100,053</u> | <u>6,510,474</u> | <u>632,431</u>    | <u>19,242,958</u>  |

**EXPENDITURE (PRIOR YEAR)**

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2023<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 10,788,007        | -                | -                 | 10,788,007         |
| Teaching costs              | -                 | 480,061          | -                 | 480,061            |
| Welfare costs               | -                 | 2,303,053        | -                 | 2,303,053          |
| Premises costs              | -                 | 2,585,197        | 622,512           | 3,207,709          |
| Support costs               | -                 | 1,101,846        | -                 | 1,101,846          |
|                             | <u>10,788,007</u> | <u>6,470,157</u> | <u>622,512</u>    | <u>17,880,676</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 255,185          | -                 | 255,185            |
| Other costs                 | -                 | 1,944            | -                 | 1,944              |
| Trading costs               | -                 | 230,426          | -                 | 230,426            |
|                             | <u>10,788,007</u> | <u>6,957,712</u> | <u>622,512</u>    | <u>18,368,231</u>  |

|                                                   | 2024<br>£ | 2023<br>£ |
|---------------------------------------------------|-----------|-----------|
| <b>Total expenditure includes:</b>                |           |           |
| Depreciation                                      | 632,431   | 622,512   |
| Operating lease payments recognised as an expense | 344,040   | 225,624   |
| Auditor's remuneration: - Audit fees              | 31,400    | 28,760    |
| - Other services                                  | 14,240    | 13,310    |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**7. STAFF COSTS**

|                           | <b>2024</b>              | <b>2023</b>              |
|---------------------------|--------------------------|--------------------------|
|                           | <b>£</b>                 | <b>£</b>                 |
| Wages and salaries        | 9,570,614                | 8,541,643                |
| Social security costs     | 953,301                  | 853,930                  |
| Other pension costs       | 1,576,138                | 1,392,434                |
| Staff restructuring costs | -                        | -                        |
|                           | <u><b>12,100,053</b></u> | <u><b>10,788,007</b></u> |

|                                                           | <b>2024</b>       | <b>2023</b>       |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | <b>No</b>         | <b>No</b>         |
| The average number of employees in the year was:          |                   |                   |
| Teachers                                                  | 77                | 73                |
| Administration (including academic support & maintenance) | 194               | 184               |
|                                                           | <u><b>271</b></u> | <u><b>257</b></u> |

The number of higher paid staff during the year was as follows:

|                      |                  |                  |
|----------------------|------------------|------------------|
| £60,001 to £70,000   | 15               | 15               |
| £70,001 to £80,000   | 9                | 5                |
| £80,001 to £90,000   | 5                | 1                |
| £90,001 to £100,000  | 1                | 1                |
| £100,001 to £110,000 | -                | 1                |
| £130,001 to £140,000 | 1                | 1                |
|                      | <u><b>31</b></u> | <u><b>24</b></u> |

No trustees received any remuneration or benefits-in-kind during the year (2023: £nil). No trustees received reimbursement of expenses in respect of travel and subsistence during the year (2023: £771 to one trustee)

Pension contributions of £100,258 (2023: £98,525) were made to personal pension plans, in respect of higher paid staff during the year.

The key management personnel of the group comprise the Trustees, Head Teacher, Finance & Operations Director, Development Director, HR Director, Estates Director, Deputy Head of Pastoral and Deputy Head of Curriculum. The total remuneration of the key management personnel during the year was £840,215 (2023: £875,447).

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**8. FIXED ASSETS – GROUP AND CHARITY**

|                          | Freehold<br>Land &<br>Buildings<br>£ | Machinery &<br>Equipment<br>£ | Fixtures &<br>Fittings<br>£ | Assets under<br>Construction<br>£ | Total<br>Charity<br>£ | Academy<br>Trust<br>£ | Total<br>Group<br>£ |
|--------------------------|--------------------------------------|-------------------------------|-----------------------------|-----------------------------------|-----------------------|-----------------------|---------------------|
| <b>COST</b>              |                                      |                               |                             |                                   |                       |                       |                     |
| At 1 September 2023      | 27,087,812                           | 1,171,356                     | 1,048,832                   | 277,701                           | 29,585,701            | 1,250,159             | 30,412,668          |
| Additions                | 75,364                               | 37,369                        | 61,419                      | 449,151                           | 623,303               | 49,550                | 672,853             |
| Reclassification         | -                                    | -                             | -                           | -                                 | -                     | -                     | -                   |
| <b>At 31 August 2024</b> | <b>27,163,176</b>                    | <b>1,208,725</b>              | <b>1,110,251</b>            | <b>726,852</b>                    | <b>30,209,004</b>     | <b>1,299,709</b>      | <b>31,508,713</b>   |
| <b>DEPRECIATION</b>      |                                      |                               |                             |                                   |                       |                       |                     |
| At 1 September 2023      | 6,326,425                            | 1,004,073                     | 912,587                     | -                                 | 8,243,085             | 1,035,441             | 9,278,526           |
| Charge for the year      | 344,110                              | 94,931                        | 118,519                     | -                                 | 557,560               | 74,871                | 632,431             |
| <b>At 31 August 2024</b> | <b>6,670,535</b>                     | <b>1,099,004</b>              | <b>1,031,106</b>            | <b>-</b>                          | <b>8,800,645</b>      | <b>1,110,312</b>      | <b>9,910,957</b>    |
| <b>NET BOOK VALUE</b>    |                                      |                               |                             |                                   |                       |                       |                     |
| <b>At 31 August 2024</b> | <b>20,492,641</b>                    | <b>109,721</b>                | <b>79,145</b>               | <b>726,852</b>                    | <b>21,408,359</b>     | <b>189,397</b>        | <b>21,597,756</b>   |
| <b>At 31 August 2023</b> | <b>20,761,387</b>                    | <b>167,283</b>                | <b>136,245</b>              | <b>277,701</b>                    | <b>21,342,616</b>     | <b>214,718</b>        | <b>21,557,334</b>   |

**9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY**

|                                                            | 2024<br>£        | 2023<br>£        |
|------------------------------------------------------------|------------------|------------------|
| Balance at 1 September 2023 (excluding cash deposits)      | 3,013,280        | 3,113,522        |
| Additions                                                  | 149,484          | 25,234           |
| Disposals at opening market value                          | (56,180)         | (32,481)         |
| Realised and unrealised (losses)/gains                     | 346,571          | (92,995)         |
| <b>Balance at 31 August 2024 (excluding cash deposits)</b> | <b>3,453,155</b> | <b>3,013,280</b> |
| Cash deposits                                              | 43,926           | 33,411           |
| <b>Balance at 31 August 2024</b>                           | <b>3,497,081</b> | <b>3,046,691</b> |

Class of investments is split as follow:

|                                  | 2024<br>£        |
|----------------------------------|------------------|
| Cash or cash equivalents         | 43,926           |
| Equities                         | 3,351,387        |
| Alternative investments          | 57,419           |
| Fixed interest                   | 44,349           |
| <b>Balance at 31 August 2024</b> | <b>3,497,081</b> |



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY**

Shares in  
group  
undertakings  
£  
2

Balance at 1 September 2023 and 31 August 2024

Details of the charitable company's subsidiaries at 31 August 2024 are as follows:

(i) **Gordon's School Academy Trust** is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT. On the basis that The Gordon Foundation is member of the Gordon's School Academy Trust and has significant influence over the entity, Gordon's School Academy Trust has been included within the consolidated financial statements.

**Academy results:**

|                                                     | <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| <b><u>SOFA</u></b>                                  |                             |                             |
| Total Income                                        | 9,027,865                   | 8,574,034                   |
| Total Expenditure                                   | (9,232,873)                 | (9,073,212)                 |
| Net income/(expenditure)                            | (205,008)                   | (499,178)                   |
| Other recognised gains and losses                   |                             |                             |
| Actuarial(losses) on defined benefit pension scheme | 207,000                     | 500,000                     |
| Adjustment for restriction on pension assets        | (1,000)                     | -                           |
| Net movement in funds                               | <u>992</u>                  | <u>822</u>                  |
| Total funds brought forward at 1 September 2023     | 24,048                      | 23,226                      |
| Total funds carried forward at 31 August 2024       | <u>25,040</u>               | <u>24,048</u>               |
| <b><u>Balance Sheet</u></b>                         |                             |                             |
| Fixed Assets                                        | 189,397                     | 214,718                     |
| Current Assets                                      | 1,000,089                   | 1,825,414                   |
| Current Liabilities                                 | (1,121,115)                 | (1,758,372)                 |
| Creditors falling due after more than one year      | (43,331)                    | (55,712)                    |
| LGPS Pension Scheme Liabilities                     | -                           | (202,000)                   |
| Total Funds                                         | <u>25,040</u>               | <u>24,048</u>               |

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

(ii) The Foundation holds 100% of the share capital of **The Gordon Enterprises UK Limited** (company number: 04104254, registered in England and Wales, registered office: Bagshot Road, West End, Surrey, G24 9PT), whose principal activities are letting the buildings and grounds of Gordon's School and selling memorabilia. A summary of the profit and loss account and the balance sheet from the audited financial statements is set out below:

| <b><u>Profit and Loss Account</u></b> | <b>2024</b><br><b>£</b> | <b>2023</b><br><b>£</b> |
|---------------------------------------|-------------------------|-------------------------|
| Turnover                              | 269,839                 | 233,724                 |
| Costs                                 | (204,427)               | (230,425)               |
| Profit for the year                   | 65,412                  | 3,299                   |
| Donation to The Gordon Foundation     | (65,412)                | (3,299)                 |
| Retained Profit for the Year          | <u>£Nil</u>             | <u>£Nil</u>             |
| <b><u>Balance Sheet</u></b>           |                         |                         |
| Net Current Assets                    | <u>13,587</u>           | <u>13,587</u>           |
| Retained Profits                      | 13,585                  | 13,585                  |
| Share capital                         | <u>2</u>                | <u>2</u>                |
| Total equity                          | <u>13,587</u>           | <u>13,587</u>           |

| <b>12. DEBTORS</b>           | <b>Group</b><br><b>2024</b><br><b>£</b> | <b>Group</b><br><b>2023</b><br><b>£</b> | <b>Charity</b><br><b>2024</b><br><b>£</b> | <b>Charity</b><br><b>2023</b><br><b>£</b> |
|------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|-------------------------------------------|
| Boarding charge debtors      | 351,721                                 | 208,815                                 | 351,721                                   | 208,815                                   |
| Sundry debtors               | 20,506                                  | 24,791                                  | -                                         | -                                         |
| Amount owing to subsidiaries | -                                       | -                                       | 3,112                                     | -                                         |
| Prepayments                  | 290,677                                 | 524,644                                 | 157,320                                   | 88,051                                    |
| VAT reclaim                  | 163,765                                 | 290,463                                 | 163,765                                   | 160,531                                   |
|                              | <u>826,669</u>                          | <u>1,048,713</u>                        | <u>675,918</u>                            | <u>457,397</u>                            |

| <b>13. CREDITORS: amounts falling due within one year</b> | <b>Group</b><br><b>2024</b><br><b>£</b> | <b>Group</b><br><b>2023</b><br><b>£</b> | <b>Charity</b><br><b>2024</b><br><b>£</b> | <b>Charity</b><br><b>2023</b><br><b>£</b> |
|-----------------------------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|-------------------------------------------|
| Loans and overdraft                                       | 332,380                                 | 332,380                                 | 320,000                                   | 320,000                                   |
| Trade creditors                                           | 1,442,721                               | 1,817,000                               | 1,117,527                                 | 1,066,413                                 |
| Boarding charges in advance and pupil deposits            | 1,165,818                               | 879,790                                 | 1,165,818                                 | 879,790                                   |
| Taxation and social security                              | 284,321                                 | 215,236                                 | 67,576                                    | 62,731                                    |
| Other creditors                                           | 769,681                                 | 1,022,519                               | 240,041                                   | 233,062                                   |
| Amount owing to subsidiaries                              | -                                       | -                                       | 865,028                                   | 1,262,729                                 |
| Accruals and deferred income                              | 239,455                                 | 247,758                                 | 192,734                                   | 175,910                                   |
|                                                           | <u>4,234,376</u>                        | <u>4,514,683</u>                        | <u>3,968,724</u>                          | <u>4,000,635</u>                          |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

| <b>14. CREDITORS: amounts falling due after more than one year</b> | <b>Group<br/>2024<br/>£</b> | <b>Group<br/>2023<br/>£</b> | <b>Charity<br/>2024<br/>£</b> | <b>Charity<br/>2023<br/>£</b> |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loan                                                          | 6,549,998                   | 6,882,379                   | 6,506,667                     | 6,826,667                     |
|                                                                    | <u>6,549,998</u>            | <u>6,882,379</u>            | <u>6,506,667</u>              | <u>6,826,667</u>              |
| <b>Analysis of loans:</b>                                          |                             |                             |                               |                               |
| Between one and two years                                          | 332,380                     | 332,380                     | 320,000                       | 320,000                       |
| Between two and five years                                         | 990,951                     | 997,141                     | 960,000                       | 960,000                       |
| After five years                                                   | 5,226,667                   | 5,552,858                   | 5,226,667                     | 5,546,667                     |
|                                                                    | <u>6,549,998</u>            | <u>6,882,379</u>            | <u>6,506,667</u>              | <u>6,826,667</u>              |
| Due within one year                                                | 332,380                     | 332,380                     | 320,000                       | 320,000                       |
|                                                                    | <u>6,882,378</u>            | <u>7,214,759</u>            | <u>6,826,667</u>              | <u>7,146,667</u>              |

At the year end, The Gordon Foundation had two long term loans. Both loans are secured by legal first charges over freehold land and buildings of The Gordon Foundation.

The first bank loan of £2,000,000 was taken out in December 2018 and is due for repayment by instalments by January 2044. Interest accrues on this loan at 3.8%. and interest payments are made quarterly. Capital repayments commenced in January 2020.

The second bank loan facility of £6,000,000 was taken out in December 2019 to fund construction of a new sports facility and all weather pitch. A sum of £5,440,000 was outstanding at 31 August 2023 and the capital will be repaid by instalments until January 2046. Interest accrues on this loan at a rate of 3.3% and interest payments are made monthly. Capital repayments commenced in April 2021.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**15. LEASE COMMITMENTS**

At 31 August 2024 the total of future minimum lease payments under non-cancellable operating leases were:

|                            | 2024<br>£      | 2023<br>£      |
|----------------------------|----------------|----------------|
| <b>Leases expiring:</b>    |                |                |
| Within one year            | 300,311        | 213,481        |
| Between two and five years | 183,606        | 84,603         |
| More than five years       | -              | -              |
|                            | <u>483,917</u> | <u>298,084</u> |

**16. UNRESTRICTED FUNDS**

|                        | 1 September<br>2023<br>£ | Income<br>£       | Expenditure<br>£    | Investment<br>(Losses)<br>£ | Transfers<br>£ | 31 August<br>2024<br>£ |
|------------------------|--------------------------|-------------------|---------------------|-----------------------------|----------------|------------------------|
| Designated - Eyre Fund | 50,651                   | -                 | -                   | -                           | -              | 50,651                 |
| General Fund           | 13,136,232               | 13,079,883        | (12,994,057)        | 329,985                     | -              | 13,552,043             |
|                        | <u>13,186,883</u>        | <u>13,079,883</u> | <u>(12,994,057)</u> | <u>329,985</u>              | <u>-</u>       | <u>13,602,694</u>      |

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | 1 September<br>2022<br>£ | Income<br>£       | Expenditure<br>£    | Investment<br>Losses<br>£ | Transfers<br>£ | 31 August<br>2023<br>£ |
|------------------------|--------------------------|-------------------|---------------------|---------------------------|----------------|------------------------|
| Designated - Eyre Fund | 50,651                   | -                 | -                   | -                         | -              | 50,651                 |
| General Fund           | 13,535,465               | 11,987,578        | (12,314,074)        | (72,737)                  | -              | 13,136,232             |
|                        | <u>13,586,116</u>        | <u>11,987,578</u> | <u>(12,314,074)</u> | <u>(72,737)</u>           | <u>-</u>       | <u>13,186,883</u>      |

The Designated Eyre Fund represents the balance on an unrestricted donation which is used to help finance music lessons.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**17. RESTRICTED FUNDS**

|                        | Balance at<br>1 September<br>2023<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2024<br>£ |
|------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds:</b> |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation      | 417,729                                | 12,488           | (1,808)            | 16,366                            | -              | 444,775                              |
| Special fund           |                                        |                  |                    |                                   |                |                                      |
| Stepping Forward       | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Appeal fund            |                                        |                  |                    |                                   |                |                                      |
| Piano fund             | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries              | 227,348                                | 39,358           | -                  | -                                 | -              | 266,706                              |
| DfCSF (DfE) fund       | 28,738                                 | 6,157,715        | (6,168,222)        | -                                 | -              | 18,231                               |
| Other restricted funds | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund   | 555,040                                | 30,466           | (74,871)           | -                                 | -              | 510,635                              |
|                        | <u>1,610,685</u>                       | <u>6,240,027</u> | <u>(6,244,901)</u> | <u>16,366</u>                     | <u>-</u>       | <u>1,622,177</u>                     |
| <b>Pension reserve</b> | <u>(202,000)</u>                       | <u>-</u>         | <u>(4,000)</u>     | <u>206,000</u>                    | <u>-</u>       | <u>-</u>                             |

**RESTRICTED FUNDS  
(PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2022<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2023<br>£ |
|------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds</b>  |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation      |                                        |                  |                    |                                   |                |                                      |
| Special fund           | 426,766                                | 12,932           | (1,860)            | (20,109)                          | -              | 417,729                              |
| Stepping Forward       |                                        |                  |                    |                                   |                |                                      |
| Appeal fund            | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund             | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries              | 95,894                                 | 131,454          | -                  | -                                 | -              | 227,348                              |
| DfCSF (DfE) fund       | 30,386                                 | 5,874,019        | (5,875,667)        | -                                 | -              | 28,738                               |
| Other restricted funds | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund   | 450,995                                | 188,675          | (84,630)           | -                                 | -              | 555,040                              |
|                        | <u>1,385,871</u>                       | <u>6,207,080</u> | <u>(5,962,157)</u> | <u>(20,109)</u>                   | <u>-</u>       | <u>1,610,685</u>                     |
| <b>Pension reserve</b> | <u>(610,000)</u>                       | <u>-</u>         | <u>(92,000)</u>    | <u>500,000</u>                    | <u>-</u>       | <u>(202,000)</u>                     |

**Gordon Foundation Special Fund** – this fund represents the balance of assets transferred by several connected charities on 1 April 1996.

**Stepping Forward Appeal Fund** - this fund reflects an appeal to enhance performing arts facilities at Gordon's School.

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

### 17. RESTRICTED FUNDS (Continued)

**DfCSF (DfE) Fund & DfE Fixed Asset fund** – these funds reflect monies received from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of assisting with the general academy running costs and building projects.

**Other restricted funds** represent other specific donations to fund activities of the Foundation.

**Pension Reserve** – this fund represents the share of the pension deficit borne by the subsidiary, Gordon's School Academy Trust, in the Local Government Pension Scheme. Further detail is given in note 21 below.

### 18. ALLOCATION OF THE GROUP NET ASSETS

|                              | Investments      | Tangible Assets   | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 273,522          | 189,397           | 1,159,258                        | -                              | 1,622,177         |
| Restricted – Pension reserve | -                | -                 | -                                | -                              | -                 |
| Unrestricted                 | 3,223,559        | 21,408,359        | (4,479,226)                      | (6,549,998)                    | 13,602,694        |
|                              | <u>3,497,081</u> | <u>21,597,756</u> | <u>(3,319,968)</u>               | <u>(6,549,999)</u>             | <u>15,224,871</u> |

### ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 248,613          | 214,718           | 1,147,354                        | -                              | 1,610,685         |
| Restricted – Pension reserve | -                | -                 | -                                | (202,000)                      | (202,000)         |
| Unrestricted                 | 2,798,078        | 21,342,616        | (4,071,432)                      | (6,882,379)                    | 13,186,883        |
|                              | <u>3,046,691</u> | <u>21,557,334</u> | <u>(2,924,078)</u>               | <u>(7,084,379)</u>             | <u>14,595,568</u> |

### 19. CHARITY UNRESTRICTED FUNDS

#### UNRESTRICTED FUNDS

|                        | Balance at 1 September 2023 | Income            | Expenditure         | Investment Gains/(losses) | Transfers | Balance at 31 August 2024 |
|------------------------|-----------------------------|-------------------|---------------------|---------------------------|-----------|---------------------------|
|                        | £                           | £                 | £                   | £                         | £         | £                         |
| Designated - Eyre Fund | 50,651                      | -                 | -                   | -                         | -         | 50,651                    |
| General Fund           | 13,480,377                  | 12,828,914        | (12,596,992)        | 329,985                   | -         | 14,042,284                |
|                        | <u>13,531,028</u>           | <u>12,828,914</u> | <u>(12,596,992)</u> | <u>329,985</u>            | <u>-</u>  | <u>14,092,935</u>         |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**19. CHARITY UNRESTRICTED FUNDS (Continued)**

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2022 | Income            | Expenditure         | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2023 |
|------------------------|-----------------------------------|-------------------|---------------------|------------------------------|-----------|---------------------------------|
|                        | £                                 | £                 | £                   | £                            | £         | £                               |
| Designated - Eyre Fund | 50,651                            | -                 | -                   | -                            | -         | 50,651                          |
| General Fund           | 13,370,032                        | 11,749,192        | (11,566,110)        | (72,737)                     | -         | 13,480,377                      |
|                        | <u>13,420,683</u>                 | <u>11,749,192</u> | <u>(11,566,110)</u> | <u>(72,737)</u>              | <u>-</u>  | <u>13,531,028</u>               |

**20. CHARITY RESTRICTED FUNDS**

|                              | Balance at<br>1 September<br>2023 | Income        | Expenditure    | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2024 |
|------------------------------|-----------------------------------|---------------|----------------|------------------------------|-----------|---------------------------------|
|                              | £                                 | £             | £              | £                            | £         | £                               |
| Gordon Foundation            | 417,729                           | 12,488        | (1,808)        | 16,366                       | -         | 444,775                         |
| Special fund                 |                                   |               |                |                              |           |                                 |
| Stepping Forward Appeal fund | 300,686                           | -             | -              | -                            | -         | 300,686                         |
| Piano fund                   | 1,740                             | -             | -              | -                            | -         | 1,740                           |
| Bursaries                    | 227,348                           | 39,358        | -              | -                            | -         | 266,706                         |
| Other restricted funds       | 79,404                            | -             | -              | -                            | -         | 79,404                          |
|                              | <u>1,026,907</u>                  | <u>51,846</u> | <u>(1,808)</u> | <u>16,366</u>                | <u>-</u>  | <u>1,093,311</u>                |

**CHARITY RESTRICTED FUNDS (PRIOR YEAR)**

|                              | Balance at<br>1 September<br>2022 | Income         | Expenditure    | Investment<br>Gains | Transfers | Balance at<br>31 August<br>2023 |
|------------------------------|-----------------------------------|----------------|----------------|---------------------|-----------|---------------------------------|
|                              | £                                 | £              | £              | £                   | £         | £                               |
| Gordon Foundation            |                                   |                |                |                     |           |                                 |
| Special fund                 | 426,766                           | 12,932         | (1,860)        | (20,109)            | -         | 417,729                         |
| Stepping Forward Appeal fund | 300,686                           | -              | -              | -                   | -         | 300,686                         |
| Piano fund                   | 1,740                             | -              | -              | -                   | -         | 1,740                           |
| Bursaries                    | 95,894                            | 131,454        | -              | -                   | -         | 227,348                         |
| Other restricted funds       | 79,404                            | -              | -              | -                   | -         | 79,404                          |
|                              | <u>904,490</u>                    | <u>144,386</u> | <u>(1,860)</u> | <u>(20,109)</u>     | <u>-</u>  | <u>1,026,907</u>                |

## THE GORDON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £529,641 were payable to the schemes at 31 August 2024 (2023: £789,456) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £1,209,396 (2023: £976,587).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

**Total contributions made**

|                          | <b>2024</b>    | <b>2023</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Employer's contributions | 201,000        | 165,000        |
| Employees' contributions | 67,000         | 48,000         |
|                          | <hr/>          | <hr/>          |
| Total contributions      | <b>268,000</b> | <b>213,000</b> |
|                          | <hr/>          | <hr/>          |

**Principal actuarial assumptions**

|                                                    | <b>2024</b> | <b>2023</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 3.65        | 4.00        |
| Rate of increase for pensions in payment/inflation | 2.65        | 3.00        |
| Discount rate for scheme liabilities               | 5.00        | 5.20        |
|                                                    | <hr/>       | <hr/>       |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                      | <b>2024</b>  | <b>2023</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| - Males              | 21.8         | 21.9         |
| - Females            | 25.3         | 25.4         |
| Retiring in 20 years |              |              |
| - Males              | 22.7         | 22.8         |
| - Females            | 25.9         | 25.9         |
|                      | <hr/>        | <hr/>        |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | 2024      | 2023      |
|-------------------------------|-----------|-----------|
|                               | £         | £         |
| Discount rate + 0.1%          | (61,000)  | (54,000)  |
| Discount rate - 0.1%          | 61,000    | 54,000    |
| Mortality assumption + 1 year | 114,000   | 100,000   |
| Mortality assumption - 1 year | (114,000) | (100,000) |
| CPI rate + 0.1%               | 61,000    | 53,000    |
| CPI rate - 0.1%               | (61,000)  | (53,000)  |

**Defined benefit pension scheme net liability**

|                    | 2024        | 2023        |
|--------------------|-------------|-------------|
|                    | £           | £           |
| Scheme assets      | 2,841,000   | 2,297,000   |
| Scheme obligations | (2,841,000) | (2,499,000) |
| Net liability      | -           | (202,000)   |

**The academy trust's share of the assets in the scheme**

|                       | 2024       | 2023       |
|-----------------------|------------|------------|
|                       | Fair value | Fair value |
|                       | £          | £          |
| Equities              | 2,103,000  | 1,769,000  |
| Bonds                 | 398,000    | 275,000    |
| Cash                  | 114,000    | 69,000     |
| Property              | 227,000    | 184,000    |
| FRS 102 Asset ceiling | (1,000)    | -          |
|                       | 2,841,000  | 2,297,000  |

The actual return on scheme assets was £328,000 (2023: a gain of £118,000).

**Amount recognised in the Statement of Financial Activities**

|                        | 2024      | 2023     |
|------------------------|-----------|----------|
|                        | £         | £        |
| Current service cost   | 195,000   | 230,000  |
| Interest income        | (125,000) | (89,000) |
| Interest cost          | 135,000   | 116,000  |
| Total operating charge | 205,000   | 257,000  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

| <b>Changes in the present value of defined benefit obligations</b>                 | <b>2024</b>      | <b>2023</b>      |
|------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                    | <b>£</b>         | <b>£</b>         |
| At 1 September 2023                                                                | 2,499,000        | 2,614,000        |
| Current service cost                                                               | 195,000          | 230,000          |
| Interest cost                                                                      | 135,000          | 116,000          |
| Employee contributions                                                             | 67,000           | 48,000           |
| Actuarial gain                                                                     | (3,000)          | (471,000)        |
| Benefits paid                                                                      | (52,000)         | (38,000)         |
|                                                                                    | <u>2,841,000</u> | <u>2,499,000</u> |
| At 31 August 2024                                                                  |                  |                  |
|                                                                                    | <u>2,841,000</u> | <u>2,499,000</u> |
| <br><b>Changes in the fair value of the academy trust's share of scheme assets</b> |                  |                  |
|                                                                                    | <b>2024</b>      | <b>2023</b>      |
|                                                                                    | <b>£</b>         | <b>£</b>         |
| At 1 September 2023                                                                | 2,297,000        | 2,004,000        |
| Interest income                                                                    | 125,000          | 89,000           |
| Actuarial (gain)/loss                                                              | 204,000          | 29,000           |
| Employer contributions                                                             | 201,000          | 165,000          |
| Employee contributions                                                             | 67,000           | 48,000           |
| Benefits paid                                                                      | (52,000)         | (38,000)         |
| FRS 102 Asset ceiling                                                              | (1,000)          | -                |
|                                                                                    | <u>2,841,000</u> | <u>2,297,000</u> |
| At 31 August 2024                                                                  |                  |                  |
|                                                                                    | <u>2,841,000</u> | <u>2,297,000</u> |

The actuarial report for the local government pension scheme shows a pension asset of £1,000 at 31 August 2024.

We have not recognised the pension asset as a positive position but have instead shown a break-even position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

An asset should only be recognised to the extent that the Trust is able to recover the surplus either through reduced contribution in the future or refunds from the plan.

We have made further disclosure in the Trustees Report and in the note on judgements to adequately reflect this.

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £203,959 (2023: £187,619) and there were no contributions payable to the scheme at 31 August 2024 (2023: £nil).

**22. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period (2023: None).

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2024**

**23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2023**

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 28,751                     | -                        | 28,751             | 91,975             |
| Grants                                                      | 2      | -                          | 188,675                  | 188,675            | 238,513            |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 10,973,198                 | 131,454                  | 11,104,652         | 10,193,082         |
| Other operating income                                      | 3      | 654,337                    | -                        | 654,337            | 206,276            |
| Funding for the Academy's educational operations            | 3      | -                          | 5,874,019                | 5,874,019          | 5,323,140          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 241,685                    | -                        | 241,685            | 153,278            |
| <b>Investment income</b>                                    | 5      | 89,607                     | 12,932                   | 102,539            | 101,689            |
| <b>Total income</b>                                         |        | <b>11,987,578</b>          | <b>6,207,080</b>         | <b>18,194,658</b>  | <b>16,307,953</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 6,967,592                  | 3,820,415                | 10,788,007         | 10,121,499         |
| Educational costs                                           |        | -                          | 480,061                  | 480,061            | 529,173            |
| Welfare costs                                               |        | 2,303,053                  | -                        | 2,303,053          | 1,908,141          |
| Premises costs                                              |        | 1,969,180                  | 1,238,529                | 3,207,709          | 2,617,312          |
| Support costs                                               |        | 588,554                    | 513,292                  | 1,101,846          | 929,457            |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 255,185                    | -                        | 255,185            | 291,509            |
| Investment management                                       |        | 84                         | 1,860                    | 1,944              | 2,261              |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 230,426                    | -                        | 230,426            | 141,892            |
| <b>Total expenditure</b>                                    | 6      | <b>12,314,074</b>          | <b>6,054,157</b>         | <b>18,368,231</b>  | <b>16,542,244</b>  |
| <b>Operating income/(expenditure)</b>                       |        | <b>(326,496)</b>           | <b>152,923</b>           | <b>(173,573)</b>   | <b>(234,291)</b>   |
| Net gains/(losses) on investments                           | 9      | (72,737)                   | (20,109)                 | (92,846)           | (295,701)          |
| <b>Net income/(expenditure)</b>                             |        | <b>(399,233)</b>           | <b>132,814</b>           | <b>(266,149)</b>   | <b>(529,992)</b>   |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | 500,000                  | 500,000            | 1,611,000          |
| <b>Net movement in funds for the year</b>                   |        | <b>(399,233)</b>           | <b>632,814</b>           | <b>233,581</b>     | <b>1,081,008</b>   |
| <b>Fund balances brought forward at 1 September 2022</b>    | 16, 17 | <b>13,586,116</b>          | <b>775,871</b>           | <b>14,361,987</b>  | <b>13,280,979</b>  |
| <b>Fund balances carried forward at 31 August 2023</b>      | 16, 17 | <b>13,186,883</b>          | <b>1,408,685</b>         | <b>14,595,568</b>  | <b>14,361,987</b>  |

All of the charitable group's activities are continuing.

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



# The Gordon Foundation (inc The Gordon Enterprises UK Limited) Management report for the year ended 31 August 2024

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Date of issue: January 25

Alliotts LLP

Guildford 3 London Square, Cross Lanes, Guildford, Surrey, GU1 1UJ

London Manfield House, 1 Southampton Street, London WC2R 0LR

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The report is intended for the sole use of The Gordon Foundation (“the company”) and must not be disclosed to any third party, or quoted or referred to, without our written consent. No responsibility is assumed to any other person in respect of this report.

The primary objective of our audit is to express an opinion on the truth and fairness of the company accounts as a whole. An audit does not examine every operating activity and accounting procedure in the company, nor does it provide a substitute for management’s responsibility to maintain adequate controls over the company’s activities. Our work is not designed therefore to provide a comprehensive statement of all weaknesses or inefficiencies that may exist in the company’s systems and working practices, or of all improvements that could be made.

## 1. Purpose

The purpose of this report is to share the key findings from our audit of the financial statements of The Gordon Foundation in respect of the year ended 31 August 2024 in line with our Audit Plan previously circulated.

## 2. Significant matters

The following significant matters were noted during the audit:

### **Bank covenants:**

As per our calculation based on the figures per the consolidated accounts, the bank covenants were not broken. However, as noted below, we are awaiting feedback from the bank relationship manager to confirm it externally.

### **Results for the year:**

The charity has reported a net income for the year of £628k (2023: net income: £233k). After excluding the impact of the net gain/losses on the investments the underlying results for the year was net income of £282k (2023: net income: £326k).

### **Going concern:**

We performed a detailed review of going concern and noted that the budgets for FY2024/2025 support the going concern assumption. This supports management's opinion that the accounts should be prepared on the going concern basis.

### **Outstanding items:**

- Fees received in advance: Sample testing is still underway; however, we do not expect the fees to contain a material misstatement.
- Bank covenants: The external confirmation from the bank relationship manager is still to be received.

## 3. Adjusted and unadjusted misstatements

Set out below is a summary of adjusted and unadjusted misstatements identified during the course of the audit.

All misstatements considered to be material individually or cumulatively are required to be adjusted. We have not set out below those misstatements encountered which are considered to be below trivial.

| Materiality (£) | Triviality (£) |
|-----------------|----------------|
| £256,000        | £12,800        |

### 3.1. Adjusted misstatements

| Description                                                   | Account                                    | Surplus/(Deficit) (£) | Net asset/(Liab) (£) |
|---------------------------------------------------------------|--------------------------------------------|-----------------------|----------------------|
| <b>Draft trial balance</b>                                    |                                            | <b>560,966</b>        |                      |
| <b>Audit department – adjusting journal entries:</b>          |                                            |                       |                      |
| Opening balance adjustment                                    | Funds Brought Forward                      |                       | 671                  |
|                                                               | Share of support costs                     | (671)                 |                      |
| <b>Accounts department – reclassifying journal entries:</b>   |                                            |                       |                      |
| Agree Enterprise to intercompany (PY gift aid contribution)   | Support of Gordon's school                 | 3,299                 |                      |
|                                                               | Amounts due from fellow group undertakings |                       | (3,299)              |
| Gift aid donation of Gordon Enterprises profits to Foundation | Donations and gifts                        | 65,413                |                      |
|                                                               | Amounts due from fellow group undertakings |                       | (65,413)             |



## 3.1. Adjusted misstatements

| Description                     | Account                             | Surplus/(Deficit) (£) | Net asset/(Liab) (£) |
|---------------------------------|-------------------------------------|-----------------------|----------------------|
| Agree investments               | Net movement on investments         | 87,549                |                      |
|                                 | Gain or loss on sale of investments | (88,245)              |                      |
|                                 | Investments                         |                       | 696                  |
| Reallocation of fees in advance | Trade debtors                       |                       | (2,161,182)          |
|                                 | Fees in advance                     |                       | 2,161,182            |
| <b>Final results</b>            |                                     | <b>628,311</b>        |                      |

## 3.2. Unadjusted misstatements

| Description                                                    | Account                               | Surplus/(Deficit) (£) | Net asset/(Liab) (£) |
|----------------------------------------------------------------|---------------------------------------|-----------------------|----------------------|
| Being the correction of the Girdlers' prepaid income           | Prepayments<br>Income – restricted    | 18,500                | 18,500               |
| Reclassification of difference noted in payroll reconciliation | Payroll<br>Administrative expenditure | (65,349)<br>65,349    |                      |
| <b>Net impact</b>                                              |                                       | <b>18,500</b>         |                      |

## 4. Accounting policies and practices

During the course of our audit, we reviewed the adequacy of the disclosures contained within the financial statements and their compliance with both relevant accounting standards and the requirements of FRS102. We have reviewed the accounting policies and practices selected by the charity and are satisfied that the charity operates acceptable accounting policies and practices.

## 5. Audit risks

Presented below are the conclusions on the key risks identified as part of the Audit Plan:

| Issue                                                                     | Description                                                                                                                                                                                           | Planned response                                                                                                                                                                     | Conclusion                                                                                                             |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>Income recognition:</b>                                                | <p>Fraud concerning revenue recognition.</p> <p>Risk that income could be understated, or cut-off errors could occur with income recognition.</p>                                                     | <p>Reconcile in total the income per remittances to amounts recognised in the accounts.</p> <p>Review cut off procedures and systems for income recognition.</p>                     | Income was seen to be recognised in line with the SORP requirements.                                                   |
| <b>Reliance on key members of staff and possible management override:</b> | <p>Risk that segregation of duties could become difficult should members of the team be absent due to ill health for any length of time.</p> <p>Risk that management could override key controls.</p> | <p>Discuss with management any staff changes or issues in the year.</p> <p>Review operation of systems and controls.</p>                                                             | Noted no apparent evidence that management has been overriding controls via posting journals.                          |
| <b>Fluctuations in borders numbers:</b>                                   | Changes in demographics and public perception could lead to fluctuating pupil numbers which would lead to a fall in additional boarding fees.                                                         | <p>Discuss future plans and any issues with management.</p> <p>Discuss with management any staff changes or issues in the year.</p> <p>Review operation of systems and controls.</p> | Based on our income testing, this was not a risk. The boarding charges increased along with the head counts of pupils. |

| Issue                                    | Description                                                                                                                                                                                                                                           | Planned response                                                                                                                                                                                                                                                                                                                                                                                 | Conclusion                                                                                                                                                                                  |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Errors and fraud:</b>                 | <p>Risk of errors in the cut off of expenditure leading to the accounts not reflecting a true and fair view, thereby affecting management decisions based on the accounts.</p> <p>Risk of fraud from internal and external affecting the results.</p> | <p>Cut off to be tested.</p> <p>Review systems and control procedures through discussions with the accounts staff and complete several walkthroughs to confirm systems and controls are in place.</p> <p>Discuss with management if any frauds have occurred and review any systems in place to mitigate the risks.</p> <p>Review of journals posted to backing rationale and documentation.</p> | <p>No instances of fraud were identified during the audit and no significant concerns over the management controls were raised.</p>                                                         |
| <b>Related parties and transactions:</b> | <p>Risk that related party transactions with the Foundation may be missed from the financial statements.</p>                                                                                                                                          | <p>Request information on related parties from the trustees.</p> <p>Review transactions compared to trustees' register of interest and confirm no further related party transactions to be disclosed.</p> <p>Review systems and controls for reporting related party transactions.</p>                                                                                                           | <p>Systems and controls were reviewed, and no issues were identified.</p> <p>No issues noted from the review of the related party transactions and minutes of meetings during the year.</p> |

| Issue                             | Description                                                                                                         | Planned response                                                                                                                                                                                        | Conclusion                                                                                                                                                       |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Going concern:</b>             | Risk that changes in government funding may impact the charitable company's ability to continue as a going concern. | <p>Review budget funding forecast return submitted to the ESFA.</p> <p>Discuss any issues with management.</p> <p>Review disclosures to ensure they reflect the appropriate Going Concern position.</p> | From the review of the budgeted forecasts, we see that an operational surplus is predicted for the forthcoming year.                                             |
| <b>Assets under construction:</b> | Risk that the valuation of assets under construction is materially incorrect and overstated.                        | Review a sample of assets under construction and agree to invoices to ensure appropriate capitalisation figures.                                                                                        | Tested a sample of assets under construction against invoices and noted the items to be capital in nature and deemed no reason why it should not be capitalised. |

## 6. Control recommendations raised in previous audits

The recommendations raised during previous audit engagements were reviewed for updates this year, the outcomes are as follows:

| Issue reported                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Recommendation made                                                                                                                                                               | Update                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Bank Covenants:</u></b></p> <p>We noted during the audit, that because of Covid19 and the unusual events of the year, that the bank covenants covering the loan agreements had been broken.</p> <p>The loans from these agreements have provided significant amounts necessary for the cash flow of the Foundation, to ensure it remains operational.</p> <p>Agreements should be reviewed regularly to ensure that where the Foundation is projected to break the covenants, that all necessary measures are taken and confirmation of the bank's continuing support has been obtained in advance of this.</p> <p>This year, we note that confirmation from the bank has been sought at the audit date, however, this continues to be outstanding.</p> | <p>We recommended that the covenants are tracked and measured as part of the Foundations reporting to Trustees, to ensure covenants are not broken without foresight of this.</p> | <p>During the current year audit, we noted that the bank covenants is met based on our draft consolidated accounts. We have requested confirmation from the bank to confirm that the Foundation is currently compliant with the bank covenants of the loan.</p> |
| <p><b><u>Unreconciled fees in advance balances:</u></b></p> <p>During our audit, we had provided a debtors reconciliation schedule at the year end, which shows that trade debtors and fees in advance balances of £233,825 and £412,614 both respectively.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>We recommended that management ensure the fees in advance details listing are reviewed each term.</p>                                                                          | <p>The fees in advance details listing agrees to the financial statements during the current year audit.</p>                                                                                                                                                    |

| Issue reported                                                                                                                                                                                                                                                                                                                                                                                           | Recommendation made | Update                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------|
| <p>However, we have noted that the fees in advance details listing did not agree to the financial statements after taking into the account of debtor's reclassification journal with the unreconciled balances of £467,716 in credit.</p> <p>Without proper reconciliation of control accounts, there is a risk that the management information produced on which decisions are taken is inaccurate.</p> |                     | <p>However, the sample testing is still underway, but we do not expect the fees to contain a material misstatement.</p> |

## 7. Control recommendations raised this audit

The recommendations raised during the audit were as follows:

### 7.1 Prepaid income – Girdler’s Company

| Risk | Issue reported                                                                                                                                                                                                                                                           | Potential consequence                                                                    | Recommendation made                                                                                                                                                  |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Low  | We noted a donation from the Girdlers’ Company Court of £18,500 received into the Foundation’s bank account in August 2024. The charity became entitled to the money, before year-end and this should be recognised as income in line with charity accounting standards. | There is a risk that the prepaid income/income balance contains a material misstatement. | We recommend that donation agreements are reviewed and that management consider whether income received is recognised in line with the charity accounting standards. |



## 8. Independence

### Non-audit services provided by Alliotts to the Foundation and its related entities:

| Service                       | Description                                                                                                                                                               | Safeguard                                                                                                                                                                                                                                                                                          |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statutory accounts production | This service is only to produce the statutory format accounts from the trial balance provided by management, with along with other disclosures as provided by management. | This is wholly mechanical data entry process involving no judgements by Alliotts, with informed management reviewing and approving the final reports. As a result, no safeguards are deemed necessary.                                                                                             |
| Corporation tax               | Preparation of the corporation tax computation and return based on the statutory accounts, records and representations from management.                                   | <p>This service is provided by a separate team. Informed management also review and approve the final computation and return.</p> <p>The reports are reviewed by the audit team as if it were provided by a third party. In our opinion this is a sufficient safeguard to ensure independence.</p> |
| Teachers' Pension review      | This service is a review of the End of Year Certificate (EOYC) to be submitted to Teachers' Pensions.                                                                     | Teachers' Pension reviews are completed by a separate team to ensure independence is maintained                                                                                                                                                                                                    |

In accordance with International Standard on Auditing (UK) 260 "Communication with those charged with governance", there are no changes to the details of relationships between Alliotts LLP and the Foundation that may reasonably be thought to bear on Alliotts LLP's independence and the objectivity of the audit principal and the audit staff and the related safeguards from those disclosed in the Audit Plan.

## 9. Sector update

### Charity Commission Updated Guidance

#### - Internal Financial Controls for Charities (CC8)

The Charity Commission updated its guidance in 2023 to help charities operating in an increasingly digital world, where the danger of fraud seems to be more prevalent.

Internal financial controls are key tools for trustees to use to protect their charity and its resources, which is a key responsibility for all trustees.

The updated guidance aims to make it clearer, shorter and ensure it reflects the many ways charities operate today.

The guidance has been restructured and the language simplified so hopefully readers can easily find the information they are looking for more easily and be able to put into practice.

The new sections are meant to reflect the ways charities can now operate. These cover issues such as:

- Using mobile payments systems, such as Google Pay and Apple Pay
- Accepting gifts and hospitality
- Accepting donations of cryptoassets

Trustees are encouraged to read the update and discuss their charity's internal financial controls at their meetings.

#### - Decision Making for Charity Trustees (CC27)

In September 2024 the Charity Commission published updates to its guidance on making trustee decisions. The guidance aims to make the guidance more accessible and easier to use, however the backbone of the guidance remains the seven principles developed by the courts when they reviewed decisions made by trustees, which we have set out below.

When making decisions, trustees must:

- |                                                                                                     |                                           |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1. act within their powers                                                                          | 2. act in good faith                      |
| 3. be sufficiently informed                                                                         | 4. take into account all relevant factors |
| 5. identify and disregard any irrelevant factors                                                    | 6. manage conflicts of interest           |
| 7. ensure their decision is within the range of decisions that a reasonable trustee body could make |                                           |

## Economic Crime and Corporate Transparency Act 2023 Regulations

The Economic Crime and Corporate Transparency Act 2023 (ECCTA 2023) received royal assent in the autumn of 2023 and contains a range of measures to tackle economic crime and improve corporate transparency. The Act introduces a Failure to Prevent Fraud offence (FTPF) as well as bringing in a variety of reforms to Companies House to address the transparency of corporate structures in the UK. The measures come into place over a period of time.

Many of the changes came into place on 4 March 2024 including:

- Giving Companies House greater powers to query information provided and request supporting evidence.
- There will be stronger checks on company names, with the ability to remove offensive names or those that falsely imply connections with a foreign government or international organisation.
- New rules are now in place for registered office addresses. All companies must now have an 'appropriate address' suitable for the service of documentation at all times, which means that this address cannot be a PO Box or other unstaffed address.
- A registered email address must be provided on incorporation of a new company, whilst all existing companies will need to provide a registered email address when they file their next confirmation statement after 4 March 2024. This email address will not be made public on the Companies House website.
- On incorporation the shareholders of a new company will need to confirm that they are forming the company for a lawful purpose. Existing companies will need to make a lawful purpose statement when they file their next confirmation statement after 4 March 2024 and then annually.
- The Act allows for the sharing of data with other government departments and law enforcement agencies to improve collaboration to combat economic crime in the United Kingdom.
- The Act gives greater powers to tackle and remove factually inaccurate information from the public register and be able to issue financial penalties, or prosecution for those companies/directors who fail to comply.

From 1 May 2024, new filing charges apply for all transactions at Companies House with, for example, minimum filing fees for confirmation statements rising from £13 to £34.

ECCTA 2023 will introduce further reforms over the course of time as Companies House improves its systems and include:

- Electronic filing of statutory accounts at Companies House, which is not possible at the moment for charitable companies.
- Some of the reduced disclosure exemptions in accounts of trading companies, as often used by charity trading subsidiaries, will be removed.
- New verification of identity of people setting up, running, owning or controlling companies will be required.

There will be more clarity required of company ownership and the individuals concerned. It will be more difficult to use corporate directors to run a company.

## Charity SORP Update

The Charities SORP will be updated and the consultation document might be published in 2025, for adoption in autumn 2025. The document incorporates the changes in the wider reporting world introduced by the update to the Financial Reporting Standard 102 (FRS102).

FRS102 was revised at the end of March 2024 for accounting periods commencing 1 January 2026 and is likely to impact charities in two main areas:

- Leases - The distinction between operating and finance leases has been removed and all leases will need to be recognised on the balance sheet. For smaller operating leases, there is an exemption for short-term leases and for low- value assets to remain off the balance sheet.
- Income recognition – A new section of FRS102 deals with revenue from contracts with customers. A five-step model for revenue recognition is adopted for all contracts with customers, and it looks at identifying the distinct goods or services promised to the customer and the amount of consideration to which the entity (charity) will be entitled in exchange.

FRS102 has removed some explanation paragraphs around legacies, so it is expected that the revised SORP will provide the guidance required.

## Audit regulation changes – Revised International Standards on Auditing (ISAs)

A number of changes to auditing standards have been made which have had an impact on how audits are carried out for charities and ultimately mean that charities are spending more time and money meeting the requirements of the audit regime.

### **ISA(UK) 240 Fraud – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements**

The revised standard has tightened up the processes adopted by auditors when considering the prospect of fraud in financial statements. Whilst it still remains that the primary responsibility for the prevention and detection of fraud rests with ‘those charged with governance’ and management, the enhanced processes carried out by the auditors look to obtain the reasonable assurance (not absolute assurance), required by the standard.

Auditors have more things to do to comply with the revised standards, charities will see the impact of these changes as there will be an enhanced risk assessment and further enquiries from the auditors, perhaps of other members of the charity’s staff that do not normally deal with the audit.

### **ISA (UK) 315 Risk of Material Misstatement**

This expanded standard gives more guidance to auditors on how to identify significant risks, with a stronger emphasis on looking at internal controls within the school. Charities are likely to face additional questions from auditors about how school trustees assess the control environment, particularly with remote/branch operations.

### **ISA (UK) 570 on Going Concern**

This standard was updated and now auditors have to perform additional work to conclude on whether the trustees’ use of the ‘Going Concern’ basis of accounting is appropriate, and whether there are any material uncertainties in this regard. Auditors have to be tougher and more rigorous; consider management bias of presentation and perform a ‘Stand back’ test when drawing conclusions – right up to the date of signing of the audit report.

### **ISA (UK) 700 on Forming an opinion and reporting on financial statements**

The update in this standard now requires that the auditor's report of all entities explain to what extent the audit was considered capable of detecting irregularities, including fraud. The auditor must also consider impact of non-compliance with laws and regulations, which can be complex for charities.

## Changes to the 2023 Charity Commission Annual Return

The Annual Return 2023 will have more compulsory questions than in previous years, but not as many as originally proposed at one stage and will apply to charities' financial years ending on or after 1 January 2023. The new questions will provide more information to the Charity Commission in nine key areas:

- income
- grant making
- spending outside of the UK
- trading subsidiaries
- charity address and property
- organisational structures
- employees and volunteers
- governance
- safeguarding and risk.

More of the new questions now apply to all charities, not just the larger ones as the Commission gathers additional insights into the financial resilience of the sector and encourage better administration processes and controls.

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Alliotts LLP is a UK limited liability partnership registered in England and Wales under company number OC430772. A list of members names is available at our registered office: Manfield House, 1 Southampton Street, London, WC2R 0LR. Alliotts LLP is a member of the Shaw Gibbs group.

Alliotts LLP is registered to carry on audit work in the UK, regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

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# Accounts

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**THE GORDON FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2023**



Company Number 00027272  
Charity Number 312092



## THE GORDON FOUNDATION

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## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION

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|                        |                                                                                      |
|------------------------|--------------------------------------------------------------------------------------|
| <b>Patron</b>          | Her Late Majesty The Queen                                                           |
| <b>Vice Presidents</b> | The Lord Mayor of London<br>The Lord Lieutenant of Surrey<br>The Bishop of Guildford |
| <b>Ambassadors</b>     | Mr P Talbot<br>Mr M Hawkesworth<br>Mr P Wynter Bee                                   |

#### Foundation Committee (The Board)

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| Lieutenant General Richard Cripwell CB, CBE | Chair                                |
| Mr R Whittington DL <sup>1,2,4,5,8</sup>    | Vice Chair                           |
| Mr C Whiffin <sup>1,2,8</sup>               | Treasurer, Resigned 27 January 2024  |
| Mr M Barnes <sup>1,2,8,9</sup>              | Treasurer, Appointed 27 January 2024 |
| Mrs J Valner <sup>1,2,3,4,5,7</sup>         | Chair of Governors                   |
| Mr T Gordon                                 |                                      |
| Mrs L Bannister <sup>3,7,9</sup>            | Resigned 27 January 2024             |
| Mrs A Stephens <sup>1,3</sup>               |                                      |
| Major General A Fay CB                      |                                      |
| Mrs D McKenzie <sup>5</sup>                 |                                      |
| Mrs S Hounsham <sup>4,6,7</sup>             |                                      |
| Mr P Jones <sup>1,2</sup>                   |                                      |
| Mr S Azeem DL                               |                                      |
| Brigadier J Mullin <sup>4,7</sup>           |                                      |
| Ms J Kruger                                 | Appointed 21 January 2023            |
| Lord Lancaster                              | Appointed 21 January 2023            |
| Lt Col J Fernandes MBE                      | Appointed 13 October 2023            |
| Mrs S Rawal                                 | Appointed 27 January 2024            |
| Lord Lingfield                              | Resigned 21 January 2023             |
| Mr W Eason <sup>1,2,3,4,5,8</sup>           | Resigned 21 January 2023             |
| Ms A MacLennan <sup>6</sup>                 | Resigned 21 January 2023             |
| Ms Neelam Devesher DL <sup>4,9</sup>        | Resigned 22 June 2023                |

#### Head Teacher

Mr A Moss

#### Foundation Company Secretary

|                       |                             |
|-----------------------|-----------------------------|
| Mrs S M Meikle        | Retired 31 August 2023      |
| Mrs Ashleigh Mitchley | Appointed 26 September 2023 |

#### Committee Membership

Member of the Foundation Development Committee = 1  
Member of the Joint Finance & Estates Committee = 2  
Member of the Investment Panel = 3  
Member of the Awards Panel = 4  
Member of the Governance Committee = 5  
Member of the Fundraising & Enterprises Committee = 6  
Governor of Gordon's School = 7  
Member of the Risk & Audit Committee = 8  
Member of the Performance Management & Salaries Committee = 9

## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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#### ADVISERS

|                             |                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------|
| <b>Bankers:</b>             | Bank of Scotland<br>38 Threadneedle Street<br>London EC2P 2HL                    |
| <b>Auditors:</b>            | Alliotts LLP<br>Friary Court<br>13-21 High Street<br>Guildford<br>Surrey GU1 3DL |
| <b>Investment Managers:</b> | Quilter Cheviot<br>Senator House<br>85 Queen Victoria Street<br>London EC4V 4AB  |
| <b>Legal Advisers:</b>      | Moore Barlow LLP<br>The Oriel<br>Guildford<br>Surrey GU1 3SR                     |

#### STATUS AND ADMINISTRATION

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| <b>Registered Office:</b> | The Gordon Foundation<br>Gordon's School<br>West End<br>Woking<br>Surrey GU24 9PT |
|---------------------------|-----------------------------------------------------------------------------------|

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### **Constitution**

The Gordon Foundation is a company limited by guarantee (Company No 00027272), its registered office being at Gordon's School, West End, Woking, Surrey, GU24 9PT. The company is a charity for educational purposes (registered charity No 312092). Following an external review of governance during 2022, revised and updated Articles were approved on 21 January 2023 and lodged with Companies House and the Charity Commission.

Management of the charity is vested in the Foundation Committee, who are directors for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP 2015 (FRS 102). Foundation Committee members are required to retire from office every third year from the date of election but are eligible for re-election for a maximum of three terms. The Foundation Committee has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Head Teacher, Finance & Operations Director, HR Director, Estates Director and Development Director.

The charity was founded at the express wish of Queen Victoria as the national memorial to General Gordon who was killed in Khartoum in 1885. The Gordon Foundation owns, freehold, the land and buildings formerly known as the Gordon Boys' Home which was changed to The Gordon's Boys' Home in 1943, started to accept girls and day boarders from 1990 and is now known as Gordon's School.

The majority of the Governors of Gordon's School, a State Boarding School with Academy status, are either trustees of or are appointed by The Gordon Foundation.

Following a decision made in 2019 to increase the number of (ex-officio) Vice Presidents, a recommendation to introduce the position of Ambassador was approved. Ambassadors, a seven-year appointment, are former trustees of seniority or long service who have continued interest in supporting the Foundation's work. Paul Talbot, Gordonian and former trustee of over 30 years' service, and Mark Hawkesworth, former Treasurer, accepted the invitation to be the first Ambassadors for The Gordon Foundation while Peter Wynter Bee who retired in 2021 after 21 years' service to Gordon's as trustee and for eight years a School Governor, accepted the Committee's invitation to continue his links as a Gordon's Ambassador.

After eleven years as the Foundation's Secretary and School Bursar, Mrs Susan Meikle retired in August 2023. The Foundation and School are grateful to Mrs Meikle for her service to Gordon's during a period of significant developments, changes and challenge that included the Covid pandemic and school lockdowns.

The Senior Leadership Group controls the running of the Foundation and School at an executive level and implements the policies and decisions of the trustees and governors through agreed schemes of delegation. Key management personnel are defined as the Head Teacher, Deputy Heads (Curriculum and Pastoral), Finance & Operations Director, HR Director, Estates Director and Development Director.

##### **Arrangements for setting pay and remuneration of key management personnel**

The Senior Leadership Group is paid on the Leadership pay scale which broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Leaders must demonstrate sustained performance in respect to their performance objectives; non-teaching leadership salaries are benchmarked against local market conditions. The Performance Management and Salaries Committee awards one incremental point on the Gordon's Pay Scale where performance objectives are met and where there is a sustained high quality of overall performance.

##### **Policies and Procedures adopted for the Induction and Training of Trustees**

Prospective trustees are invited to Gordon's School prior to their appointment to meet with the Head Teacher and at least two trustees who make their report to the next meeting of the Governance Committee. A schedule of trustees with their qualifications and experience is maintained, cross-referenced against the business requirements of the Foundation, which assists in the selection of new trustees.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

Once appointed, new trustees follow an induction which includes an explanation of their role as trustee, the company and the relationship between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All trustees are encouraged to attend professional training courses, take online courses for trustees and are provided with joint briefings at least once each year. During the year it was decided that members of the Awards Panel and any trustees who visit the School regularly should obtain DBS checks.

#### OBJECT AND OBJECTIVES

##### General

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for 946 residential and day boarding students aged 11-18 years. The School changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education and Skills Funding Agency pays the cost of teaching and learning, delivery of the national curriculum and some classroom facilities. In addition to managing the estate and buildings, The Gordon Foundation provides support services to the School and in particular runs the boarding operation for the day, weekly and full boarding students and the extensive co-curricular programmes. For families who require financial assistance with boarding charges, The Gordon Foundation is able to provide means-tested bursaries.

The Gordon Enterprises UK Ltd, a subsidiary of The Gordon Foundation, oversees management of and hire of the Gordon's Sports Hub, letting of the school facilities when not required by the School and other opportunities for non-boarding revenue generation. Proceeds from such activities are gift-aided to The Gordon Foundation, designated to the bursary funds.

##### Vision

Our long-term vision is a family of Gordon Foundation schools where students, particularly those from disadvantaged backgrounds, benefit from a Gordon's education. An education recognised as amongst the finest in the world for the calibre of young people we develop, the progress they make and the difference they make to the lives of others.

##### Object

The object of The Gordon Foundation is to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need, with a view to preparing them for education or for earning their livelihood, such object being in continuation of the work of the unincorporated institution known as the Gordon Boys' Home, established in July 1885 as the National Memorial to General Charles Gordon CB.

##### Objectives

Whilst the main objective of The Gordon Foundation is support for Gordon's School, trustees appreciate its wider objects of encouraging and supporting residential boarding for 'necessitous' young people, improving the public's awareness of the value and benefits of residential boarding and increasing funds available to support residential boarding. In setting these objectives and planning activities, trustees give careful consideration to the Charity Commission's guidance on Public Benefit.

| OBJECTIVE                                        | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintain the National Memorial to General Gordon | Y7 History classes continue to include a short course on the history of Gordon's, the Home and School, and the life of General Charles Gordon. The near Civil War in Sudan caused concern for staff and students of Khartoum International Community School which had to close as families evacuated from Sudan; links are maintained. General Gordon's principles are referred to and maintained within the updated strategy, <i>Vision for Gordon's</i> . A lecture in Autumn 2023 on Colonialism will include a focus on General Gordon's legacy. An invitation from the Gloucester Gordon League RFC, thought to be the last of the Gordon Boys' Clubs which were also established in the late 1880's as a memorial to General Gordon, to establish links will be pursued. |

# THE GORDON FOUNDATION

## REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

### Objectives (continued)

| OBJECTIVE                                                                                                                      | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Be alert to and take advantage of opportunities to extend the influence of Gordon's at home and overseas                       | A range of partnerships are in place that benefit current students and extend the Gordon's reach. In addition to the Harlequins RFC Programme, the MoU with Aldershot Town FC continues positively, and with Surrey Storm (Netball). Cooperation with Woking High School continues under the Arete Partnership, particularly for student leadership training and inter-school competitions; Robert May's School and Blenheim High School joined during this year. The partnership launched in 2022 with Commonwealth Education Trust continues to share good practice between Gordon's and teachers in Zambia, Cameroon and Kenya. Opportunities for a Gordon's 2 continue to be explored as opportunities arise.                                                                                                                                                                                                                                                                                                                                                                                               |
| Ensure that support services provided by The Gordon Foundation are fit for purpose and commensurate with outstanding provision | Taking opportunities to review for improvement is embedded within the Support teams. Retirement of the School Bursar & Foundation Secretary provided an opportunity to review senior staffing structures and leadership. Staffing for the extensive co-curricular provision is regularly reviewed and amended to demand and changing provision.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Increase the Foundation's financial stability and support for financially necessitous students                                 | Post-Covid, maintaining a positive cashflow alongside capital commitments was challenging but achieved with no recourse to any further Bank facilities apart from existing capital loans. By the end of the year, 72 (7.6%) students were in receipt of a means-tested bursary with total spend £501,927 with 16 of those students supported also by eight different external educational trusts (£87,718). A focus for the newly appointed Development Director will be to increase funding available for bursaries and new partnerships related to identifying and supporting necessitous students suited to opportunities provided at Gordon's School.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Deliver world-class pastoral care, curriculum, and co-curriculum provision                                                     | In June 2022, Gordon's was presented with the Times Educational Supplement Boarding School of the Year Award. This recognises innovation, imagination and efforts to develop children in ways that go beyond academic achievement and the league tables as well as maintained continued excellence. Recognising the lack of provision in primary schools for learning musical instruments, a scheme offering free group tuition to Year 7 students started in September 2022 with the intention of extending this for a maximum of three years and involving students in various ensembles. This scheme is developing well, with all participating students playing in ensembles and most continuing lessons the follow year.<br>There is a wide range of co-curricular activities included students travelling to participate in MUN Conferences, a Music Tour to Paris, various drama productions including Made in Dagenham and the popular student-led Dance Show; a growing number of students representing Gordon's in Chess competitions as well as the availability of 17 different competitive sports. |

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

##### **The Vision for Gordon's**

The updated 'Vision for Gordon's' 2025 sets out our vision for the national memorial to General Gordon to be more than a school, but a symbol of what can be achieved by a community united in making an outstanding contribution for the good of global society, through its educational leadership and through the lives Gordonians go on to lead. This vision will be extended towards 2035, the Foundation's 150<sup>th</sup> anniversary.

A Gordon's education strives to be more than the best possible examination results, but a thorough preparation for life. Our aim is to develop rounded world class, global citizens with the character, capabilities and confident humility to achieve well, to stay active, to appreciate what they have and to connect and give back to the communities in which they live and work.

The Vision for Gordon's is for the national memorial to General Gordon to be a force for a more caring and just world: a world in which inequality in opportunities is diminishing; where individuals are treated similarly and have equal chances based not on privilege, but on how hard they work for themselves and others. We strive towards a Better me, Better world.

##### **Capital Developments**

The Drama and Music departments continue to make good use of the Old Gym and Pool building ahead of its conversion into a performing arts centre. Some theatrical equipment that will continue to be used in the performing arts centre was purchased to improve student drama experience during the year with further planned investment.

During summer 2022 a seventh Science Laboratory was created (with financial assistance from The Wolfson Foundation), an extra classroom provided, the Library part-refurbished; the two Art studios were co-located and to achieve this, the Fitness Suite re-sited close to the Sports Hall. Two of the four senior residential boarding Houses were in part refurbished, the second stage of an intended £2m improvement plan for all residential Houses. Future projects under consideration include the performing arts centre, improvements to the Back Fields and moving Gordon's towards Carbon Neutral.

##### **Academic Results for the School**

During the year the School educated approximately 948 students between the ages of 11 and 18. Recruitment continues to be strong with waiting lists for Key Stages 3 and 4. There were 272 residential boarders and 322 students in the Sixth Form.

Compared to many state schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects; 42% of Y13 Leavers obtaining places at Russell Group universities and 73% gained places at their preferred destination. Two students gained places at Oxford and Cambridge, three embarked on Medical training courses and two took up Sports (Golf) Scholarships at US Universities. Three leavers opted for Apprenticeships.



## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### Academic Results for the School (continued)

##### A Level results 2023

31% of entries graded A\* - A  
65% of entries graded A\* - B  
86% of entries graded A\* - C

##### GCSE results 2023

53% of entries graded 9 - 7  
88% of entries graded 9 - 5  
96% of entries graded 9 - 4

Average performance per student - BBB

##### BTEC L3 2023

31% of entries graded D\* - D  
75% of entries graded D\* - M

##### BTEC L2 2023

36% of entries graded D\* - D  
100% of entries graded D\* - M

Detailed information on student activities and the co-curricular programme can be found on the School website [www.gordons.school](http://www.gordons.school) as well as the Annual Report of the Gordon's School Academy Trust.

#### General

The Development team is responsible for activities focusing on support for the school community as well as strengthening local and wider community links, ranging from regular talks, organising all larger school internal and external events and seeking opportunities to let facilities when not required by the school, and fundraising. In November, we were delighted to host BBC Radio 4's Any Questions? which was attended by a large audience from the School and local community.

Development Prefects assist the department with appropriate administration and hosting of events, providing them with some insight into a different area of the school as well as useful experience. A strong working partnership continues with the Gordon's School Parents' Association which clearly benefits the school and the parent community.

Following the dissolution of the Gordonian Association and responsibility for all alumni-focused activity incorporated within the Development Office, a key focus continues to be developing a strategy for appropriate communication and engagement activity with each age groups. The Gordonian Football team, sponsored by a local business, is also supported by providing home match facilities on the new 3G pitch. In the summer, Gordonians of all ages enjoyed being able to return to the School for the Annual Parade and previously meeting up in London after the Whitehall Parade. Former members of the Pipe Band are invited to play in the Big Blaw, the summer cricket match is popular as well as a three-way netball tournament for Gordonians, staff and current students. The Gordonian Awards 2022, for Arts and for Sports, attract increasing numbers of high calibre applicants; these financially support two Year 11 students with the costs for developing a particular talent, and encouragement to continue into the Gordon's Sixth Form. Gordonians funded a plaque erected in St George's Memorial Church Ypres, commemorating Gordonians who served and died during WWI.

Support is provided to the Careers team to assist with finding work placements and speakers as well as organising the annual Careers Fair. Opportunities for parents and members of the local community to network continue with reinstatement of the monthly Business Networking Breakfasts held at the School. The Development team now helps and encourages the School Charities Committee with appropriate links and organisational support; Gordon's students volunteered over 9,000 hours during the year and the whole community was generous in its continued support for the people of Syria and Ukraine.

The Gordon's Pipe Band, now officially the Music Section of the Gordon's CCF, participated in over 40 events that included travel to Scotland to compete in the World Championships, playing at the Houses of Parliament, at Wembley Stadium and, following a longstanding link with Brookwood Last Post Association at Brookwood Military Cemetery. Members of the Pipes and Drums who represented the School at Brookwood Last Post were selected to go to Menin Gate to play and take part in the Last Post Association's Remembrance Service. A partnership developing with the National Piping Centre, Glasgow, is proving beneficial to Gordon's Pipe Band.

#### Commercial

A planning condition for the Sports Hall and 3G pitch is community use with a Community Use Agreement in place between Gordon's and Surrey Heath Council. There is significant interest in hire of these facilities, with a focus on supporting local grass-roots sports clubs. Other sports facilities, creating the Sports Hub, are also made available for hire.

Other commercial activity includes the Sports Hub Café, part of the new Sports Hall building available for use in conjunction with sports hire as well as Gordon's Sixth Form students during the school day. The termly Gordon's Supper Club is popular as too the monthly Networking Breakfasts. We were pleased to secure a new contract for hire of residential and classroom facilities for two weeks during the summer holidays, which will expand in future years, while again hosting Barracuda Day Camps during the Easter and Summer holidays.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### Partnerships

The partnership launched with Aldershot Town Football Club in July 2021 whereby their 1<sup>st</sup> team is based and trains at Gordon's during weekday mornings, and provided with catering and other facilities, continues positively. In addition to hire charges, School football teams are provided with coaching by the ATFC coaching team and for free home match tickets are available to Gordon's families. Other sporting partnerships continue, with Harlequins Rugby Football Club and Surrey Storm (Premier Netball).

Gordon's is proud to help reduce global educational poverty through a working partnership with the Commonwealth Education Trust (CET). Formally known as the Commonwealth Institute, the CET is a well-established, leading charity that champions education across the Commonwealth. Their digital platforms reach teachers in underserved, often rural communities around the world, providing them with much needed bite-size professional development courses. Gordon's teachers work with CET to establish courses to help improve pedagogy and classroom management, later extending to support designated schools through fundraising and practical resources.

The Camelthorn Foundation supports community-led wildlife initiatives alongside promoting education and socio-economic opportunities in Zimbabwe's Hwange province. Gordon's has pledged to work with the Camelthorn Foundation to raise sufficient funds to provide, initially, a girls' boarding house and then accommodation for boys, attending Ngamo Secondary School. In time, we hope that students and staff may be able to volunteer with the Camelthorn Foundation in their conservation, education or social programmes.

#### External support

Applications to trusts and foundations continue for bursary funding as well as specific projects. The support for Gordon's students from a range of educational trusts is valued, in particular the continued generosity of the Girdlers' Livery Company.

Support for Gordon's students by Reedham Children's Trust, Buttle UK, the Masonic Charitable Foundation, Lloyd Foundation, Emmott Foundation, Wispers Trust, The Royal SpringBoard Children's Foundation and Tak Turton Trust continues to be welcomed by student families and the School.

In 2021, two significant new competitions were launched, the Wynter Bee Global Citizen Prize and the Headmaster's Global Citizen Prize, for which students were asked to engage with one of the UN 17 Sustainable Development Goals. We are immensely grateful to Peter Wynter Bee, former trustee and now Gordon's Ambassador, for encouraging the institution of these student competitions and for his generosity in funding these prizes.

Gordon's is proud to have signed up to the Forces Covenant and to display the Bronze Award of the Employers' Recognition Scheme, recognising the School's role in supporting our Forces families as well as being a major employer in the area. The link with the Corps of Royal Engineers continues to be valued, in particular CCF students participating in Field Days organised at Gibraltar Barracks; training staff from Pirbright Camp assist with ceremonial drill. Members of the Pipes and Drums play regularly for the Last Post Association at Brookwood Cemeteries, also for Surrey Police Pass-Out Parades and with Surrey Police Band in a Festival Remembrance Parade.

#### Fundraising

The trustees recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The Foundation keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The Foundation only raises funds from those individuals and organisations known to it and the Foundation does not undertake fundraising campaigns to members of the public.

#### Patronage

In September, the School joined the nation as we mourned the death of Her Majesty Queen Elizabeth II, Patron of Gordon's School. The Trustees hope that in due course HM King Charles III will agree to continue the unbroken line of the reigning monarch as the Foundation's Patron.

In January, the School was delighted to welcome HRH The Duke of Edinburgh to officially open the Sports Hub and to participate in some activities and discussions with students.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

#### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The main sources of funding for the Foundation are through boarding charges and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a waiting list. The fee income received by the Foundation was £11,104,652 (2022: £ 10,193,082)

The net movement in funds for the year was a surplus of £233,581 (2022: surplus of £1,081,008).

Investments performed as well as could be expected during a year of continued upheaval. The investment portfolio has decreased by £183,282 to £3,046,691 (2022: £3,229,973).

On 1 January 2013, Gordon's School converted to Academy Trust status under the Academies Act 2010 with all operations, assets and liabilities transferred over to the Gordon's School Academy Trust. This transfer was accounted for using the acquisition method resulting in a £389,000 deficit on the Local Government Pension Scheme transferring into the Trust. Most years since there has been an additional deficit on the scheme; the scheme deficit was £202,000 at 31 August 2023 (2022: £610,000 deficit).

Further information on the pension schemes is given in note 21.

#### RESERVES

At 31 August 2023, funds comprised unrestricted funds of £13,186,883 (2022: £13,586,116) and restricted funds, excluding pension reserve, of £1,610,685 (2022: £1,385,871). The restricted funds pension deficit reserve was £202,000 (2022: £610,000 deficit). The restricted funds are set out in note 17.

Unrestricted funds are represented by the Foundation's property and other tangible fixed assets, investments and net working capital. Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are negative and the Foundation Committee have set a policy to restore and build free reserves in order to maintain the site and fund the modernisation and future development of Gordon's School.

#### RISK

The trustees have assessed the major risks to which The Gordon Foundation is exposed and have taken steps to reduce and manage these risks. Trustees approve a formal Risk Register which is updated regularly and reviewed by the Joint Audit and Risk Committee at least annually. The most significant retained risks identified are noted below together with the means by which to manage the risk:

| Risk Area                                       | Risk Factor                                                                                                                                                                                   | Existing control procedures                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Political, educational & financial              | Adverse impact on school model                                                                                                                                                                | Ensure frequent reporting of student roll and finances. Hold back on plans, reduce costs where possible. Maintain a schedule of pre-agreed changes in the event of significantly reduced income. Focus on developing alternative income streams. Membership of appropriate bodies for advice and forecasts. |
| Charitable status / Taxation                    | Adverse financial effect such as tax on profits, loss of business rates.<br>VAT on boarding charges: increased boarding charges made unaffordable for many parents and changes school profile | Take appropriate professional advice, reflect in budgets / planning                                                                                                                                                                                                                                         |
| Worsening economic climate, including inflation | Adverse financial effect                                                                                                                                                                      | Contingency planning                                                                                                                                                                                                                                                                                        |
| Software / hardware                             | Loss of curriculum or administrative data; loss of major systems applications                                                                                                                 | Engagement of external IT Services with extended resources and experience. Cloud storage in use. Data back up regularly tested for ability to restore file. Daily back ups. IT a part of disaster recovery plan. Files restore been tested but needs test application regularly.                            |

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### Risk (continued)

#### INVESTMENT POLICY

The charity aims to manage the investment portfolio such that investment income is maintained and capital growth is achieved, in real terms. The performance of investments and the investment policy is reviewed regularly by the Investment Panel. The Investment Panel does not impose any constraints that might limit selection of individual investments for social, environmental or ethical reasons.

#### PLANS FOR FUTURE YEARS

##### 3-year Strategic Priorities:

- i) Develop a working and learning environment for Gordon's School that moves beyond outstanding
- ii) Develop the School's Digital Strategy across both learning and administrative processes
- iii) Progress the Estates Master Plan
- iv) Design and implement our environmental policy
- v) Further develop 'Gordon's Connected' platform, boosting parent, student and staff engagement by creating partnerships between Gordon's Careers department, Business Network, alumni and parents
- vi) Further develop Gordon's Schools' Partnership, boosting collaborative opportunities for students and staff.

#### DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each person who was a Director at the time this report was approved:

- So far as that Director was aware there was no relevant available information of which the Group's auditor was unaware and
- That Director had taken all the steps that the Director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

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

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

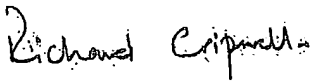
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The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITOR

Our auditor, Alliotts LLP, has indicated their willingness to continue in office.

The Trustees' Report, incorporating the Strategic Report was approved by the trustees of The Gordon Foundation on 27 January 2024 and signed on its behalf by:



.....  
**Lieutenant General Richard Cripwell CB, CBE**  
**Chairman**

## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION

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#### Opinion

We have audited the consolidated financial statements of The Gordon Foundation for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the 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.

#### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

#### Opinions 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 Foundation Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Foundation Trustees' Report has been prepared in accordance with applicable legal requirements.

## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION (continued)

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company 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.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 11, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook 2022, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION (continued)

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We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Foundation Committee;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

#### Use of this report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Alliotts LLP

Senior Statutory Auditor  
Alliotts LLP  
Friary Court, 13-21 High Street  
Guildford GU1 3DL

29 January 2024



**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

|                                                             | Note   | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-------------------------------------------------------------|--------|-------------------------|-----------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                         |                       |                    |                    |
| Donations and legacies                                      | 1      | 28,751                  | -                     | 28,751             | 91,975             |
| Grants                                                      | 2      | -                       | 188,675               | 188,675            | 238,513            |
| <b>Charitable activity:</b>                                 |        |                         |                       |                    |                    |
| Income from boarding charges                                | 3      | 10,973,198              | 131,454               | 11,104,652         | 10,193,082         |
| Other operating income                                      | 3      | 654,337                 | -                     | 654,337            | 206,276            |
| Funding for the Academy's educational operations            | 3      | -                       | 5,874,019             | 5,874,019          | 5,323,140          |
| <b>Trading activities:</b>                                  |        |                         |                       |                    |                    |
| Trading income                                              | 4      | 241,685                 | -                     | 241,685            | 153,278            |
| <b>Investment income</b>                                    | 5      | 89,607                  | 12,932                | 102,539            | 101,689            |
| <b>Total income</b>                                         |        | <b>11,987,578</b>       | <b>6,207,080</b>      | <b>18,194,658</b>  | <b>16,307,953</b>  |
| <b>Expenditure on:</b>                                      | 6      |                         |                       |                    |                    |
| <b>Charitable activity:</b>                                 |        |                         |                       |                    |                    |
| Staff costs                                                 |        | 6,967,592               | 3,820,415             | 10,788,007         | 10,121,499         |
| Educational costs                                           |        | -                       | 480,061               | 480,061            | 529,173            |
| Welfare costs                                               |        | 2,303,053               | -                     | 2,303,053          | 1,908,141          |
| Premises costs                                              |        | 1,969,180               | 1,238,529             | 3,207,709          | 2,617,312          |
| Support costs                                               |        | 588,554                 | 513,292               | 1,101,846          | 929,457            |
| <b>Raising funds:</b>                                       |        |                         |                       |                    |                    |
| Finance costs                                               |        | 255,185                 | -                     | 255,185            | 291,509            |
| Investment management                                       |        | 84                      | 1,860                 | 1,944              | 2,261              |
| <b>Trading activities:</b>                                  |        |                         |                       |                    |                    |
| Trading costs                                               |        | 230,426                 | -                     | 230,426            | 141,892            |
| <b>Total expenditure</b>                                    | 6      | <b>12,314,074</b>       | <b>6,054,157</b>      | <b>18,368,231</b>  | <b>16,542,244</b>  |
| <b>Operating income/(expenditure)</b>                       |        | <b>(326,496)</b>        | <b>152,923</b>        | <b>(173,573)</b>   | <b>(234,291)</b>   |
| Net gains/(losses) on investments                           | 9      | (72,737)                | (20,109)              | (92,846)           | (295,701)          |
| <b>Net income/(expenditure)</b>                             |        | <b>(399,233)</b>        | <b>132,814</b>        | <b>(266,149)</b>   | <b>(529,992)</b>   |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                       | 500,000               | 500,000            | 1,611,000          |
| <b>Net movement in funds for the year</b>                   |        | <b>(399,233)</b>        | <b>632,814</b>        | <b>233,581</b>     | <b>1,081,008</b>   |
| <b>Fund balances brought forward at 1 September 2022</b>    | 16, 17 | <b>13,586,116</b>       | <b>775,871</b>        | <b>14,361,987</b>  | <b>13,280,979</b>  |
| <b>Fund balances carried forward at 31 August 2023</b>      | 16, 17 | <b>13,186,883</b>       | <b>1,408,685</b>      | <b>14,595,568</b>  | <b>14,361,987</b>  |

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

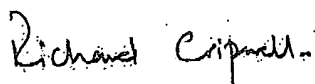
Details of comparative figures by fund are disclosed in note 23.

## GROUP BALANCE SHEET

AS AT 31 AUGUST 2023

|                                                                |       | 2023                     | 2022                     |
|----------------------------------------------------------------|-------|--------------------------|--------------------------|
|                                                                | Notes | £                        | £                        |
| <b>FIXED ASSETS</b>                                            |       |                          |                          |
| Tangible                                                       | 8     | 21,557,334               | 21,756,654               |
| Investments                                                    | 9,10  | 3,046,691                | 3,229,973                |
|                                                                |       | <u>24,604,025</u>        | <u>24,986,627</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                          |                          |
| Debtors                                                        | 12    | 1,048,713                | 780,056                  |
| Cash at bank and in hand                                       |       | 541,892                  | 273,054                  |
|                                                                |       | <u>1,590,605</u>         | <u>1,053,110</u>         |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (4,514,683)              | (3,852,991)              |
| <b>NET CURRENT LIABILITIES</b>                                 |       | <u>(2,924,078)</u>       | <u>(2,799,881)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | 21,679,947               | 22,186,746               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    | (6,882,379)              | (7,214,759)              |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |       | 14,797,568               | 14,971,987               |
| <b>PENSION SCHEME LIABILITY</b>                                | 21    | (202,000)                | (610,000)                |
| <b>NET ASSETS</b>                                              |       | <u><u>14,595,568</u></u> | <u><u>14,361,987</u></u> |
| <b>FUNDS</b>                                                   |       |                          |                          |
| Unrestricted funds                                             | 16    | 13,186,883               | 13,586,116               |
| Restricted – Specific Funds                                    | 17    | 1,610,685                | 1,385,871                |
| Restricted – Pension Reserve                                   | 17    | (202,000)                | (610,000)                |
|                                                                |       | <u><u>14,595,568</u></u> | <u><u>14,361,987</u></u> |

The financial statements were approved and authorised for issue by the Board on 27 January 2024 and were signed below on its behalf by:



Lieutenant General Richard Cripwell CB, CBE  
Chairman



Mr M Barnes  
Treasurer

The accompanying notes form part of these financial statements.

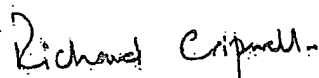
## CHARITY BALANCE SHEET

AS AT 31 AUGUST 2023

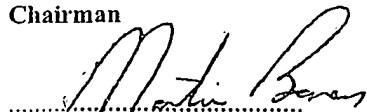
|                                                                |       | 2023               |                          | 2022               |                          |
|----------------------------------------------------------------|-------|--------------------|--------------------------|--------------------|--------------------------|
|                                                                | Notes | £                  | £                        | £                  | £                        |
| <b>FIXED ASSETS</b>                                            |       |                    |                          |                    |                          |
| Tangible                                                       | 8     |                    | 21,342,616               |                    | 21,514,516               |
| Investments                                                    | 9     |                    | 3,046,691                |                    | 3,229,973                |
| Investment in subsidiary company                               | 10    |                    | 2                        |                    | 2                        |
|                                                                |       |                    | <u>24,389,309</u>        |                    | <u>24,744,491</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                    |                          |                    |                          |
| Debtors                                                        | 12    | 457,397            |                          | 404,739            |                          |
| Cash at bank and in hand                                       |       | <u>538,531</u>     |                          | <u>267,016</u>     |                          |
|                                                                |       | 995,928            |                          | 671,755            |                          |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | <u>(4,000,635)</u> |                          | <u>(3,944,406)</u> |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                    | <u>(3,004,707)</u>       |                    | <u>(3,272,651)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                    | 21,384,602               |                    | 21,471,840               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                    | <u>(6,826,667)</u>       |                    | <u>(7,146,667)</u>       |
| <b>NET ASSETS</b>                                              |       |                    | <u><u>14,557,935</u></u> |                    | <u><u>14,325,173</u></u> |
| <b>FUNDS</b>                                                   |       |                    |                          |                    |                          |
| Unrestricted funds                                             | 19    |                    | 13,531,028               |                    | 13,420,683               |
| Restricted funds                                               | 20    |                    | <u>1,026,907</u>         |                    | <u>904,490</u>           |
|                                                                |       |                    | <u><u>14,557,935</u></u> |                    | <u><u>14,325,173</u></u> |

The charitable company has taken exemption from presenting the charity statement of financial activities under section 408 of the Companies Act 2006. The net income of the charitable company for the year was £232,762 (2022: net income £1,078,889).

The financial statements were approved and authorised for issue by the Board on 27 January 2024 and were signed below on its behalf by:



Lieutenant General Richard Cripwell CB, CBE  
Chairman



Mr M Barnes  
Treasurer

The accompanying notes form part of these financial statements.

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

|                                                                                                    | Note | 2023<br>£         | 2022<br>£         |
|----------------------------------------------------------------------------------------------------|------|-------------------|-------------------|
| Net cash inflow from operating activities                                                          | A    | 800,946           | 728,984           |
| <b>Cash flows from investing activities</b>                                                        |      |                   |                   |
| Investment income received                                                                         |      | 102,539           | 101,689           |
| Capital grants from DFE/ESFA                                                                       |      | 286,682           | 263,122           |
| Purchase of fixed assets                                                                           |      | (423,192)         | (1,171,806)       |
| Purchase of investments                                                                            |      | (25,234)          | (128,687)         |
| Sale of investments                                                                                |      | 115,669           | 24,784            |
| Net cash outflow from investing activities                                                         |      | 56,464            | (910,898)         |
| <b>Cash flow from financing activities</b>                                                         |      |                   |                   |
| Loan repayments                                                                                    |      | (332,380)         | (332,381)         |
| New loan finance                                                                                   |      | -                 | 334,713           |
| Interest paid                                                                                      |      | (255,185)         | (291,509)         |
| Net cash inflow from financing activities                                                          |      | (587,565)         | (289,177)         |
| Change in cash and cash equivalents in the year                                                    |      | (269,845)         | (471,091)         |
| Cash and cash equivalents at the beginning of the year                                             |      | 272,047           | 743,138           |
| Cash and cash equivalents at the end of the year                                                   |      | 541,892           | 272,047           |
| <b>A. RECONCILIATION OF NET MOVEMENT IN FUNDS<br/>TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |      | <b>2023<br/>£</b> | <b>2022<br/>£</b> |
| Net movement in funds for the year                                                                 |      | 233,581           | 1,081,008         |
| Depreciation                                                                                       |      | 622,512           | 585,164           |
| ESFA capital grants                                                                                |      | (188,675)         | (238,513)         |
| Losses/(Gains) on investments                                                                      |      | 92,846            | 295,701           |
| Decrease/(increase) in debtors                                                                     |      | (366,662)         | 1,244,197         |
| (Decrease)/increase in creditors                                                                   |      | 662,698           | (1,135,393)       |
| Investment income receivable                                                                       |      | (102,539)         | (101,689)         |
| Finance Costs                                                                                      |      | 255,185           | 291,509           |
| Pension adjustment                                                                                 |      | (408,000)         | (1,293,000)       |
| Net cash inflow from operating activities                                                          |      | 800,946           | 728,984           |
| <b>B. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                                    |      | <b>2023<br/>£</b> | <b>2022<br/>£</b> |
| Cash at bank                                                                                       |      | 541,892           | 273,054           |
| Overdraft                                                                                          |      | -                 | (1,007)           |
|                                                                                                    |      | 541,892           | 272,047           |

**THE GORDON FOUNDATION**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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The Gordon Foundation is a charitable company limited by guarantee, incorporated in England and Wales (company number: 00027272) and a charity registered in England and Wales (charity number: 312092). The Charity's registered office address is: The Gordon Foundation, Gordon's School, West End, Woking, Surrey, GU24 9PT.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (the FRS 102 Charities SORP) (effective from 1 January 2019) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

**Boarding Charge Debtor Policy**

Boarding Charges debts, in debtors, reflect outstanding debts for the boarding charges to 31 August 2023, whilst Boarding Charges in advance, in creditors, reflect cash received prior to 31 August 2023 for the autumn term 2023 boarding charges.

**Basis of Consolidation**

The consolidated financial statements incorporate those of The Gordon Foundation and all its subsidiaries. All financial statements are made up to 31 August 2023. All subsidiary undertakings have been included within the financial statements.

The entities are consolidated on a line by line basis and all intra-group transactions and balances between group companies are eliminated on consolidation.

**b) Going concern**

The financial statements are prepared under the going concern basis which assumes the Group will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The trustees have reviewed regularly revised budgets and cash flow forecasts based on various scenarios including the requirements of the bank loan covenants and are keeping the situation under constant review, meeting regularly with senior management.

Based on the information available on the date of signing these financial statements, the trustees cannot make a reliable estimate as to the ultimate financial impact, however they believe the actions taken have ensured the Group's ability to continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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c) **Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Judgment 1** – the present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- **Judgement 2** - a bad debt provision against potential future uncollectible boarding charges.

d) **Income**

All income included in the Statement of Financial Activities (SOFA) when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, and receipt is probable.

*Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

*Donations*

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of raising funds.

*Investment Income*

Investment income is accounted for when receivable and includes the related tax recoverable.

e) **Expenditure:**

Expenditure is accounted for on an accruals basis.

*Costs of raising funds*

Costs of raising funds comprise finance charges associated with interest payable on the Group's borrowings and costs associated with lettings.

*Charitable activities*

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs. Charitable activity costs represent costs directly associated with the provision of education and related support costs.

*Governance costs*

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Trading activities*

Costs of trading activities include costs directly associated with providing the services provided through trading.

f) **Leased Assets**

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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**g) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets, other than freehold land, on the following methods at rates calculated to write off the assets over their estimated useful lives. The methods and rates are

|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| Freehold land and buildings | - | 2% - 4% per annum straight line |
| Machinery and equipment     | - | 20% per annum straight line     |
| Fixtures and fittings       | - | 20% per annum straight line     |
| Motor vehicles              | - | 20% per annum straight line     |

Buildings erected before the year 2000 are depreciated over 50 years, and newer buildings over 25 years.

**h) Investments**

Listed investments are stated at market value at the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**j) Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**k) Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**l) Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see notes 17 and 20).

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2023

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##### m) Pension Costs

Retirement benefit to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Foundation employees are part of a defined contribution workplace pension scheme with Salvus Master. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

|                                                  | <b>Unrestricted<br/>Funds<br/>£</b> | <b>2023<br/>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>£</b> | <b>2022<br/>Total<br/>£</b> |
|--------------------------------------------------|-------------------------------------|--------------------------------------------|--------------------|-----------------------------|
| <b>1. DONATIONS AND LEGACIES</b>                 |                                     |                                            |                    |                             |
| Donations and gifts                              | 28,751                              | -                                          | 28,751             | 91,975                      |
| Legacies                                         | -                                   | -                                          | -                  | -                           |
|                                                  | <u>28,751</u>                       | <u>-</u>                                   | <u>28,751</u>      | <u>91,975</u>               |
| <b>2. GRANTS</b>                                 |                                     |                                            |                    |                             |
| ESFA capital grants                              |                                     | 188,675                                    | 188,675            | 238,513                     |
|                                                  | <u>-</u>                            | <u>188,675</u>                             | <u>188,675</u>     | <u>238,513</u>              |
| <b>3. INCOME FROM CHARITABLE ACTIVITIES</b>      |                                     |                                            |                    |                             |
| Gross income from boarding charges               | 11,486,166                          | 131,454                                    | 11,617,620         | 10,763,809                  |
| Less:                                            |                                     |                                            |                    |                             |
| Bursaries                                        | (478,328)                           | -                                          | (478,328)          | (535,286)                   |
| Staff discounts                                  | (26,486)                            | -                                          | (26,486)           | (18,739)                    |
| Other discounts                                  | (8,154)                             | -                                          | (8,154)            | (16,702)                    |
| Net income from boarding charges                 | <u>10,973,198</u>                   | <u>131,454</u>                             | <u>11,104,652</u>  | <u>10,193,082</u>           |
| Other operating income                           | 654,337                             | -                                          | 654,337            | 206,276                     |
| Funding for the Academy's educational operations | -                                   | 5,874,019                                  | 5,874,019          | 5,323,140                   |
|                                                  | <u>11,627,535</u>                   | <u>6,005,473</u>                           | <u>17,633,008</u>  | <u>15,722,498</u>           |
| <b>4. TRADING ACTIVITIES</b>                     |                                     |                                            |                    |                             |
| Trading income                                   | 241,685                             | -                                          | 241,685            | 153,278                     |
|                                                  | <u>241,685</u>                      | <u>-</u>                                   | <u>241,685</u>     | <u>153,278</u>              |
| <b>5. INVESTMENT INCOME</b>                      |                                     |                                            |                    |                             |
| Interest received                                | 1,433                               | 214                                        | 1,647              | -                           |
| Dividends received                               | 88,174                              | 12,718                                     | 100,892            | 101,689                     |
|                                                  | <u>89,607</u>                       | <u>12,932</u>                              | <u>102,539</u>     | <u>101,689</u>              |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

6. EXPENDITURE

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2023<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 10,788,007        | -                | -                 | 10,788,007         |
| Teaching costs              | -                 | 480,061          | -                 | 480,061            |
| Welfare costs               | -                 | 2,303,053        | -                 | 2,303,053          |
| Premises costs              | -                 | 2,585,197        | 622,512           | 3,207,709          |
| Support costs               | -                 | 1,101,846        | -                 | 1,101,846          |
|                             | <u>10,788,007</u> | <u>6,470,157</u> | <u>622,512</u>    | <u>17,880,676</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 255,185          | -                 | 255,185            |
| Other costs                 | -                 | 1,944            | -                 | 1,944              |
| Trading costs               | -                 | 230,426          | -                 | 230,426            |
|                             | <u>10,788,007</u> | <u>6,957,712</u> | <u>622,512</u>    | <u>18,368,231</u>  |

EXPENDITURE (PRIOR YEAR)

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2022<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 10,121,499        | -                | -                 | 10,121,499         |
| Teaching costs              | -                 | 529,173          | -                 | 529,173            |
| Welfare costs               | -                 | 1,908,141        | -                 | 1,908,141          |
| Premises costs              | -                 | 2,032,148        | 585,164           | 2,617,312          |
| Support costs               | -                 | 929,457          | -                 | 929,457            |
|                             | <u>10,121,499</u> | <u>5,398,919</u> | <u>585,164</u>    | <u>16,105,582</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 291,509          | -                 | 291,509            |
| Other costs                 | -                 | 2,261            | -                 | 2,261              |
| Trading costs               | -                 | 142,892          | -                 | 142,892            |
|                             | <u>10,121,499</u> | <u>5,835,581</u> | <u>585,164</u>    | <u>16,542,244</u>  |

|                                                   | 2023<br>£ | 2022<br>£ |
|---------------------------------------------------|-----------|-----------|
| <b>Total expenditure includes:</b>                |           |           |
| Depreciation                                      | 622,512   | 585,164   |
| Operating lease payments recognised as an expense | 225,624   | 297,563   |
| Auditor's remuneration: - Audit fees              | 28,760    | 23,600    |
| - Other services                                  | 13,310    | 10,050    |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**7. STAFF COSTS**

|                           | <b>2023</b>              | <b>2022</b>              |
|---------------------------|--------------------------|--------------------------|
|                           | <b>£</b>                 | <b>£</b>                 |
| Wages and salaries        | 8,541,643                | 7,838,181                |
| Social security costs     | 853,930                  | 775,083                  |
| Other pension costs       | 1,392,434                | 1,498,483                |
| Staff restructuring costs | -                        | 9,752                    |
|                           | <u><b>10,788,007</b></u> | <u><b>10,121,499</b></u> |

|                                                           | <b>2023</b>       | <b>2022</b>       |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | <b>No</b>         | <b>No</b>         |
| The average number of employees in the year was:          |                   |                   |
| Teachers                                                  | 73                | 73                |
| Administration (including academic support & maintenance) | 184               | 186               |
|                                                           | <u><b>257</b></u> | <u><b>259</b></u> |

The number of higher paid staff during the year was as follows:

|                      |                  |                  |
|----------------------|------------------|------------------|
| £60,001 to £70,000   | 15               | 13               |
| £70,001 to £80,000   | 5                | 2                |
| £80,001 to £90,000   | 1                | 1                |
| £90,001 to £100,000  | 1                | 1                |
| £100,001 to £110,000 | 1                | -                |
| £130,001 to £140,000 | 1                | 1                |
|                      | <u><b>24</b></u> | <u><b>18</b></u> |

No trustees received any remuneration or benefits-in-kind during the year (2022: £nil). One trustee received reimbursement of expenses of £771 in respect of travel and subsistence during the year (2022: £nil).

Pension contributions of £98,525 (2022: £80,819) were made to personal pension plans in respect of higher paid staff during the year.

The key management personnel of the group comprise the trustees, Head Teacher, Deputy Head Teachers, Bursar, Head of Finance, Assistant Bursar, Property Services Manager and Head of Catering. The total remuneration of the key management personnel during the year was £875,447 (2022: £693,800).

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**8. FIXED ASSETS – GROUP AND CHARITY**

|                          | Freehold<br>Land &<br>Buildings<br>£ | Machinery &<br>Equipment<br>£ | Fixtures<br>&<br>Fittings<br>£ | Assets under<br>Construction<br>£ | Total<br>Charity<br>£ | Academy<br>Trust<br>£ | Total<br>Group<br>£ |
|--------------------------|--------------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------|-----------------------|---------------------|
| <b>COST</b>              |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2022      | 26,633,540                           | 1,151,106                     | 979,718                        | 455,355                           | 29,219,719            | 1,192,949             | 30,412,668          |
| Additions                | 256,507                              | 20,250                        | 69,114                         | 20,111                            | 365,982               | 57,210                | 423,192             |
| Reclassification         | 197,765                              | -                             | -                              | (197,765)                         |                       |                       |                     |
| <b>At 31 August 2023</b> | <b>27,087,812</b>                    | <b>1,171,356</b>              | <b>1,048,832</b>               | <b>277,701</b>                    | <b>29,585,701</b>     | <b>1,250,159</b>      | <b>30,835,860</b>   |
| <b>DEPRECIATION</b>      |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2022      | 5,988,871                            | 913,218                       | 803,114                        | -                                 | 7,705,203             | 950,811               | 8,656,014           |
| Charge for the year      | 337,554                              | 90,855                        | 109,473                        | -                                 | 537,882               | 84,630                | 622,512             |
| <b>At 31 August 2023</b> | <b>6,326,425</b>                     | <b>1,004,073</b>              | <b>912,587</b>                 | <b>-</b>                          | <b>8,243,085</b>      | <b>1,035,441</b>      | <b>9,278,526</b>    |
| <b>NET BOOK VALUE</b>    |                                      |                               |                                |                                   |                       |                       |                     |
| <b>At 31 August 2023</b> | <b>20,761,387</b>                    | <b>167,283</b>                | <b>136,245</b>                 | <b>277,701</b>                    | <b>21,342,616</b>     | <b>214,718</b>        | <b>21,557,334</b>   |
| <b>At 31 August 2022</b> | <b>20,644,669</b>                    | <b>237,888</b>                | <b>176,604</b>                 | <b>455,355</b>                    | <b>21,514,516</b>     | <b>242,138</b>        | <b>21,756,654</b>   |

**9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY**

|                                                            | 2023<br>£        | 2022<br>£        |
|------------------------------------------------------------|------------------|------------------|
| Balance at 1 September 2022 (excluding cash deposits)      | 3,113,522        | 3,367,891        |
| Additions                                                  | 25,234           | 66,116           |
| Disposals at opening market value                          | (32,481)         | (24,784)         |
| Realised and unrealised (losses)/gains                     | (92,995)         | (295,701)        |
| <b>Balance at 31 August 2023 (excluding cash deposits)</b> | <b>3,013,280</b> | <b>3,113,522</b> |
| Cash deposits                                              | 33,411           | 116,451          |
| <b>Balance at 31 August 2023</b>                           | <b>3,046,691</b> | <b>3,229,973</b> |

Class of investments is split as follow:

|                                  | 2023<br>£        |
|----------------------------------|------------------|
| Cash or cash equivalents         | 33,411           |
| Equities                         | 2,902,082        |
| Alternative investments          | 58,555           |
| Fixed interest                   | 52,643           |
| <b>Balance at 31 August 2023</b> | <b>3,046,691</b> |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY**

Shares in  
group  
undertakings  
£  
2

Balance at 1 September 2022 and 31 August 2023

Details of the charitable company's subsidiaries at 31 August are as follows:

(i) **Gordon's School Academy Trust** is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT. On the basis that The Gordon Foundation is member of the Gordon's School Academy Trust and has significant influence over the entity, Gordon's School Academy Trust has been included within the consolidated financial statements.

**Academy results:**

|                                                     | <b>Total<br/>2023<br/>£</b> | <b>Total<br/>2022<br/>£</b> |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| <b><u>SOFA</u></b>                                  |                             |                             |
| Total Income                                        | 8,574,034                   | 6,354,947                   |
| Total Expenditure                                   | (9,073,212)                 | (7,963,829)                 |
| Net income/(expenditure)                            | (499,178)                   | (1,608,882)                 |
| Other recognised gains and losses                   |                             |                             |
| Actuarial(losses) on defined benefit pension scheme | 500,000                     | 1,611,000                   |
| Net movement in funds                               | <b>822</b>                  | <b>2,118</b>                |
| Total funds brought forward at 1 September 2022     | 23,226                      | 21,108                      |
| Total funds carried forward at 31 August 2023       | <b>24,048</b>               | <b>23,226</b>               |
| <b><u>Balance Sheet</u></b>                         |                             |                             |
| Fixed Assets                                        | 214,718                     | 242,138                     |
| Current Assets                                      | 1,825,414                   | 1,404,279                   |
| Current Liabilities                                 | (1,758,372)                 | (945,099)                   |
| Creditors falling due after more than one year      | (55,712)                    | (68,092)                    |
| LGPS Pension Scheme Liabilities                     | (202,000)                   | (610,000)                   |
| Total Funds                                         | <b>24,048</b>               | <b>23,226</b>               |

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

### 11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

(ii) The Foundation holds 100% of the share capital of **The Gordon Enterprises UK Limited** (company number: 04104254, registered in England and Wales, registered office: Bagshot Road, West End, Surrey, G24 9PT), whose principal activities are letting the buildings and grounds of Gordon's School and selling memorabilia. A summary of the profit and loss account and the balance sheet from the audited financial statements is set out below:

|                                       | 2023<br>£     | 2022<br>£     |
|---------------------------------------|---------------|---------------|
| <b><u>Profit and Loss Account</u></b> |               |               |
| Turnover                              | 233,724       | 145,193       |
| Costs                                 | (230,425)     | (142,892)     |
| Profit for the year                   | 3,299         | 2,301         |
| Donation to The Gordon Foundation     | (3,299)       | (2,301)       |
| Retained Profit for the Year          | <u>£Nil</u>   | <u>£Nil</u>   |
| <b><u>Balance Sheet</u></b>           |               |               |
| Net Current Assets                    | <u>13,587</u> | <u>13,587</u> |
| Retained Profits                      | 13,585        | 13,585        |
| Share capital                         | <u>2</u>      | <u>2</u>      |
| Total equity                          | <u>13,587</u> | <u>13,587</u> |

| 12. DEBTORS                  | Group<br>2023<br>£ | Group<br>2022<br>£ | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| Boarding charge debtors      | 208,815            | 228,309            | 208,815              | 228,309              |
| Sundry debtors               | 24,791             | 21,137             | -                    | 2                    |
| Amount owing to subsidiaries | -                  | -                  | -                    | 8,656                |
| Prepayments                  | 524,644            | 206,979            | 88,051               | 32,284               |
| VAT reclaim                  | 290,463            | 225,624            | 160,531              | 135,488              |
| Accrued income               | -                  | 98,007             | -                    | -                    |
|                              | <u>1,048,713</u>   | <u>780,056</u>     | <u>457,397</u>       | <u>404,739</u>       |

| 13. CREDITORS: amounts falling due within one year | Group<br>2023<br>£ | Group<br>2022<br>£ | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|----------------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Loans and overdraft                                | 332,380            | 333,387            | 320,000              | 320,000              |
| Trade creditors                                    | 1,817,000          | 1,291,467          | 1,066,413            | 900,111              |
| Boarding charges in advance and pupil deposits     | 879,790            | 684,739            | 879,790              | 648,739              |
| Taxation and social security                       | 215,236            | 186,209            | 62,731               | 49,074               |
| Other creditors                                    | 1,022,519          | 665,149            | 233,062              | 303,123              |
| Amount owing to subsidiaries                       | -                  | -                  | 1,262,729            | 1,041,325            |
| Accruals and deferred income                       | 247,758            | 728,040            | 175,910              | 682,034              |
|                                                    | <u>4,514,683</u>   | <u>3,852,991</u>   | <u>4,000,635</u>     | <u>3,944,406</u>     |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

| 14. CREDITORS: amounts falling due after more than one year | Group<br>2023<br>£ | Group<br>2022<br>£ | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|-------------------------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loan                                                   | 6,882,379          | 7,214,759          | 6,826,667            | 7,146,667            |
|                                                             | <u>6,882,379</u>   | <u>7,214,759</u>   | <u>6,826,667</u>     | <u>7,146,667</u>     |
| <b>Analysis of loans:</b>                                   |                    |                    |                      |                      |
| Between one and two years                                   | 332,380            | 332,380            | 320,000              | 320,000              |
| Between two and five years                                  | 997,141            | 997,141            | 960,000              | 960,000              |
| After five years                                            | 5,552,858          | 5,885,238          | 5,546,667            | 5,866,667            |
|                                                             | <u>6,882,379</u>   | <u>7,214,759</u>   | <u>6,826,667</u>     | <u>7,146,667</u>     |
| Due within one year                                         | 332,380            | 332,380            | 320,000              | 320,000              |
|                                                             | <u>7,214,759</u>   | <u>7,547,139</u>   | <u>7,146,667</u>     | <u>7,466,667</u>     |

At the year end, The Gordon Foundation had two long term loans. Both loans are secured by legal first charges over freehold land and buildings of The Gordon Foundation.

The first bank loan of £2,000,000 was taken out in December 2018 and is due for repayment by instalments by January 2044. Interest accrues on this loan at 3.8% and interest payments are made quarterly. Capital repayments commenced in January 2020.

The second bank loan facility of £6,000,000 was taken out in December 2019 to fund construction of a new sports facility and all weather pitch. A sum of £5,440,000 was outstanding at 31 August 2023 and the capital will be repaid by instalments until January 2046. Interest accrues on this loan at a rate of 3.3% and interest payments are made monthly. Capital repayments commenced in April 2021.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**15. LEASE COMMITMENTS**

At 31 August 2023 the total of future minimum lease payments under non-cancellable operating leases were:

|                            | <b>2023</b>    | <b>2022</b>    |
|----------------------------|----------------|----------------|
|                            | <b>£</b>       | <b>£</b>       |
| <b>Leases expiring:</b>    |                |                |
| Within one year            | 213,481        | 283,024        |
| Between two and five years | 84,603         | 248,499        |
| More than five years       | -              | -              |
|                            | <u>298,084</u> | <u>531,523</u> |

**16. UNRESTRICTED FUNDS**

|                        | <b>1 September<br/>2022</b> | <b>Income</b>     | <b>Expenditure</b>  | <b>Investment<br/>(Losses)</b> | <b>Transfers</b> | <b>31 August<br/>2023</b> |
|------------------------|-----------------------------|-------------------|---------------------|--------------------------------|------------------|---------------------------|
|                        | <b>£</b>                    | <b>£</b>          | <b>£</b>            | <b>£</b>                       | <b>£</b>         | <b>£</b>                  |
| Designated - Eyre Fund | 50,651                      | -                 | -                   | -                              | -                | 50,651                    |
| General Fund           | 13,535,465                  | 11,987,578        | (12,314,074)        | (72,737)                       | -                | 13,136,232                |
|                        | <u>13,586,116</u>           | <u>11,978,578</u> | <u>(12,314,074)</u> | <u>(72,737)</u>                | <u>-</u>         | <u>13,186,883</u>         |

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | <b>1 September<br/>2021</b> | <b>Income</b>     | <b>Expenditure</b>  | <b>Investment<br/>Losses</b> | <b>Transfers</b> | <b>31 August<br/>2022</b> |
|------------------------|-----------------------------|-------------------|---------------------|------------------------------|------------------|---------------------------|
|                        | <b>£</b>                    | <b>£</b>          | <b>£</b>            | <b>£</b>                     | <b>£</b>         | <b>£</b>                  |
| Designated - Eyre Fund | 50,651                      | -                 | -                   | -                            | -                | 50,651                    |
| General Fund           | 13,865,947                  | 10,726,938        | (10,782,634)        | (274,786)                    | -                | 13,535,465                |
|                        | <u>13,916,598</u>           | <u>10,726,938</u> | <u>(10,782,634)</u> | <u>(274,786)</u>             | <u>-</u>         | <u>13,586,116</u>         |

The Designated Eyre Fund represents the balance on an unrestricted donation which is used to help finance music lessons.



THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

17. RESTRICTED FUNDS

|                                | Balance at<br>1 September<br>2022<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2023<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds:</b>         |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation Special fund | 426,766                                | 12,932           | (1,860)            | (20,109)                          | -              | 417,729                              |
| Stepping Forward Appeal fund   | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund                     | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries                      | 95,894                                 | 131,454          | -                  | -                                 | -              | 227,348                              |
| DfCSF (DfE) fund               | 30,386                                 | 5,874,019        | (5,875,667)        | -                                 | -              | 28,738                               |
| Other restricted funds         | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund           | 450,995                                | 188,675          | (84,630)           | -                                 | -              | 555,040                              |
|                                | <u>1,385,871</u>                       | <u>6,207,080</u> | <u>(5,962,157)</u> | <u>(20,109)</u>                   | <u>-</u>       | <u>1,610,685</u>                     |
| <b>Pension reserve</b>         | <u>(610,000)</u>                       | <u>-</u>         | <u>(92,000)</u>    | <u>500,000</u>                    | <u>-</u>       | <u>(202,000)</u>                     |

RESTRICTED FUNDS  
(PRIOR YEAR)

|                                | Balance at<br>1 September<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2022<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds</b>          |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation Special fund | 434,815                                | 12,866           | -                  | (20,915)                          | -              | 426,766                              |
| Stepping Forward Appeal fund   | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund                     | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries                      | 89,398                                 | 6,496            | -                  | -                                 | -              | 95,894                               |
| DfCSF (DfE) fund               | 153,354                                | 5,323,140        | (5,354,217)        | -                                 | (150,649)      | 30,386                               |
| Other restricted funds         | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund           | 207,984                                | 238,513          | (87,393)           | -                                 | 150,649        | 450,995                              |
|                                | <u>1,267,381</u>                       | <u>5,581,015</u> | <u>(5,441,610)</u> | <u>(20,915)</u>                   | <u>-</u>       | <u>1,385,871</u>                     |
| <b>Pension reserve</b>         | <u>(1,903,000)</u>                     | <u>-</u>         | <u>(318,000)</u>   | <u>1,611,000</u>                  | <u>-</u>       | <u>(610,000)</u>                     |

**Gordon Foundation Special Fund** – this fund represents the balance of assets transferred by several connected charities on 1 April 1996.

**Stepping Forward Appeal Fund** - this fund reflects an appeal to enhance performing arts facilities at Gordon's School.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**17. RESTRICTED FUNDS (Continued)**

**DfCSF (DfE) Fund & DfE Fixed Asset fund** – these funds reflect monies received from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of assisting with the general academy running costs and building projects.

**Other restricted funds** represent other specific donations to fund activities of the Foundation.

**Pension Reserve** – this fund represents the share of the pension deficit borne by the subsidiary, Gordon's School Academy Trust, in the Local Government Pension Scheme. Further detail is given in note 21 below.

**18. ALLOCATION OF THE GROUP NET ASSETS**

|                              | Investments      | Tangible Assets   | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 248,613          | 214,718           | 1,147,354                        | -                              | 1,610,685         |
| Restricted – Pension reserve | -                | -                 | -                                | (202,000)                      | (202,000)         |
| Unrestricted                 | 2,798,078        | 21,342,616        | (4,071,432)                      | (6,882,379)                    | 13,186,883        |
|                              | <u>3,046,691</u> | <u>21,557,334</u> | <u>(2,924,078)</u>               | <u>(7,084,379)</u>             | <u>14,595,568</u> |

**ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)**

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 269,945          | 242,138           | 873,788                          | -                              | 1,385,871         |
| Restricted – Pension reserve | -                | -                 | -                                | (610,000)                      | (610,000)         |
| Unrestricted                 | 2,960,028        | 21,514,516        | (3,673,669)                      | (7,214,759)                    | 13,586,116        |
|                              | <u>3,229,973</u> | <u>21,756,654</u> | <u>(2,799,881)</u>               | <u>(7,824,759)</u>             | <u>14,361,987</u> |

**19. CHARITY UNRESTRICTED FUNDS**

**UNRESTRICTED FUNDS**

|                        | Balance at 1 September 2022 | Income            | Expenditure         | Investment Gains/(losses) | Transfers | Balance at 31 August 2023 |
|------------------------|-----------------------------|-------------------|---------------------|---------------------------|-----------|---------------------------|
|                        | £                           | £                 | £                   | £                         | £         | £                         |
| Designated - Eyre Fund | 50,651                      | -                 | -                   | -                         | -         | 50,651                    |
| General Fund           | 13,370,032                  | 11,749,192        | (11,566,110)        | (72,737)                  | -         | 13,480,377                |
|                        | <u>13,420,683</u>           | <u>11,749,192</u> | <u>(11,566,110)</u> | <u>(72,737)</u>           | <u>-</u>  | <u>13,531,028</u>         |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**19. CHARITY UNRESTRICTED FUNDS (Continued)**

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2021 | Income            | Expenditure        | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2022 |
|------------------------|-----------------------------------|-------------------|--------------------|------------------------------|-----------|---------------------------------|
|                        | £                                 | £                 | £                  | £                            | £         | £                               |
| Designated - Eyre Fund | 50,651                            | -                 | -                  | -                            | -         | 50,651                          |
| General Fund           | 12,289,590                        | 10,575,961        | (9,220,733)        | (274,786)                    | -         | 13,370,032                      |
|                        | <u>12,340,241</u>                 | <u>10,575,961</u> | <u>(9,220,773)</u> | <u>(272,786)</u>             | <u>-</u>  | <u>13,420,683</u>               |

**20. CHARITY RESTRICTED FUNDS**

|                              | Balance at<br>1 September<br>2022 | Income         | Expenditure    | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2023 |
|------------------------------|-----------------------------------|----------------|----------------|------------------------------|-----------|---------------------------------|
|                              | £                                 | £              | £              | £                            | £         | £                               |
| Gordon Foundation            | 426,766                           | 12,932         | (1,860)        | (20,109)                     | -         | 417,729                         |
| Special fund                 |                                   |                |                |                              |           |                                 |
| Stepping Forward Appeal fund | 300,686                           | -              | -              | -                            | -         | 300,686                         |
| Piano fund                   | 1,740                             | -              | -              | -                            | -         | 1,740                           |
| Bursaries                    | 95,894                            | 131,454        | -              | -                            | -         | 227,348                         |
| Other restricted funds       | 79,404                            | -              | -              | -                            | -         | 79,404                          |
|                              | <u>904,490</u>                    | <u>144,386</u> | <u>(1,860)</u> | <u>(20,109)</u>              | <u>-</u>  | <u>1,026,907</u>                |

**CHARITY RESTRICTED FUNDS (PRIOR YEAR)**

|                              | Balance at<br>1 September<br>2021 | Income        | Expenditure | Investment<br>Gains | Transfers | Balance at<br>31 August<br>2022 |
|------------------------------|-----------------------------------|---------------|-------------|---------------------|-----------|---------------------------------|
|                              | £                                 | £             | £           | £                   | £         | £                               |
| Gordon Foundation            |                                   |               |             |                     |           |                                 |
| Special fund                 | 434,815                           | 12,866        | -           | (20,915)            | -         | 426,766                         |
| Stepping Forward Appeal fund | 300,686                           | -             | -           | -                   | -         | 300,686                         |
| Piano fund                   | 1,740                             | -             | -           | -                   | -         | 1,740                           |
| Bursaries                    | 89,398                            | 6,496         | -           | -                   | -         | 95,894                          |
| Other restricted funds       | 79,404                            | -             | -           | -                   | -         | 79,404                          |
|                              | <u>906,043</u>                    | <u>19,362</u> | <u>-</u>    | <u>(20,915)</u>     | <u>-</u>  | <u>904,490</u>                  |

## THE GORDON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £789,456 were payable to the schemes at 31 August 2023 (2022: £356,527) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £976,587 (2022: £889,176).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

**Total contributions made**

|                          | <b>2023</b>    | <b>2022</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Employer's contributions | 165,000        | 158,000        |
| Employees' contributions | 48,000         | 42,000         |
|                          |                |                |
| Total contributions      | <u>213,000</u> | <u>200,000</u> |

**Principal actuarial assumptions**

|                                                    | <b>2023</b> | <b>2022</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 4.00        | 4.10        |
| Rate of increase for pensions in payment/inflation | 3.00        | 3.20        |
| Discount rate for scheme liabilities               | <u>5.20</u> | <u>4.25</u> |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                      | <b>2023</b>  | <b>2022</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| - Males              | 21.9         | 22.1         |
| - Females            | 25.4         | 24.5         |
| Retiring in 20 years |              |              |
| - Males              | 22.8         | 23.1         |
| - Females            | <u>25.9</u>  | <u>26.2</u>  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | 2023      | 2022      |
|-------------------------------|-----------|-----------|
|                               | £         | £         |
| Discount rate + 0.1%          | (54,000)  | (57,000)  |
| Discount rate - 0.1%          | 54,000    | 57,000    |
| Mortality assumption + 1 year | 100,000   | 105,000   |
| Mortality assumption - 1 year | (100,000) | (105,000) |
| CPI rate + 0.1%               | 53,000    | 56,000    |
| CPI rate - 0.1%               | (53,000)  | (56,000)  |

**Defined benefit pension scheme net liability**

|                    | 2023        | 2022        |
|--------------------|-------------|-------------|
|                    | £           | £           |
| Scheme assets      | 2,297,000   | 2,004,000   |
| Scheme obligations | (2,499,000) | (2,614,000) |
| Net liability      | (202,000)   | (610,000)   |

**The academy trust's share of the assets in the scheme**

|          | 2023       | 2022       |
|----------|------------|------------|
|          | Fair value | Fair value |
|          | £          | £          |
| Equities | 1,769,000  | 1,523,000  |
| Bonds    | 275,000    | 281,000    |
| Cash     | 69,000     | 40,000     |
| Property | 184,000    | 160,000    |
|          | 2,297,000  | 2,004,000  |

The actual return on scheme assets was £118,000 (2022: a loss of £100,000).

**Amount recognised in the Statement of Financial Activities**

|                        | 2023     | 2022     |
|------------------------|----------|----------|
|                        | £        | £        |
| Current service cost   | 230,000  | 442,000  |
| Interest income        | (89,000) | (33,000) |
| Interest cost          | 116,000  | 67,000   |
| Total operating charge | 257,000  | 476,000  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

| <b>Changes in the present value of defined benefit obligations</b>                 | <b>2023</b>      | <b>2022</b>      |
|------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                    | <b>£</b>         | <b>£</b>         |
| At 1 September 2022                                                                | 2,614,000        | 3,845,000        |
| Current service cost                                                               | 230,000          | 442,000          |
| Interest cost                                                                      | 116,000          | 67,000           |
| Employee contributions                                                             | 48,000           | 42,000           |
| Actuarial gain                                                                     | (471,000)        | (1,744,000)      |
| Benefits paid                                                                      | (38,000)         | (38,000)         |
|                                                                                    | <u>2,499,000</u> | <u>2,614,000</u> |
| At 31 August 2023                                                                  |                  |                  |
|                                                                                    | <u>2,499,000</u> | <u>2,614,000</u> |
| <br><b>Changes in the fair value of the academy trust's share of scheme assets</b> |                  |                  |
|                                                                                    | <b>2023</b>      | <b>2022</b>      |
|                                                                                    | <b>£</b>         | <b>£</b>         |
| At 1 September 2022                                                                | 2,004,000        | 1,942,000        |
| Interest income                                                                    | 89,000           | 33,000           |
| Actuarial (gain)/loss                                                              | 29,000           | (133,000)        |
| Employer contributions                                                             | 165,000          | 158,000          |
| Employee contributions                                                             | 48,000           | 42,000           |
| Benefits paid                                                                      | (38,000)         | (38,000)         |
|                                                                                    | <u>2,297,000</u> | <u>2,004,000</u> |
| At 31 August 2023                                                                  |                  |                  |
|                                                                                    | <u>2,297,000</u> | <u>2,004,000</u> |

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £187,619 (2022: £166,848) and there were no contributions payable to the scheme at 31 August 2023 (2022: £nil).

**22. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period (2022: None).

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2022

|                                                             | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|-------------------------------------------------------------|------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |      |                            |                          |                    |                    |
| Donations and legacies                                      | 1    | 91,975                     | -                        | 91,975             | 13,136             |
| Grants                                                      | 2    | -                          | 238,513                  | 238,513            | 159,157            |
| <b>Charitable activity:</b>                                 |      |                            |                          |                    |                    |
| Income from boarding charges                                | 3    | 10,186,586                 | 6,496                    | 10,193,082         | 8,451,959          |
| Other operating income                                      | 3    | 206,276                    | -                        | 206,276            | 240,304            |
| Funding for the Academy's educational operations            | 3    | -                          | 5,323,140                | 5,323,140          | 5,109,004          |
| <b>Trading activities:</b>                                  |      |                            |                          |                    |                    |
| Trading income                                              | 4    | 153,278                    | -                        | 153,278            | 41,822             |
| <b>Investment income</b>                                    | 5    | 88,823                     | 12,866                   | 101,689            | 106,529            |
| <b>Total income</b>                                         |      | <u>10,726,938</u>          | <u>5,581,015</u>         | <u>16,307,953</u>  | <u>14,121,911</u>  |
| <b>Expenditure on:</b>                                      | 6    |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |      |                            |                          |                    |                    |
| Staff costs                                                 |      | 5,965,615                  | 4,155,884                | 10,121,499         | 9,372,237          |
| Educational costs                                           |      | -                          | 529,173                  | 529,173            | 481,604            |
| Welfare costs                                               |      | 1,908,141                  | -                        | 1,908,141          | 1,612,039          |
| Premises costs                                              |      | 1,901,624                  | 715,688                  | 2,617,312          | 3,290,721          |
| Support costs                                               |      | 570,592                    | 358,865                  | 929,457            | 728,323            |
| <b>Raising funds:</b>                                       |      |                            |                          |                    |                    |
| Finance costs                                               |      | 291,509                    | -                        | 291,509            | 244,926            |
| Investment management                                       |      | 2,261                      | -                        | 2,261              | 762                |
| <b>Trading activities:</b>                                  |      |                            |                          |                    |                    |
| Trading costs                                               |      | 142,892                    | -                        | 142,892            | 12,683             |
| <b>Total expenditure</b>                                    | 6    | <u>10,782,634</u>          | <u>5,759,610</u>         | <u>16,542,244</u>  | <u>15,743,295</u>  |
| <b>Operating income/(expenditure)</b>                       |      | <b>(55,696)</b>            | <b>(178,595)</b>         | <b>(234,291)</b>   | <b>(1,621,384)</b> |
| Net gains/(losses) on investments                           | 9    | (274,786)                  | (20,915)                 | (295,701)          | 430,422            |
| <b>Net income/(expenditure)</b>                             |      | <b>(330,482)</b>           | <b>(199,510)</b>         | <b>(529,992)</b>   | <b>(1,190,962)</b> |
| Actuarial (losses)/gains on defined benefit pension schemes | 21   | -                          | 1,611,000                | 1,611,000          | (174,000)          |
| <b>Net movement in funds for the year</b>                   |      | <b>(330,482)</b>           | <b>1,411,490</b>         | <b>1,081,008</b>   | <b>(1,364,962)</b> |
| <b>Fund balances brought forward at 16, September 2021</b>  | 17   | <b>13,916,598</b>          | <b>(635,619)</b>         | <b>13,280,979</b>  | <b>14,645,941</b>  |
| <b>Fund balances carried forward at 31 August 2022</b>      | 17   | <b>13,586,116</b>          | <b>775,871</b>           | <b>14,361,987</b>  | <b>13,280,979</b>  |

All of the charitable group's activities are continuing.

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



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# Accounts

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**THE GORDON FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2022**

Company Number 00027272  
Charity Number 312092

## THE GORDON FOUNDATION

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## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION

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|                        |                                                                                      |
|------------------------|--------------------------------------------------------------------------------------|
| <b>Patron</b>          | HM The Queen                                                                         |
| <b>Vice Presidents</b> | The Lord Mayor of London<br>The Lord Lieutenant of Surrey<br>The Bishop of Guildford |
| <b>Ambassadors</b>     | Mr P Talbot<br>Mr M Hawkesworth<br>Mr P Wynter Bee                                   |

#### Foundation Committee (The Board)

|                                             |                                 |
|---------------------------------------------|---------------------------------|
| General Sir Peter Wall GCB CBE              | Chairman (Resigned 1 May 2022)  |
| Lieutenant General Richard Cripwell CB, CBE | Chairman (Appointed 1 May 2022) |
| Mr R Whittington DL <sup>1,2,4,5,8</sup>    | Vice Chairman                   |
| Mr C Whiffin <sup>1,2,8</sup>               | Treasurer                       |
| Mrs J Valner <sup>1,2,3,4,5,7</sup>         | Chair of Governors              |
| Lord Lingfield                              | Resigned 21 January 2023        |
| Mr W Eason <sup>1,2,3,4,5,8</sup>           | Resigned 21 January 2023        |
| Ms A MacLennan <sup>6</sup>                 | Resigned 21 January 2023        |
| Mr T Gordon                                 |                                 |
| Mrs L Bannister <sup>3,7,9</sup>            |                                 |
| Mr C Lomas                                  | Resigned 16 June 2022           |
| Mr M Barnes <sup>1,2,8,9</sup>              |                                 |
| Mrs A Stephens <sup>1</sup>                 |                                 |
| Major General A Fay CB                      |                                 |
| Mrs D McKenzie <sup>5</sup>                 |                                 |
| Mrs S Hounsham <sup>6,7</sup>               |                                 |
| Mr P Jones <sup>1,2</sup>                   |                                 |
| Mr S Azeem DL                               |                                 |
| Ms Neelam Devasher DL <sup>4,9</sup>        | Appointed 22 January 2022       |
| Brigadier J Mullin <sup>7</sup>             | Appointed 22 January 2022       |
| Ms J Kruger                                 | Appointed 21 January 2023       |

#### Head Teacher

Mr A Moss

#### Foundation and Company Secretary

Mrs S M Meikle

#### Committee Membership

- Member of the Foundation Development Committee = 1
- Member of the Joint Finance & Estates Committee = 2
- Member of the Investment Panel = 3
- Member of the Awards Panel = 4
- Member of the Governance Committee = 5
- Member of the Fundraising & Enterprises Committee = 6
- Governor of Gordon's School = 7
- Member of the Risk & Audit Committee = 8
- Member of the Performance Management & Salaries Committee = 9

## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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#### ADVISERS

|                             |                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------|
| <b>Bankers:</b>             | Bank of Scotland<br>38 Threadneedle Street<br>London EC2P 2HL                    |
| <b>Auditors:</b>            | Alliotts LLP<br>Friary Court<br>13-21 High Street<br>Guildford<br>Surrey GU1 3DL |
| <b>Investment Managers:</b> | Quilter Cheviot<br>Senator House<br>85 Queen Victoria Street<br>London EC4V 4AB  |
| <b>Legal Advisers:</b>      | Moore Barlow LLP<br>The Oriel<br>Guildford<br>Surrey GU1 3SR                     |

#### STATUS AND ADMINISTRATION

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| <b>Registered Office:</b> | The Gordon Foundation<br>Gordon's School<br>West End<br>Woking<br>Surrey GU24 9PT |
|---------------------------|-----------------------------------------------------------------------------------|

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Gordon Foundation is a company limited by guarantee (Company No 00027272), its registered office being at Gordon's School, West End, Woking, Surrey, GU24 9PT. The company is a charity for educational purposes (registered charity No 312092).

Management of the charity is vested in the Foundation Committee, who are directors and members for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP 2015 (FRS 102). Foundation Committee members are required to retire from office every third year from the date of election but are eligible for re-election for a maximum of three terms. The Foundation Committee has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Foundation Secretary.

The charity was founded at the express wish of Queen Victoria as the national memorial to General Gordon who was killed in Khartoum in 1885. The Gordon Foundation owns, freehold, the land and buildings formerly known as the Gordon Boys' Home which was changed to The Gordon's Boys' Home in 1943, started to accept girls and day boarders from 1990 and is now known as Gordon's School.

The majority of the Governors of Gordon's School, a State Boarding School with Academy status, are either trustees of or are appointed by The Gordon Foundation.

Following a decision made in 2019 to increase the number of (ex-officio) Vice Presidents, a recommendation to introduce the position of Ambassador was approved. Ambassadors, a seven-year appointment, are former trustees of seniority or long service who have continued interest in supporting the Foundation's work. Paul Talbot, Gordonian and former trustee of over 30 years' service, and Mark Hawkesworth, former Treasurer, accepted the invitation to be the first Ambassadors for The Gordon Foundation while Peter Wynter Bee who retired in 2021 after 21 years' service to Gordon's as trustee and for eight years a School Governor, accepted the Committee's invitation to continue his links as a Gordon's Ambassador.

After seven years as the Foundation's Chairman, General Sir Peter Wall retired and was succeeded by Royal Engineer, Lieutenant General Richard Cripwell. The Foundation and School are grateful to Sir Peter for his leadership, particularly during the challenges of the Covid Pandemic and school lockdowns.

The Wider Leadership Team controls the running of the Foundation and School at an executive level and implements the policies and decisions of the trustees and governors through agreed schemes of delegation. Key management personnel are defined as the Head Teacher, Deputy Heads (Curriculum and Pastoral), Bursar, Head of Sixth Form, Assistant Heads and senior Foundation support services managers. A review of Governance was commissioned during Summer 2021. This identified many strengths in governance arrangements and some areas for improvement including consideration of the size of the Foundation Committee, decision-making procedures and succession planning.

##### **Arrangements for setting pay and remuneration of key management personnel**

The Wider Leadership Team is paid on the Leadership pay scale which broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Leaders must demonstrate sustained performance in respect to their performance objectives; non-teaching leadership salaries are benchmarked against local market conditions. The Performance Management and Salaries Committee awards one incremental point on the Gordon's Pay Scale where performance objectives are met and where there is a sustained high quality of overall performance.

##### **Policies and Procedures adopted for the Induction and Training of Trustees**

Prospective trustees are invited to Gordon's School prior to their appointment to meet with the Foundation Secretary, Head Teacher and at least two trustees who make their report to the next meeting of the Governance Committee. A schedule of trustees with their qualifications and experience is maintained, cross-referenced against the business requirements of the Foundation, which assists in the selection of new trustees.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

Once appointed, new trustees follow an induction which includes an explanation of their role as trustee, the company and the relationship between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All trustees are encouraged to attend professional training courses, take online courses for trustees and are provided with joint briefings at least once each year.

#### OBJECT AND OBJECTIVES

##### General

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for 945 residential and day boarding students aged 11-18 years. The School changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education and Skills Funding Agency pays the cost of teaching and learning, delivery of the national curriculum and some classroom facilities. In addition to managing the estate and buildings, The Gordon Foundation provides support services to the School and in particular runs the boarding operation for the day, weekly and full boarding students and the extensive co-curricular programmes. For families who require financial assistance with boarding charges, The Gordon Foundation is able to provide means-tested bursaries.

The Gordon Enterprises UK Ltd, a subsidiary of The Gordon Foundation, oversees management of and hire of the Gordon's Sports Hub, letting of the school facilities when not required by the School and other opportunities for non-boarding revenue generation. Proceeds from such activities are gift-aided to The Gordon Foundation, designated to the bursary funds.

##### Vision

Our long-term vision is a family of Gordon Foundation schools where students, particularly those from disadvantaged backgrounds, benefit from a Gordon's education. An education recognised as amongst the finest in the world for the calibre of young people we develop, the progress they make and the difference they make to the lives of others.

##### Object

The object of The Gordon Foundation is to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need, with a view to preparing them for education or for earning their livelihood, such object being in continuation of the work of the unincorporated institution known as the Gordon Boys' Home, established in July 1885 as the National Memorial to General Gordon.

##### Objectives

Whilst the main objective of The Gordon Foundation is support for Gordon's School, trustees appreciate its wider objects of encouraging and supporting residential boarding for 'necessitous' young people, improving the public's awareness of the value and benefits of residential boarding and increasing funds available to support residential boarding. In setting these objectives and planning activities, trustees give careful consideration to the Charity Commission's guidance on Public Benefit.

| OBJECTIVE                                        | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintain the National Memorial to General Gordon | Following the previous year's Covid lockdown and restrictions, it was pleasing that the Whitehall Parade and memorial service in Embankment Gardens could again take place. Y7 History classes continue to include a short course on the history of Gordon's, the Home and School, and the life of General Charles Gordon. Links with Khartoum International Community School are sustained with the hope that a visit can be planned for 2024. General Gordon's principles are referred to and maintained within the updated strategy, <i>Vision for Gordon's</i> . A lecture was planned for Autumn 2022 on General Gordon's legacy today. |

Objectives (continued)

| OBJECTIVE                                                                                                                      | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Be alert to and take advantage of opportunities to extend the influence of Gordon's at home and overseas                       | A range of partnerships are in place that benefit current students and extend the Gordon's reach. In addition to the Harlequins RFC Programme, the MoU with Aldershot Town FC continues positively, and with Surrey Storm (Netball). Cooperation with Woking High School continues under the Arete Partnership, particularly for student leadership training and inter-school competitions; Robert May's School joins in September 2022 and a fourth school will join during 2023. The partnership launched in 2022 with Commonwealth Education Trust is developing, drawing on Gordon's pedagogy. Opportunities for a Gordon's 2 continue to be explored as opportunities arise.                                                                                                                                                                                                                                                                                                                                          |
| Ensure that support services provided by The Gordon Foundation are fit for purpose and commensurate with outstanding provision | Taking opportunities to review for improvement is embedded within the Support teams. With the need to appoint a new Deputy Head Pastoral, the role and responsibilities of Designated Safeguarding Lead has been separated to a new post of DSL, appointed January 2022, such is its importance and increasing workload. The role of the Attendance Officer has also been augmented.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Increase the Foundation's financial stability and support for financially necessitous students                                 | Post-Covid, maintaining a positive cashflow alongside capital commitments is challenging but achieved. Regular communication is maintained with our Bank and there was no recourse to any further Bank facilities apart from the existing capital loans. By the end of the year, 71 (7.6%) students were in receipt of a means-tested bursary with total spend £403,748 with 15 of those students supported also by nine different external educational trusts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Deliver world-class pastoral care, curriculum, and co-curriculum provision                                                     | In June, Gordon's was presented with the Times Educational Supplement Boarding School of the Year Award. This recognises innovation, imagination and efforts to develop children in ways that go beyond academic achievement and the league tables as well as maintained continued excellence. Gordon's was one of eight boarding schools across the country to have been nominated.<br>Recognising the lack of provision in primary schools for learning musical instruments, a scheme offering free group tuition to Year 7 students started in September, with the intention of extending this for a maximum of three years and involving students in various ensembles. This initiative started well and 14 of the initial 20 students will continue into Year 8 with a new Y7 cohort starting.<br>The wide range of co-curricular activities included students travelling to participate in MUN Conferences, two teams took part in the Dartmoor Ten Tors Challenge and various drama productions, including Matilda. |

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Vision for Gordon's

As we recovered from a world pandemic there has never been a more important time to reconnect with General Gordon's legacy and reimagine what we can and should try to achieve. The updated 'Vision for Gordon's' was launched during the Summer term 2021, following extensive consultation within the Gordon's Community. This strategic plan for Gordon's sets out our vision for the national memorial to General Gordon to be more than a school, but a symbol of what can be achieved by a community united in making an outstanding contribution for the good of global society, through its educational leadership and through the lives Gordonians go on to lead. During the next year this vision will be extended towards 2035, the Foundation's 150th anniversary.

A Gordon's education strives to be more than the best possible examination results, but a thorough preparation for life. Our aim is to develop rounded world class, global citizens with the character, capabilities and confident humility to achieve well, to stay active, to appreciate what they have and to connect and give back to the communities in which they live and work.



The Vision for Gordon's is for the national memorial to General Gordon to be a force for a more caring and just world: a world in which inequality in opportunities is diminishing; where individuals are treated similarly and have equal chances based not on privilege, but on how hard they work for themselves and others.

### Capital Developments

Woolwich House, the residential boarding house created from the former Head Teacher's House and adjoining Chapel House that opened in September 2019 continues to provide a popular and appropriate introduction to residential boarding for 32 Year 7 students within their own accommodation, while linking with their senior House to which they move in Year 8.

Planning permission for the new sports hall and 3G all-weather pitch was received in January 2019. A £6m long-term bank loan facility was taken out in December 2019 to finance this project. After a delayed start on site, work continued throughout the Covid-19 lockdown and the sports hall was completed with hand-over in October 2020. A contractual disagreement with the main contractor meant that handover of the 3G pitch was delayed until December 2021. That disagreement led to the main contractor referring the dispute to adjudication as the Foundation had withheld funds to replace what it considered a non-compliant facility; the adjudication in November 2022 went against the Foundation and the account is now settled in full.

During summer 2021 the two-classroom building known as 'India' was replaced and enlarged to provide four large and well-equipped classrooms for teaching IT & Computing and Business Studies. The Academy's 2021 CIF grants from the DfE to remedy significant damp issues in the Medway building (Music and Drama) was completed summer 2022.

The Drama and Music departments make good use of the Gym and Pool building ahead of its conversion into a performing arts centre, when finance allows. Some theatrical equipment that will continue to be used in the performing arts centre was purchased during this year to improve student drama experience.

During summer 2022 a seventh Science Laboratory was created (with financial assistance from The Wolfson Foundation, an extra classroom provided, the Library part-refurbished; the two Art studios were co-located and to achieve this, the Fitness Suite re-sited close to the Sports Hall. Two of the four senior residential boarding Houses were in part refurbished, the first stage of an intended £2m improvement plan for all residential Houses. Future projects under consideration include the performing arts centre, improvements to the Back Fields and moving Gordon's to Carbon Neutral.

### Academic Results for the School

During the year the School educated approximately 936 students between the ages of 11 and 18. Recruitment continues to be strong with waiting lists for Key Stages 3 and 4. There were 271 residential boarders and 314 students in the Sixth Form. With Teacher Assessed Grades in 2020, then Centre Assessed Grades in 2021, for Y13, 2022 was their first set formal public examinations.

Compared to many state schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects. 45% of Y13 Leavers obtaining places at Russell Group universities and 83% gained places at their preferred destination, above national average. Two students gained places at Cambridge, three embarked on courses in Medicine or Dentistry, two gained places at Leeds Conservatoire, four took up Sports Scholarships at US Universities. One student entered RMA Sandhurst on a Leadership Scholarship and two DiSE students gained professional contracts with Harlequins RFC. Seven leavers opted for Apprenticeships.

#### A Level results 2022

48% of entries graded A\*-A  
77% of entries graded A\* -B  
91% of entries graded A\*-C

#### GCSE results 2022

48% of entries graded 9-7  
87% of entries graded 9-5  
96% of entries graded 9-4

#### BTEC L3 2022

35% of entries graded D\*-D  
92% of entries graded D\*-M

#### BTEC L2 2022

33% of entries graded D\*-D  
100% of entries graded D\*-M

Detailed information on student activities and the co-curricular programme can be found on the School website [www.gordons.school](http://www.gordons.school) as well as the Annual Report of the Gordon's School Academy Trust.

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

##### **General**

The Development team is responsible for activities focusing on support for the school community as well as strengthening local and wider community links, ranging from regular talks, organising all larger school internal and external event and seeking opportunities to let facilities when not required by the school, and fundraising. Development Prefects assist the department with appropriate administration and hosting of events, providing them with some insight into a different area of the school as well as useful experience. A strong working partnership continues with the Gordon's School Parents' Association which clearly benefits the school and the parent community.

In September, we were delighted to be able to assist in providing a venue for part of the Archbishop of Canterbury's visitation to the Diocese of Guildford. Also, to welcome HRH Princess Eugenie who came to speak about her involvement in the work of the Anti-Slavery Collective, as relevant today in the UK as it was for General Gordon in Sudan.

Following the dissolution of the Gordonian Association and responsibility for all alumni-focused activity incorporated within the Development Office, a key focus continues to be developing a strategy for appropriate communication and engagement activity with each age groups. The Gordonian Football team, sponsored by a local business, is also supported by providing home match facilities on the new 3G pitch. In the summer, Gordonians of all ages enjoyed being able to return to the School for the Annual Parade and previously meeting up in London after the Whitehall Parade. Former members of the Pipe Band are invited to play in the Big Blaw, the summer cricket match is popular as well as a three-way netball tournament for Gordonians, staff and current students. The Gordonian Awards 2021, for Arts and for Sports, attract increasing numbers of high calibre applicants; these financially support two Year 11 students with the costs for developing a particular talent, and encouragement to continue into the Gordon's Sixth Form.

Support is provided to the Careers team to assist with finding work placements and speakers as well as organising the annual Careers Fair. Opportunities for parents and members of the local community to network continue with reinstatement of the monthly Business Networking Breakfasts held at the School. The Development team now helps and encourages the School Charities Committee with appropriate links and organisational support; Gordon's students volunteered over 9,000 hours during the year and the whole community was generous in its support for the people of Ukraine as requested items and money were collected and sent to their assistance.

The Gordon's Pipe Band celebrated its 80<sup>th</sup> anniversary with a range of activities including a piping recital held in the Gordon's Chapel, travel to Scotland to compete in the Schools' and World Championships and, following a longstanding link with Brookwood Last Post Association at Brookwood Military Cemetery, members of the Pipes and Drums who represent the School at Brookwood Last Post were selected to go to Menin Gate to play and take part in the Last Post Association's Remembrance Service.

##### **Commercial**

A planning condition for the Sports Hall and 3G pitch is community use with a Community Use Agreement in place between Gordon's and Surrey Heath Council. There is significant interest in hire of these facilities, with a focus on supporting local grass-roots sports clubs. Other sports facilities, creating the Sports Hub, are also made available for hire.

Other commercial activity includes GordonstoGo within the Catering Department, and the Sports Hub Café, part of the new Sports Hall building available for use in conjunction with sports hire as well as Gordon's Sixth Form students during the school day. A monthly Gordon's Supper Club has been re-launched post-Covid. While we were pleased to again host Barracuda Day Camps during the Easter and Summer holidays, residential lettings were not feasible due to refurbishment work in the residential Houses and fewer enquiries received following Covid as well as Brexit.

##### **Partnerships**

The partnership launched with Aldershot Town Football Club in July 2021 whereby their team is based and trains at Gordon's during weekday mornings, and provided with catering and other facilities, continues positively. In addition to hire charges, School football teams are provided with coaching by the ATFC coaching team and opportunities for free home match tickets. Other sporting partnerships continue, with Harlequins Rugby Football Club and Surrey Storm (Premier Netball).

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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Gordon's is proud to help reduce global educational poverty through a working partnership with the Commonwealth Education Trust (CET). Formally known as the Commonwealth Institute, the CET is a well-established, leading charity that champions education across the Commonwealth. Their digital platforms reach teachers in underserved, often rural communities around the world, providing them with much needed bite-size professional development courses. Gordon's teachers work with CET to establish courses to help improve pedagogy and classroom management, later extending to support designated schools through fundraising and practical resources.

The Camelthorn Foundation supports community-led wildlife initiatives alongside promoting education and socio-economic opportunities in Zimbabwe's Hwange province. Gordon's has pledged to work with the Camelthorn Foundation to raise sufficient funds to provide, initially, a girls' boarding house and then accommodation for boys, attending Ngamo Secondary School. In time, we hope that students and staff may be able to volunteer with the Camelthorn Foundation in their conservation, education or social programmes.

#### **External support**

Applications to trusts and foundations continue for bursary funding as well as specific projects. The support for Gordon's students from a range of educational trusts is valued and in particular the continued generosity of the Girdlers' Livery Company.

Support for Gordon's students by Reedham Children's Trust, Buttle UK, the Masonic Charitable Foundation, Lloyd Foundation, Emmott Foundation, Wispers Trust, The Royal SpringBoard Children's Foundation and Tak Turton Trust continues to be welcomed by student families and the School.

Last year, two significant new competitions were launched, the Wynter Bee Global Citizen Prize and the Headmaster's Global Citizen Prize, for which students were asked to engage with one of the UN 17 Sustainable Development Goals. We are immensely grateful to Peter Wynter Bee, former trustee and now Gordon's Ambassador, for encouraging the institution of these student competitions and for his generosity in funding the prizes, an all-expenses paid trip to Costa Rica to take part in a conservation and development project for the KS4/5 Wynter Bee Global Citizen Award and a Red Letter Day experience together with sponsorship for a Costa Rican student for the KS3 Headmaster's Global Citizen Award.

Gordon's is proud to have signed up to the Forces Covenant and to display the Bronze Award of the Employers' Recognition Scheme, recognising the School's role in supporting our Forces families as well as being a major employer in the area. The link with the Corps of Royal Engineers continues to be valued, in particular CCF students participating in Field Days organised at Gibraltar Barracks; training staff from Pirbright Camp assist with ceremonial drill. Members of the Pipes and Drums play regularly for the Last Post Association at Brookwood Cemeteries. The Pipe Band has played for Surrey Police Pass-Out Parades and with Surrey Police Band in a Festival Remembrance Parade.

#### **Fundraising**

The trustees recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The Foundation keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The Foundation only raises funds from those individuals and organisations known to it and the Foundation does not undertake fundraising campaigns to members of the public.

#### **Patronage**

In June, the School celebrated the Platinum Jubilee of Queen Elizabeth II, Patron of Gordon's School. In September the School joined the nation as we mourned Her Majesty's death. Trustees hope that in due course HM King Charles III will agree to continue the unbroken line of the reigning monarch as the Foundation's Patron.

#### **Former trustee**

Trustees were saddened to learn of the death in September 2022 of former trustee John Udal, who had served with the Sudan Political Service until Sudan's independence and continued to promote interest in the country.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

#### MANAGEMENT AND EFFECTS OF COVID-19

It has been relief to the whole School community to have the whole school year without lockdown. The additional costs incurred during the previous two years have reduced significantly, any cost of continuing practices incorporated within general operating costs. Changes that came about through Covid such as online staff briefing, the two-part lunch break and virtual parent conferences have continued.

#### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The main sources of funding for the Foundation are through boarding charges and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a waiting list. The fee income received by the Foundation was £10,193,082 (2021: £8,451,959).

The net movement in funds for the year was a surplus of £1,081,008 (2021: deficit of £1,364,962)

Investments performed as well as could be expected during a year of continued upheaval. The investment portfolio has decreased by £191,800 to £3,229,973 (2021: £3,421,773).

On 1 January 2013, Gordon's School converted to Academy Trust status under the Academies Act 2010 with all operations, assets and liabilities transferred over to the Gordon's School Academy Trust. This transfer was accounted for using the acquisition method resulting in a £389,000 deficit on the Local Government Pension Scheme transferring into the Trust. Most years since there has been an additional deficit on the scheme, the scheme deficit was £610,000 at 31 August 2022 (2021: £1,903,000).

Further information on the pension schemes is given in note 21.

#### RESERVES

Funds comprise unrestricted funds of £13,586,116 (2021: £13,916,598) and restricted funds, excluding pension reserve, of £1,385,871 (2021: £1,267,381). The restricted funds pension deficit reserve stands at £610,000 (2021: £1,903,000 deficit). The restricted funds are set out in note 17.

Unrestricted funds are represented by the Foundation's property and other tangible fixed assets, investments and net working capital. Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are negative and the Foundation Committee have set a policy to restore and build free reserves in order to maintain the site and fund the modernisation and future development of Gordon's School.

#### Risk

The trustees have assessed the major risks to which The Gordon Foundation is exposed and have taken steps to reduce and manage these risks. Trustees approve a formal Risk Register which is updated regularly and reviewed by the Joint Audit and Risk Committee at least annually. The most significant risks identified are noted below together with the means by which to manage the risk:

| RISK                                                                                                     | CONTROL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Worsening economic climate</b>                                                                        | Regular consideration given to economic factors which may affect parents' ability to pay charges and reduce ESFA funding. Effect of economic downturn mitigated by reducing costs where possible and holding back on plans as well as ensuring frequent reporting of student roll and finances. Maintain a schedule of pre-agreed changes in the event of significantly reduced income. Focus on developing alternative income streams.                                                                                                    |
| <b>Loss of charitable status</b>                                                                         | Compliance with requirement of public benefit; the availability of means-tested bursaries                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Breach of Health &amp; Safety issues; major incident resulting in loss of life or school closure.</b> | Crisis Management Plan in place and reviewed at least annually. Risks mitigated by identifying them, setting our procedures to reduce and monitoring that all procedures are operating effectively. H&S external advice, staff trained on specific procedures and are reviewed annual by external experts. H&S policy reviewed annually. H&S Committee meets termly or as required; membership includes a trustee / governor. H&S part of staff induction. Property Services Manager is H&S and Fire Officer and is trained appropriately. |

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

#### Risk (continued)

| RISK                                                                  | CONTROL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Compromised site security, buildings and personnel</b>             | All staff know to challenge strangers on site; wear emergency contact information; security contractor employed evenings, overnight and 24 hours over weekends; resident staff. Restricted access to all buildings. Perimeter fencing and gates improved but some weakness end of Front Field and should review north side access controls. Lockdown procedures in place.                                                                                                                                                |
| <b>Fire that results in the school being unable to operate</b>        | Fire risk assessments carried out by specialist subcontractor on a triennial basis (or sooner where there is an alteration to premises) and reviewed annually. Procedures and evacuation plans reviewed annually. Procedures in place for dealing with arson, smoking, kitchen, heating, lightening conductors, fire evacuation, alarm installation. Routine alarm checks, hydrants, appliances. Adequate insurance in place + disaster recovery plan which is tested.                                                   |
| <b>Difficulty in staff retention; poor staff morale and wellbeing</b> | Staff turnover data maintained. Exit interviews with Assistant Bursar for all posts and report made to SLT. Pay rates reviewed regularly against appropriate market, benchmark. Effective communications maintained between staff, line and senior managers. Open Door for Head and Chair of Governors. Appropriate benefits provided + PRP (teaching) and termly bonus scheme (support). Positive encouragement to use non-contact time for wellbeing activity if wish to. Availability of school facilities for staff. |
| <b>Loss of Internet connectivity for a prolonged period</b>           | Service is provided by contracted IT managed service provider with high SLAs and 24/7 remote monitoring. Depending on where the failure has occurred, a restricted network provision could be restored. Backup second internet feed being considered (less speed but adequate for priority purposes). School website can be updated to inform parents if prolonged loss of service or SchoolComms messaging. Termly check of disaster recovery plan with IT managed Services.                                            |

#### INVESTMENT POLICY

The charity aims to manage the investment portfolio such that investment income is maintained and capital growth is achieved, in real terms. The performance of investments and the investment policy is reviewed regularly by the Investment Panel. The Investment Panel does not impose any constraints that might limit selection of individual investments for social, environmental or ethical reasons.

#### PLANS FOR FUTURE YEARS

##### 3-year Strategic Priorities:

- i) Develop a working and learning environment for Gordon's School that moves beyond outstanding
- ii) Develop the School's Digital Strategy across both learning and administrative processes
- iii) Progress the Estates Master Plan
- iv) Design and implement our environmental policy
- v) Further develop 'Gordon's Connected' platform, boosting parent, student and staff engagement by creating partnerships between Gordon's Careers department, Business Network, alumni and parents
- vi) Further develop Gordon's Schools' Partnership, boosting collaborative opportunities for students and staff.

#### DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each person who was a Director at the time this report was approved:

- So far as that Director was aware there was no relevant available information of which the Group's auditor was unaware and
- That Director had taken all the steps that the Director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

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

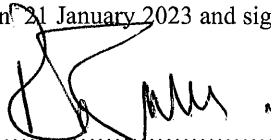
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITOR

Our auditor, Alliotts LLP, has indicated their willingness to continue in office.

The Trustees' Report, incorporating the Strategic Report was approved by the trustees of The Gordon Foundation

on 21 January 2023 and signed on its behalf by:

  
.....  
**Lieutenant General Richard Cripwell CB, CBE**  
**Chairman**

## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION

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#### Opinion

We have audited the consolidated financial statements of The Gordon Foundation for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the 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.

#### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

#### Opinions 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 Foundation Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Foundation Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company 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.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 12, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook 2021, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.



## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION (continued)

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We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Foundation Committee;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

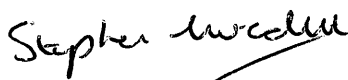
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

#### Use of this report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of Alliotts LLP**

Senior Statutory Auditor  
Alliotts LLP  
Friary Court  
13-21 High Street

10 May 2023

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2022

|                                                             | Note   | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Total 2022<br>£   | Total 2021<br>£    |
|-------------------------------------------------------------|--------|-------------------------|-----------------------|-------------------|--------------------|
| <b>Income from:</b>                                         |        |                         |                       |                   |                    |
| Donations and legacies                                      | 1      | 91,975                  | -                     | 91,975            | 13,136             |
| Grants                                                      | 2      | -                       | 238,513               | 238,513           | 159,157            |
| <b>Charitable activity:</b>                                 |        |                         |                       |                   |                    |
| Income from boarding charges                                | 3      | 10,186,586              | 6,496                 | 10,193,082        | 8,451,959          |
| Other operating income                                      | 3      | 206,276                 | -                     | 206,276           | 240,304            |
| Funding for the Academy's educational operations            | 3      | -                       | 5,323,140             | 5,323,140         | 5,109,004          |
| <b>Trading activities:</b>                                  |        |                         |                       |                   |                    |
| Trading income                                              | 4      | 153,278                 | -                     | 153,278           | 41,822             |
| <b>Investment income</b>                                    | 5      | 88,823                  | 12,866                | 101,689           | 106,529            |
| <b>Total income</b>                                         |        | <b>10,726,938</b>       | <b>5,581,015</b>      | <b>16,307,953</b> | <b>14,121,911</b>  |
| <b>Expenditure on:</b>                                      | 6      |                         |                       |                   |                    |
| <b>Charitable activity:</b>                                 |        |                         |                       |                   |                    |
| Staff costs                                                 |        | 5,965,615               | 4,155,884             | 10,121,499        | 9,372,237          |
| Educational costs                                           |        | -                       | 529,173               | 529,173           | 481,604            |
| Welfare costs                                               |        | 1,908,141               | -                     | 1,908,141         | 1,612,039          |
| Premises costs                                              |        | 1,901,624               | 715,688               | 2,617,312         | 3,290,721          |
| Support costs                                               |        | 570,592                 | 358,865               | 929,457           | 728,323            |
| <b>Raising funds:</b>                                       |        |                         |                       |                   |                    |
| Finance costs                                               |        | 291,509                 | -                     | 291,509           | 244,926            |
| Investment management                                       |        | 2,261                   | -                     | 2,261             | 762                |
| <b>Trading activities:</b>                                  |        |                         |                       |                   |                    |
| Trading costs                                               |        | 142,892                 | -                     | 142,892           | 12,683             |
| <b>Total expenditure</b>                                    | 6      | <b>10,782,634</b>       | <b>5,759,610</b>      | <b>16,542,244</b> | <b>15,743,295</b>  |
| <b>Operating income/(expenditure)</b>                       |        | <b>(55,696)</b>         | <b>(178,595)</b>      | <b>(234,291)</b>  | <b>(1,621,384)</b> |
| Net gains/(losses) on investments                           | 9      | (274,786)               | (20,915)              | (295,701)         | 430,422            |
| <b>Net income/(expenditure)</b>                             |        | <b>(330,482)</b>        | <b>(199,510)</b>      | <b>(529,992)</b>  | <b>(1,190,962)</b> |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                       | 1,611,000             | 1,611,000         | (174,000)          |
| <b>Net movement in funds for the year</b>                   |        | <b>(330,482)</b>        | <b>1,411,490</b>      | <b>1,081,008</b>  | <b>(1,364,962)</b> |
| <b>Fund balances brought forward at 1 September 2021</b>    | 16, 17 | 13,916,598              | (635,619)             | 13,280,979        | 14,645,941         |
| <b>Fund balances carried forward at 31 August 2022</b>      | 16, 17 | <b>13,586,116</b>       | <b>775,871</b>        | <b>14,361,987</b> | <b>13,280,979</b>  |

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

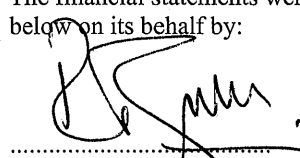
Details of comparative figures by fund are disclosed in note 23.

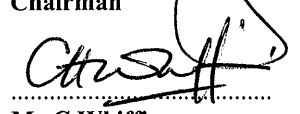
## GROUP BALANCE SHEET

AS AT 31 AUGUST 2022

|                                                                |       | 2022             |                          | 2021             |                          |
|----------------------------------------------------------------|-------|------------------|--------------------------|------------------|--------------------------|
|                                                                | Notes | £                | £                        | £                | £                        |
| <b>FIXED ASSETS</b>                                            |       |                  |                          |                  |                          |
| Tangible                                                       | 8     |                  | 21,756,654               |                  | 21,170,012               |
| Investments                                                    | 9,10  |                  | 3,229,973                |                  | 3,421,773                |
|                                                                |       |                  | <u>24,986,627</u>        |                  | <u>24,591,785</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                  |                          |                  |                          |
| Debtors                                                        | 12    | 780,056          |                          | 776,046          |                          |
| Cash at bank and in hand                                       |       | 273,054          |                          | 743,138          |                          |
|                                                                |       | <u>1,053,110</u> |                          | <u>1,519,184</u> |                          |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (3,852,991)      |                          | (3,714,563)      |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                  | <u>(2,799,881)</u>       |                  | <u>(2,195,379)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  | 22,186,746               |                  | 22,396,406               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                  | (7,214,759)              |                  | (7,212,427)              |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |       |                  | <u>14,971,987</u>        |                  | <u>15,183,979</u>        |
| <b>PENSION SCHEME LIABILITY</b>                                | 21    |                  | (610,000)                |                  | (1,903,000)              |
| <b>NET ASSETS</b>                                              |       |                  | <u><u>14,361,987</u></u> |                  | <u><u>13,280,979</u></u> |
| <b>FUNDS</b>                                                   |       |                  |                          |                  |                          |
| Unrestricted funds                                             | 16    |                  | 13,586,116               |                  | 13,916,598               |
| Restricted – Specific Funds                                    | 17    |                  | 1,385,871                |                  | 1,267,381                |
| Restricted - Pension Reserve                                   | 17    |                  | (610,000)                |                  | (1,903,000)              |
|                                                                |       |                  | <u><u>14,361,987</u></u> |                  | <u><u>13,280,979</u></u> |

The financial statements were approved and authorised for issue by the Board on 21 January 2023 and were signed below on its behalf by:

  
 Lieutenant General Richard Cripwell CB, CBE  
 Chairman

  
 Mr C Whiffin  
 Treasurer

The accompanying notes form part of these financial statements.

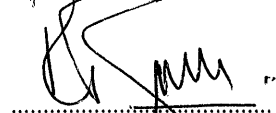
## CHARITY BALANCE SHEET

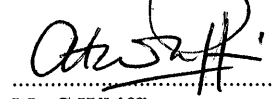
AS AT 31 AUGUST 2022

|                                                                |       | 2022           |                          | 2021             |                          |
|----------------------------------------------------------------|-------|----------------|--------------------------|------------------|--------------------------|
|                                                                | Notes | £              | £                        | £                | £                        |
| <b>FIXED ASSETS</b>                                            |       |                |                          |                  |                          |
| Tangible                                                       | 8     |                | 21,514,516               |                  | 20,962,028               |
| Investments                                                    | 9     |                | 3,229,973                |                  | 3,421,773                |
| Investment in subsidiary company                               | 10    |                | 2                        |                  | 2                        |
|                                                                |       |                | <u>24,744,491</u>        |                  | <u>24,383,803</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                |                          |                  |                          |
| Debtors                                                        | 12    | 404,739        |                          | 501,087          |                          |
| Cash at bank and in hand                                       |       | 267,016        |                          | 659,980          |                          |
|                                                                |       | <u>671,755</u> |                          | <u>1,161,067</u> |                          |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (3,944,406)    |                          | (5,166,632)      |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                | <u>(3,272,651)</u>       |                  | <u>(4,055,565)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                | 21,471,840               |                  | 20,378,238               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                | (7,146,667)              |                  | (7,131,954)              |
| <b>NET ASSETS</b>                                              |       |                | <u><u>14,325,173</u></u> |                  | <u><u>13,246,284</u></u> |
| <b>FUNDS</b>                                                   |       |                |                          |                  |                          |
| Unrestricted funds                                             | 19    |                | 13,420,683               |                  | 12,340,241               |
| Restricted funds                                               | 20    |                | 904,490                  |                  | 906,043                  |
|                                                                |       |                | <u><u>14,325,173</u></u> |                  | <u><u>13,246,284</u></u> |

The charitable company has taken exemption from presenting the charity statement of financial activities under section 408 of the Companies Act 2006. The net income of the charitable company for the year was £1,078,889 (2021: net expenditure £1,365,954).

The financial statements were approved and authorised for issue by the Board on 21 January 2023 and were signed below on its behalf by:

  
 Lieutenant General Richard Cripwell CB, CBE  
 Chairman

  
 Mr C Whiffin  
 Treasurer

The accompanying notes form part of these financial statements.

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

|                                                                                                | Note | 2022<br>£         | 2021<br>£         |
|------------------------------------------------------------------------------------------------|------|-------------------|-------------------|
| Net cash inflow from operating activities                                                      | A    | 728,984           | 574,590           |
| <b>Cash flows from investing activities</b>                                                    |      |                   |                   |
| Investment income received                                                                     |      | 101,689           | 106,529           |
| Capital grants from DFE/ESFA                                                                   |      | 263,122           | 518,135           |
| Purchase of fixed assets                                                                       |      | (1,171,806)       | (1,434,008)       |
| Purchase of investments                                                                        |      | (128,687)         | (169,314)         |
| Sale of investments                                                                            |      | 24,784            | 63,560            |
| Net cash outflow from investing activities                                                     |      | (910,898)         | (915,098)         |
| <b>Cash flow from financing activities</b>                                                     |      |                   |                   |
| Loan repayments                                                                                |      | (332,381)         | (133,333)         |
| New loan finance                                                                               |      | 334,713           | 1,090,351         |
| Interest paid                                                                                  |      | (291,509)         | (244,926)         |
| Net cash inflow from financing activities                                                      |      | (289,177)         | 712,092           |
| <b>Change in cash and cash equivalents in the year</b>                                         |      | <b>(471,091)</b>  | <b>371,584</b>    |
| Cash and cash equivalents at the beginning of the year                                         |      | 743,138           | 371,554           |
| Cash and cash equivalents at the end of the year                                               |      | <b>272,047</b>    | <b>743,138</b>    |
| <b>A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |      | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
| Net movement in funds for the year                                                             |      | 1,081,008         | (1,364,962)       |
| Depreciation                                                                                   |      | 585,164           | 1,311,759         |
| ESFA capital grants                                                                            |      | (238,513)         | 26,020            |
| Losses/(Gains) on investments                                                                  |      | 295,701           | (430,422)         |
| Decrease/(increase) in debtors                                                                 |      | 1,244,197         | 729,342           |
| (Decrease)/increase in creditors                                                               |      | (1,135,393)       | (193,544)         |
| Investment income receivable                                                                   |      | (101,689)         | (106,529)         |
| Finance Costs                                                                                  |      | 291,509           | 244,926           |
| Pension adjustment                                                                             |      | (1,293,000)       | 358,000           |
| Net cash inflow from operating activities                                                      |      | <b>728,984</b>    | <b>574,590</b>    |
| <b>B. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                                |      | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
| Cash at bank                                                                                   |      | 273,054           | 743,138           |
| Overdraft                                                                                      |      | (1,007)           | -                 |
|                                                                                                |      | <b>272,047</b>    | <b>743,138</b>    |

**THE GORDON FOUNDATION**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Gordon Foundation is a charitable company limited by guarantee, incorporated in England and Wales (company number: 00027272) and a charity registered in England and Wales (charity number: 312092). The Charity's registered office address is: The Gordon Foundation, Gordon's School, West End, Woking, Surrey, GU24 9PT.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (the FRS 102 Charities SORP) (effective from 1 January 2019) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

**Boarding Charge Debtor Policy**

Boarding Charges debts, in debtors, reflect outstanding debts for the boarding charges to 31 August 2022, whilst Boarding Charges in advance, in creditors, reflect cash received prior to 31 August for the autumn term 2022 boarding charges.

**Basis of Consolidation**

The consolidated financial statements incorporate those of The Gordon Foundation and all its subsidiaries. All financial statements are made up to 31 August 2022. All subsidiary undertakings have been included within the financial statements.

The entities are consolidated on a line by line basis and all intra-group transactions and balances between group companies are eliminated on consolidation.

**b) Going concern**

The financial statements are prepared under the going concern basis which assumes the Group will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The trustees have reviewed regularly revised budgets and cash flow forecasts based on various scenarios including the requirements of the bank loan covenants and are keeping the situation under constant review, meeting regularly with senior management.

Based on the information available on the date of signing these financial statements, the trustees cannot make a reliable estimate as to the ultimate financial impact, however they believe the actions taken have ensured the Group's ability to continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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c) **Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Judgment 1** – the present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- **Judgement 2** - a bad debt provision against potential future uncollectible boarding charges.

d) **Income**

All income included in the Statement of Financial Activities (SOFA) when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, and receipt is probable.

*Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

*Donations*

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of raising funds.

*Investment Income*

Investment income is accounted for when receivable and includes the related tax recoverable.

e) **Expenditure:**

Expenditure is accounted for on an accruals basis.

*Costs of raising funds*

Costs of raising funds comprise finance charges associated with interest payable on the Group's borrowings and costs associated with lettings.

*Charitable activities*

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs. Charitable activity costs represent costs directly associated with the provision of education and related support costs.

*Governance costs*

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Trading activities*

Costs of trading activities include costs directly associated with providing the services provided through trading.

f) **Leased Assets**

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

**THE GORDON FOUNDATION**

**STATEMENT OF ACCOUNTING POLICIES (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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**g) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets, other than freehold land, on the following methods at rates calculated to write off the assets over their estimated useful lives. The methods and rates are

|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| Freehold land and buildings | - | 2% - 4% per annum straight line |
| Machinery and equipment     | - | 20% per annum straight line     |
| Fixtures and fittings       | - | 20% per annum straight line     |
| Motor vehicles              | - | 20% per annum straight line     |

Buildings erected before the year 2000 are depreciated over 50 years, and newer buildings over 25 years.

**h) Investments**

Listed investments are stated at market value at the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**j) Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**k) Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**l) Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see notes 17 and 20).



## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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##### m) Pension Costs

Retirement benefit to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Foundation employees are part of a defined contribution workplace pension scheme with Salvus Master. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

|                                                     | Unrestricted<br>Funds<br>£ | 2022<br>Restricted<br>Funds<br>£ | Total<br>£        | 2021<br>Total<br>£ |
|-----------------------------------------------------|----------------------------|----------------------------------|-------------------|--------------------|
| <b>1. DONATIONS AND LEGACIES</b>                    |                            |                                  |                   |                    |
| Donations and gifts                                 | 91,975                     | -                                | 91,975            | 13,136             |
| Legacies                                            | -                          | -                                | -                 | -                  |
|                                                     | <u>91,975</u>              | <u>-</u>                         | <u>91,975</u>     | <u>13,136</u>      |
| <b>2. GRANTS</b>                                    |                            |                                  |                   |                    |
| Government grant - Coronavirus Job Retention Scheme | -                          | -                                | -                 | 159,157            |
| ESFA capital grants                                 |                            | 238,513                          | 238,513           |                    |
|                                                     | <u>-</u>                   | <u>238,513</u>                   | <u>238,513</u>    | <u>159,157</u>     |
| <b>3. INCOME FROM CHARITABLE ACTIVITIES</b>         |                            |                                  |                   |                    |
| Gross income from boarding charges                  | 10,757,313                 | 6,496                            | 10,763,809        | 8,912,188          |
| <b>Less:</b>                                        |                            |                                  |                   |                    |
| Bursaries                                           | (535,286)                  | -                                | (535,286)         | (431,590)          |
| Staff discounts                                     | (18,739)                   | -                                | (18,739)          | (15,405)           |
| Other discounts                                     | (16,702)                   | -                                | (16,702)          | (13,234)           |
|                                                     | <u>10,186,586</u>          | <u>6,496</u>                     | <u>10,193,082</u> | <u>8,451,959</u>   |
| Net income from boarding charges                    | 10,186,586                 | 6,496                            | 10,193,082        | 8,451,959          |
| Other operating income                              | 206,276                    | -                                | 206,276           | 240,304            |
| Funding for the Academy's educational operations    | -                          | 5,323,140                        | 5,323,140         | 5,109,004          |
|                                                     | <u>10,392,862</u>          | <u>5,329,636</u>                 | <u>15,722,498</u> | <u>13,801,267</u>  |
| <b>4. TRADING ACTIVITIES</b>                        |                            |                                  |                   |                    |
| Trading income                                      | 153,278                    | -                                | 153,278           | 41,822             |
|                                                     | <u>153,278</u>             | <u>-</u>                         | <u>153,278</u>    | <u>41,822</u>      |
| <b>5. INVESTMENT INCOME</b>                         |                            |                                  |                   |                    |
| Interest received                                   | -                          | -                                | -                 | 14                 |
| Dividends received                                  | 88,823                     | 12,866                           | 101,689           | 106,515            |
|                                                     | <u>88,823</u>              | <u>12,866</u>                    | <u>101,689</u>    | <u>106,529</u>     |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

6. EXPENDITURE

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2022<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 10,121,499        | -                | -                 | 10,121,499         |
| Teaching costs              | -                 | 529,173          | -                 | 529,173            |
| Welfare costs               | -                 | 1,908,141        | -                 | 1,908,141          |
| Premises costs              | -                 | 2,032,148        | 585,164           | 2,617,312          |
| Support costs               | -                 | 929,457          | -                 | 929,457            |
|                             | <u>10,121,499</u> | <u>5,398,919</u> | <u>585,164</u>    | <u>16,105,582</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 291,509          | -                 | 291,509            |
| Other costs                 | -                 | 2,261            | -                 | 2,261              |
| Trading costs               | -                 | 142,892          | -                 | 142,892            |
|                             | <u>10,121,499</u> | <u>5,835,581</u> | <u>585,164</u>    | <u>16,542,244</u>  |

EXPENDITURE (PRIOR YEAR)

|                             | Staff Costs<br>£ | Other<br>£       | Depreciation<br>£ | 2021<br>Total<br>£ |
|-----------------------------|------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                  |                  |                   |                    |
| Staff costs                 | 9,372,237        | -                | -                 | 9,372,237          |
| Teaching costs              | -                | 481,604          | -                 | 481,604            |
| Welfare costs               | -                | 1,612,039        | -                 | 1,612,039          |
| Premises costs              | -                | 1,978,962        | 1,311,759         | 3,290,721          |
| Support costs               | -                | 728,323          | -                 | 728,323            |
|                             | <u>9,372,237</u> | <u>4,800,928</u> | <u>1,311,759</u>  | <u>15,484,924</u>  |
| <b>Raising funds:</b>       |                  |                  |                   |                    |
| Finance costs               | -                | 244,926          | -                 | 244,926            |
| Other costs                 | -                | 762              | -                 | 762                |
| Trading costs               | -                | 12,683           | -                 | 12,683             |
|                             | <u>9,372,237</u> | <u>5,059,299</u> | <u>1,311,759</u>  | <u>15,743,295</u>  |

|                                                   | 2022<br>£ | 2021<br>£ |
|---------------------------------------------------|-----------|-----------|
| <b>Total expenditure includes:</b>                |           |           |
| Depreciation                                      | 585,164   | 1,311,759 |
| Operating lease payments recognised as an expense | 297,563   | 194,509   |
| Auditor's remuneration: - Audit fees              | 23,600    | 21,200    |
| - Other services                                  | 10,050    | 8,325     |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

7. STAFF COSTS

|                           | 2022<br>£         | 2021<br>£        |
|---------------------------|-------------------|------------------|
| Wages and salaries        | 7,838,181         | 7,345,031        |
| Social security costs     | 775,083           | 695,402          |
| Other pension costs       | 1,498,483         | 1,319,564        |
| Staff restructuring costs | 9,752             | 12,240           |
|                           | <u>10,121,499</u> | <u>9,372,237</u> |

|                                                           | 2022<br>No | 2021<br>No |
|-----------------------------------------------------------|------------|------------|
| The average number of employees in the year was:          |            |            |
| Teachers                                                  | 73         | 70         |
| Administration (including academic support & maintenance) | 214        | 176        |
|                                                           | <u>287</u> | <u>246</u> |

The number of higher paid staff during the year was as follows:

|                      |           |           |
|----------------------|-----------|-----------|
| £60,001 to £70,000   | 13        | 7         |
| £70,001 to £80,000   | 2         | 1         |
| £80,001 to £90,000   | 1         | 2         |
| £90,001 to £100,000  | 1         | 1         |
| £120,001 to £130,000 | 1         | 1         |
|                      | <u>18</u> | <u>12</u> |

No trustees received any remuneration or benefits-in-kind during the year (2021: £nil). No trustees received reimbursement of expenses in respect of travel and subsistence during the year (2021: £nil).

Pension contributions of £80,819 (2021: £89,313) were made to personal pension plans in respect of higher paid staff during the year.

The key management personnel of the group comprise the trustees, Head Teacher, Deputy Head Teachers, Bursar, Head of Finance, Assistant Bursar and Property Services Manager. The total remuneration of the key management personnel during the year was £693,800 (2021: £741,926).

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

8. FIXED ASSETS – GROUP AND CHARITY

|                          | Freehold<br>Land &<br>Buildings<br>£ | Machinery &<br>Equipment<br>£ | Fixtures<br>&<br>Fittings<br>£ | Assets under<br>Construction<br>£ | Total<br>Charity<br>£ | Academy<br>Trust<br>£ | Total<br>Group<br>£ |
|--------------------------|--------------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------|-----------------------|---------------------|
| <b>COST</b>              |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2021      | 26,175,265                           | 1,022,155                     | 817,218                        | 154,822                           | 28,169,460            | 1,071,402             | 29,240,862          |
| Additions                | 303,453                              | 128,951                       | 162,500                        | 455,355                           | 1,050,259             | 121,547               | 1,171,806           |
| Reclassification         | 154,822                              | -                             | -                              | (154,822)                         |                       |                       |                     |
| <b>At 31 August 2022</b> | <b>26,633,540</b>                    | <b>1,151,106</b>              | <b>979,718</b>                 | <b>455,355</b>                    | <b>29,219,719</b>     | <b>1,192,949</b>      | <b>30,412,668</b>   |
| <b>DEPRECIATION</b>      |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2021      | 5,671,885                            | 815,952                       | 719,595                        | -                                 | 7,207,432             | 863,418               | 8,070,850           |
| Charge for the year      | 316,986                              | 97,266                        | 83,519                         | -                                 | 497,771               | 87,393                | 585,164             |
| <b>At 31 August 2022</b> | <b>5,988,871</b>                     | <b>913,218</b>                | <b>803,114</b>                 | <b>-</b>                          | <b>7,705,203</b>      | <b>950,811</b>        | <b>8,656,014</b>    |
| <b>NET BOOK VALUE</b>    |                                      |                               |                                |                                   |                       |                       |                     |
| <b>At 31 August 2022</b> | <b>20,644,669</b>                    | <b>237,888</b>                | <b>176,604</b>                 | <b>455,355</b>                    | <b>21,514,516</b>     | <b>242,138</b>        | <b>21,756,654</b>   |
| <b>At 31 August 2021</b> | <b>20,503,380</b>                    | <b>206,203</b>                | <b>97,623</b>                  | <b>154,822</b>                    | <b>20,962,028</b>     | <b>207,984</b>        | <b>21,170,012</b>   |

9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY

|                                                            | 2022<br>£        | 2021<br>£        |
|------------------------------------------------------------|------------------|------------------|
| Balance at 1 September 2021 (excluding cash deposits)      | 3,367,891        | 2,852,799        |
| Additions                                                  | 66,116           | 169,314          |
| Disposals at opening market value                          | (24,784)         | (84,644)         |
| Realised and unrealised (losses)/gains                     | (295,701)        | 430,422          |
| <b>Balance at 31 August 2022 (excluding cash deposits)</b> | <b>3,113,522</b> | <b>3,367,891</b> |
| Cash deposits                                              | 116,451          | 53,882           |
| <b>Balance at 31 August 2022</b>                           | <b>3,229,973</b> | <b>3,421,773</b> |

Class of investments is split as follow:

|                                  | 2022<br>£        |
|----------------------------------|------------------|
| Cash or cash equivalents         | 116,451          |
| Equities                         | 2,967,159        |
| Alternative investments          | 95,994           |
| Fixed interest                   | 50,369           |
| <b>Balance at 31 August 2022</b> | <b>3,229,973</b> |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY**

Shares in  
group  
undertakings  
£  
**2**

Balance at 1 September 2021 and 31 August 2022

Details of the charitable company's subsidiaries at 31 August are as follows:

**(i) Gordon's School Academy Trust** is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT. On the basis that The Gordon Foundation is member of the Gordon's School Academy Trust and has significant influence over the entity, Gordon's School Academy Trust has been included within the consolidated financial statements.

**Academy results:**

|                                                     | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| <b><u>SOFA</u></b>                                  |                             |                             |
| Total Income                                        | 6,354,947                   | 7,789,953                   |
| Total Expenditure                                   | (7,963,829)                 | (7,614,961)                 |
| Net income/(expenditure)                            | (1,608,882)                 | 174,992                     |
| Other recognised gains and losses                   |                             |                             |
| Actuarial(losses) on defined benefit pension scheme | 1,611,000                   | (174,000)                   |
| Net movement in funds                               | 2,118                       | 992                         |
| Total funds brought forward at 1 September 2021     | 21,108                      | 20,116                      |
| Total funds carried forward at 31 August 2022       | 23,226                      | 21,108                      |
| <b><u>Balance Sheet</u></b>                         |                             |                             |
| Fixed Assets                                        | 242,138                     | 207,984                     |
| Current Assets                                      | 1,404,279                   | 2,622,926                   |
| Current Liabilities                                 | (945,099)                   | (826,329)                   |
| Creditors falling due after more than one year      | (68,092)                    | (80,473)                    |
| LGPS Pension Scheme Liabilities                     | (610,000)                   | (1,903,000)                 |
| Total Funds                                         | 23,226                      | 21,108                      |

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

(ii) The Foundation holds 100% of the share capital of **The Gordon Enterprises UK Limited** (company number: 04104254, registered in England and Wales, registered office: Bagshot Road, West End, Surrey, G24 9PT), whose principal activities are letting the buildings and grounds of Gordon's School and selling memorabilia. A summary of the profit and loss account and the balance sheet from the audited financial statements is set out below:

|                                       | 2022<br>£     | 2021<br>£     |
|---------------------------------------|---------------|---------------|
| <b><u>Profit and Loss Account</u></b> |               |               |
| Turnover                              | 145,193       | 39,695        |
| Costs                                 | (142,892)     | (12,683)      |
| Profit for the year                   | 2,301         | 27,012        |
| Donation to The Gordon Foundation     | (2,301)       | (27,012)      |
| Retained Profit for the Year          | <u>£Nil</u>   | <u>£Nil</u>   |
| <b><u>Balance Sheet</u></b>           |               |               |
| Net Current Assets                    | 13,587        | 13,587        |
| Retained Profits                      | 13,585        | 13,585        |
| Share capital                         | 2             | 2             |
| Total equity                          | <u>13,587</u> | <u>13,587</u> |

#### 12. DEBTORS

|                              | Group<br>2022<br>£ | Group<br>2021<br>£ | Charity<br>2022<br>£ | Charity<br>2021<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| Boarding charge debtors      | 228,309            | 178,448            | 228,309              | 178,448              |
| Sundry debtors               | 21,137             | 3,639              | 2                    | 111                  |
| Amount owing to subsidiaries | -                  | -                  | 8,656                | 39,994               |
| Prepayments                  | 206,979            | 168,384            | 32,284               | 55,937               |
| VAT reclaim                  | 225,624            | 302,959            | 135,488              | 226,597              |
| Accrued income               | 98,007             | 122,616            | -                    | -                    |
|                              | <u>780,056</u>     | <u>776,046</u>     | <u>404,739</u>       | <u>501,087</u>       |

#### 13. CREDITORS: amounts falling due within one year

|                                                | Group<br>2022<br>£ | Group<br>2021<br>£ | Charity<br>2022<br>£ | Charity<br>2021<br>£ |
|------------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Loans and overdraft                            | 333,387            | 332,380            | 320,000              | 320,000              |
| Trade creditors                                | 1,291,467          | 1,384,102          | 900,111              | 975,834              |
| Boarding charges in advance and pupil deposits | 648,739            | 849,028            | 648,739              | 849,028              |
| Taxation and social security                   | 186,209            | 180,390            | 49,074               | 50,563               |
| Other creditors                                | 665,149            | 792,436            | 303,123              | 555,356              |
| Amount owing to subsidiaries                   | -                  | -                  | 1,041,325            | 2,282,802            |
| Accruals and deferred income                   | 728,040            | 176,227            | 682,034              | 133,049              |
|                                                | <u>3,852,991</u>   | <u>3,714,563</u>   | <u>3,944,406</u>     | <u>5,166,632</u>     |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

| <b>14. CREDITORS: amounts falling due after more than one year</b> | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Charity<br/>2022<br/>£</b> | <b>Charity<br/>2021<br/>£</b> |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loan                                                          | 7,214,759                   | 7,212,427                   | 7,146,667                     | 7,131,954                     |
| Other loan                                                         | -                           | -                           | -                             | -                             |
|                                                                    | <b>7,214,759</b>            | <b>7,212,427</b>            | <b>7,146,667</b>              | <b>7,131,954</b>              |
| <b>Analysis of loans:</b>                                          |                             |                             |                               |                               |
| Between one and two years                                          | 332,380                     | 332,380                     | 320,000                       | 320,000                       |
| Between two and five years                                         | 997,141                     | 997,141                     | 960,000                       | 960,000                       |
| After five years                                                   | 5,885,238                   | 5,882,906                   | 5,866,667                     | 5,851,954                     |
|                                                                    | <b>7,214,759</b>            | <b>7,212,427</b>            | <b>7,146,667</b>              | <b>7,131,954</b>              |
| <br>Due within one year                                            | <br>332,380                 | <br>332,380                 | <br>320,000                   | <br>320,000                   |
|                                                                    | <b>7,547,139</b>            | <b>7,544,807</b>            | <b>7,466,667</b>              | <b>7,451,594</b>              |

At the year end, The Gordon Foundation had two long term loans. Both loans are secured by legal first charges over freehold land and buildings of The Gordon Foundation.

The first bank loan of £2,000,000 was taken out in December 2018 and is due for repayment by instalments by January 2044. Interest accrues on this loan at 3.8%. and interest payments are made quarterly. Capital repayments commenced in January 2020.

The second bank loan facility of £6,000,000 was taken out in December 2019 to fund construction of a new sports facility and all weather pitch. A sum of £5,680,000 was outstanding at 31 August 2022 and the capital will be repaid by instalments until January 2046. Interest accrues on this loan at a rate of 2.1% plus the Bank of England base interest rate. Interest payments are made monthly and capital repayments commenced in April 2021.



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**15. LEASE COMMITMENTS**

At 31 August 2022 the total of future minimum lease payments under non-cancellable operating leases were:

|                            | 2022<br>£      | 2021<br>£      |
|----------------------------|----------------|----------------|
| <b>Leases expiring:</b>    |                |                |
| Within one year            | 283,024        | 225,089        |
| Between two and five years | 248,499        | 238,105        |
| More than five years       | -              | -              |
|                            | <u>531,523</u> | <u>463,194</u> |

**16. UNRESTRICTED FUNDS**

|                        | 1 September<br>2021<br>£ | Income<br>£       | Expenditure<br>£    | Investment<br>(Losses)<br>£ | Transfers<br>£ | 31 August<br>2022<br>£ |
|------------------------|--------------------------|-------------------|---------------------|-----------------------------|----------------|------------------------|
| Designated - Eyre Fund | 50,651                   | -                 | -                   | -                           | -              | 50,651                 |
| General Fund           | 13,865,947               | 10,726,938        | (10,782,634)        | (274,786)                   | -              | 13,535,465             |
|                        | <u>13,916,598</u>        | <u>10,726,938</u> | <u>(10,782,634)</u> | <u>(274,786)</u>            | <u>-</u>       | <u>13,586,116</u>      |

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | 1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£  | Investment<br>Gains<br>£ | Transfers<br>£ | 31 August<br>2021<br>£ |
|------------------------|--------------------------|------------------|-------------------|--------------------------|----------------|------------------------|
| Designated - Eyre Fund | 51,743                   | -                | (1,092)           | -                        | -              | 50,651                 |
| General Fund           | 14,612,881               | 8,965,620        | (10,106,573)      | 394,019                  | -              | 13,865,947             |
|                        | <u>14,664,624</u>        | <u>8,965,620</u> | <u>10,107,665</u> | <u>394,019</u>           | <u>-</u>       | <u>13,916,598</u>      |

The Designated Eyre Fund represents the balance on an unrestricted donation which is used to help finance music lessons.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**17. RESTRICTED FUNDS**

|                                | Balance at<br>1 September<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2022<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds:</b>         |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation Special fund | 434,815                                | 12,866           | -                  | (20,915)                          | -              | 426,766                              |
| Stepping Forward Appeal        | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund                     | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries                      | 89,398                                 | 6,496            | -                  | -                                 | -              | 95,894                               |
| DfCSF (DfE) fund               | 153,354                                | 5,323,140        | (5,354,217)        | -                                 | (91,891)       | 30,386                               |
| Other restricted funds         | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund           | 207,984                                | 238,513          | (87,393)           | -                                 | 91,891         | 450,995                              |
|                                | <u>1,267,381</u>                       | <u>5,581,015</u> | <u>(5,441,610)</u> | <u>(20,915)</u>                   | <u>-</u>       | <u>1,385,871</u>                     |
| <b>Pension reserve</b>         | <u>(1,903,000)</u>                     | <u>-</u>         | <u>(318,000)</u>   | <u>1,611,000</u>                  | <u>-</u>       | <u>(610,000)</u>                     |

**RESTRICTED FUNDS  
(PRIOR YEAR)**

|                                | Balance at<br>1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2021<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds</b>          |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation Special fund | 387,606                                | 10,806           | -                  | 36,403                            | -              | 434,815                              |
| Stepping Forward Appeal fund   | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund                     | 2,160                                  | -                | (420)              | -                                 | -              | 1,740                                |
| Bursaries                      | 52,917                                 | 36,481           | -                  | -                                 | -              | 89,398                               |
| DfCSF (DfE) fund               | 517,331                                | 5,109,004        | (5,322,332)        | -                                 | (150,649)      | 153,354                              |
| Other restricted funds         | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund           | 186,213                                | -                | (128,878)          | -                                 | 150,649        | 207,984                              |
|                                | <u>1,526,317</u>                       | <u>5,156,291</u> | <u>(5,451,630)</u> | <u>36,403</u>                     | <u>-</u>       | <u>1,267,381</u>                     |
| <b>Pension reserve</b>         | <u>(1,545,000)</u>                     | <u>-</u>         | <u>(184,000)</u>   | <u>(174,000)</u>                  | <u>-</u>       | <u>(1,903,000)</u>                   |

**Gordon Foundation Special Fund** – this fund represents the balance of assets transferred by several connected charities on 1 April 1996.

**Stepping Forward Appeal Fund** - this fund reflects an appeal to enhance performing arts facilities at Gordon's School.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**17. RESTRICTED FUNDS (Continued)**

**DfCSF (DfE) Fund & DfE Fixed Asset fund** – these funds reflect monies received from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of assisting with the general academy running costs and building projects.

**Other restricted funds** represent other specific donations to fund activities of the Foundation.

**Pension Reserve** – this fund represents the share of the pension deficit borne by the subsidiary, Gordon's School Academy Trust, in the Local Government Pension Scheme. Further detail is given in note 21 below.

**18. ALLOCATION OF THE GROUP NET ASSETS**

|                              | Investments      | Tangible Assets   | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total                    |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|--------------------------|
|                              | £                | £                 | £                                | £                              | £                        |
| Restricted – Specific        | 269,945          | 242,138           | 873,788                          | -                              | <b>1,385,871</b>         |
| Restricted – Pension reserve | -                | -                 | -                                | (610,000)                      | <b>(610,000)</b>         |
| Unrestricted                 | 2,960,028        | 21,514,516        | (3,673,669)                      | (7,214,759)                    | <b>13,586,116</b>        |
|                              | <u>3,229,973</u> | <u>21,756,654</u> | <u>(2,799,881)</u>               | <u>(7,824,759)</u>             | <u><b>14,361,987</b></u> |

**ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)**

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total                    |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|--------------------------|
|                              | £                | £                 | £                                | £                              | £                        |
| Restricted – Specific        | 275,553          | 207,984           | 783,844                          | -                              | <b>1,267,381</b>         |
| Restricted – Pension reserve | -                | -                 | -                                | (1,903,000)                    | <b>(1,903,000)</b>       |
| Unrestricted                 | 3,146,220        | 20,962,028        | (2,979,223)                      | (7,212,427)                    | <b>13,916,598</b>        |
|                              | <u>3,421,773</u> | <u>21,170,012</u> | <u>(2,195,379)</u>               | <u>(9,115,427)</u>             | <u><b>13,280,979</b></u> |

**19. CHARITY UNRESTRICTED FUNDS**

**UNRESTRICTED FUNDS**

|                        | Balance at 1 September 2021 | Income            | Expenditure        | Investment Gains/(losses) | Transfers | Balance at 31 August 2022 |
|------------------------|-----------------------------|-------------------|--------------------|---------------------------|-----------|---------------------------|
|                        | £                           | £                 | £                  | £                         | £         | £                         |
| Designated - Eyre Fund | 50,651                      | -                 | -                  | -                         | -         | 50,651                    |
| General Fund           | 12,289,590                  | 10,575,961        | (9,220,733)        | (274,786)                 | -         | 13,370,032                |
|                        | <u>12,340,241</u>           | <u>10,575,961</u> | <u>(9,220,733)</u> | <u>(274,786)</u>          | <u>-</u>  | <u><b>13,420,683</b></u>  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**19. CHARITY UNRESTRICTED FUNDS (Continued)**

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2020 | Income           | Expenditure         | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2021 |
|------------------------|-----------------------------------|------------------|---------------------|------------------------------|-----------|---------------------------------|
|                        | £                                 | £                | £                   | £                            | £         | £                               |
| Designated - Eyre Fund | 51,743                            | -                | (1,092)             | -                            | -         | 50,651                          |
| General Fund           | 13,737,722                        | 8,950,810        | (10,792,961)        | 394,019                      | -         | 12,289,590                      |
|                        | <u>13,789,465</u>                 | <u>8,950,810</u> | <u>(10,794,053)</u> | <u>394,019</u>               | <u>-</u>  | <u>12,340,241</u>               |

**20. CHARITY RESTRICTED FUNDS**

|                                   | Balance at<br>1 September<br>2021 | Income        | Expenditure | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2022 |
|-----------------------------------|-----------------------------------|---------------|-------------|------------------------------|-----------|---------------------------------|
|                                   | £                                 | £             | £           | £                            | £         | £                               |
| Gordon Foundation<br>Special fund | 434,815                           | 12,866        | -           | (20,915)                     | -         | 426,766                         |
| Stepping Forward Appeal           | 300,686                           | -             | -           | -                            | -         | 300,686                         |
| Camel fund                        | -                                 | -             | -           | -                            | -         | -                               |
| Piano fund                        | 1,740                             | -             | -           | -                            | -         | 1,740                           |
| Bursaries                         | 89,398                            | 6,496         | -           | -                            | -         | 95,894                          |
| DfCSF (DfE) funds                 | -                                 | -             | -           | -                            | -         | -                               |
| Other restricted funds            | 79,404                            | -             | -           | -                            | -         | 79,404                          |
|                                   | <u>906,043</u>                    | <u>19,362</u> | <u>-</u>    | <u>(20,915)</u>              | <u>-</u>  | <u>904,490</u>                  |

**CHARITY RESTRICTED FUNDS (PRIOR YEAR)**

|                                   | Balance at<br>1 September<br>2020 | Income        | Expenditure  | Investment<br>Gains | Transfers | Balance at<br>31 August<br>2021 |
|-----------------------------------|-----------------------------------|---------------|--------------|---------------------|-----------|---------------------------------|
|                                   | £                                 | £             | £            | £                   | £         | £                               |
| Gordon Foundation<br>Special fund | 387,606                           | 10,806        | -            | 36,403              | -         | 434,815                         |
| Stepping Forward<br>Appeal        | 300,686                           | -             | -            | -                   | -         | 300,686                         |
| Camel fund                        | -                                 | -             | -            | -                   | -         | -                               |
| Piano fund                        | 2,160                             | -             | (420)        | -                   | -         | 1,740                           |
| Bursaries                         | 52,917                            | 36,481        | -            | -                   | -         | 89,398                          |
| DfCSF (DfE) funds                 | -                                 | -             | -            | -                   | -         | -                               |
| Other restricted funds            | 79,404                            | -             | -            | -                   | -         | 79,404                          |
|                                   | <u>822,773</u>                    | <u>42,287</u> | <u>(420)</u> | <u>36,403</u>       | <u>-</u>  | <u>906,043</u>                  |

## THE GORDON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £356,527 were payable to the schemes at 31 August 2022 (2021: £231,680) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £889,176 (2021: £867,713).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Total contributions made**

|                          | <b>2022</b> | <b>2021</b> |
|--------------------------|-------------|-------------|
|                          | <b>£</b>    | <b>£</b>    |
| Employer's contributions | 158,000     | 141,000     |
| Employees' contributions | 42,000      | 37,000      |
|                          | <hr/>       | <hr/>       |
| Total contributions      | 200,000     | 178,000     |
|                          | <hr/>       | <hr/>       |

**Principal actuarial assumptions**

|                                                    | <b>2022</b> | <b>2021</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 4.10        | 3.80        |
| Rate of increase for pensions in payment/inflation | 3.20        | 2.90        |
| Discount rate for scheme liabilities               | 4.25        | 1.65        |
|                                                    | <hr/>       | <hr/>       |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                      | <b>2022</b>  | <b>2021</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| - Males              | 22.1         | 22.3         |
| - Females            | 24.5         | 24.7         |
| Retiring in 20 years |              |              |
| - Males              | 23.1         | 23.4         |
| - Females            | 26.2         | 26.4         |
|                      | <hr/>        | <hr/>        |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | <b>2022</b> | <b>2021</b> |
|-------------------------------|-------------|-------------|
|                               | <b>£</b>    | <b>£</b>    |
| Discount rate + 0.1%          | (57,000)    | (84,000)    |
| Discount rate - 0.1%          | 57,000      | 84,000      |
| Mortality assumption + 1 year | 105,000     | 154,000     |
| Mortality assumption - 1 year | (105,000)   | (154,000)   |
| CPI rate + 0.1%               | 56,000      | 80,000      |
| CPI rate - 0.1%               | (56,000)    | (80,000)    |

**Defined benefit pension scheme net liability**

|                    | <b>2022</b> | <b>2021</b> |
|--------------------|-------------|-------------|
|                    | <b>£</b>    | <b>£</b>    |
| Scheme assets      | 2,004,000   | 1,942,000   |
| Scheme obligations | (2,614,000) | (3,845,000) |
| Net liability      | (610,000)   | (1,903,000) |

**The academy trust's share of the assets in the scheme**

|          | <b>2022</b>       | <b>2021</b>       |
|----------|-------------------|-------------------|
|          | <b>Fair value</b> | <b>Fair value</b> |
|          | <b>£</b>          | <b>£</b>          |
| Equities | 1,523,000         | 1,456,000         |
| Bonds    | 281,000           | 311,000           |
| Cash     | 40,000            | 39,000            |
| Property | 160,000           | 136,000           |
|          | 2,004,000         | 1,942,000         |

The actual return on scheme assets was a loss of £100,000 (2021: loss of £343,000).

**Amount recognised in the Statement of Financial Activities**

|                                                               | <b>2022</b> | <b>2021</b> |
|---------------------------------------------------------------|-------------|-------------|
|                                                               | <b>£</b>    | <b>£</b>    |
| Current service cost                                          | 442,000     | 298,000     |
| Interest income                                               | (33,000)    | (26,000)    |
| Interest cost                                                 | 67,000      | 53,000      |
| Benefit changes, curtailments and settlements gains or losses | -           | -           |
| Total operating charge                                        | 476,000     | 325,000     |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

| <b>Changes in the present value of defined benefit obligations</b>             | <b>2022</b>      | <b>2021</b>      |
|--------------------------------------------------------------------------------|------------------|------------------|
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2021                                                            | 3,845,000        | 2,993,000        |
| Current service cost                                                           | 442,000          | 298,000          |
| Interest cost                                                                  | 67,000           | 53,000           |
| Employee contributions                                                         | 42,000           | 37,000           |
| Actuarial loss                                                                 | (1,744,000)      | 491,000          |
| Benefits paid                                                                  | (38,000)         | (27,000)         |
|                                                                                | <u>2,614,000</u> | <u>3,845,000</u> |
| At 31 August 2022                                                              |                  |                  |
|                                                                                | <u>2,614,000</u> | <u>3,845,000</u> |
| <b>Changes in the fair value of the academy trust's share of scheme assets</b> |                  |                  |
|                                                                                | <b>2022</b>      | <b>2021</b>      |
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2021                                                            | 1,942,000        | 1,448,000        |
| Interest income                                                                | 33,000           | 26,000           |
| Actuarial loss/(gain)                                                          | (133,000)        | 317,000          |
| Employer contributions                                                         | 158,000          | 141,000          |
| Employee contributions                                                         | 42,000           | 37,000           |
| Benefits paid                                                                  | (38,000)         | (27,000)         |
|                                                                                | <u>2,004,000</u> | <u>1,942,000</u> |
| At 31 August 2022                                                              |                  |                  |
|                                                                                | <u>2,004,000</u> | <u>1,942,000</u> |

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £166,848 (2021: £153,705) and there were no contributions payable to the scheme at 31 August 2022 (2021: £19,716).

**22. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period (2021: None).



THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2021

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 13,136                     | -                        | 13,136             | 92,300             |
| Grants                                                      | 2      | 159,157                    | -                        | 159,157            | 462,520            |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 8,415,478                  | 36,481                   | 8,451,959          | 7,092,768          |
| Other operating income                                      | 3      | 240,304                    | -                        | 240,304            | 215,851            |
| Funding for the Academy's educational operations            | 3      | -                          | 5,109,004                | 5,109,004          | 5,186,906          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 41,822                     | -                        | 41,822             | 21,901             |
| <b>Investment income</b>                                    | 5      | 95,723                     | 10,806                   | 106,529            | 78,075             |
| <b>Total income</b>                                         |        | <b>8,965,620</b>           | <b>5,156,291</b>         | <b>14,121,911</b>  | <b>13,150,321</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 5,489,150                  | 3,883,087                | 9,372,237          | 8,678,783          |
| Educational costs                                           |        | -                          | 481,604                  | 481,604            | 534,952            |
| Welfare costs                                               |        | 1,611,619                  | 420                      | 1,612,039          | 1,219,652          |
| Premises costs                                              |        | 2,344,105                  | 946,616                  | 3,290,721          | 2,603,511          |
| Support costs                                               |        | 404,420                    | 323,903                  | 728,323            | 591,318            |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 244,926                    | -                        | 244,926            | 105,680            |
| Investment management                                       |        | 762                        | -                        | 762                | 54,714             |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 12,683                     | -                        | 12,683             | 2,803              |
| <b>Total expenditure</b>                                    | 6      | <b>10,107,665</b>          | <b>5,635,630</b>         | <b>15,743,295</b>  | <b>13,791,413</b>  |
| <b>Net income/(expenditure)</b>                             |        | <b>(1,142,045)</b>         | <b>(479,339)</b>         | <b>(1,621,384)</b> | <b>(641,092)</b>   |
| Gross transfers between funds                               | 17     | -                          | -                        | -                  | -                  |
| <b>Other recognised gains and losses</b>                    |        | <b>(1,142,045)</b>         | <b>(479,339)</b>         | <b>(1,621,384)</b> | <b>(641,092)</b>   |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | (174,000)                | (174,000)          | (541,000)          |
| Net gains/(losses) on investments                           | 9      | 394,019                    | 36,403                   | 430,422            | (28,942)           |
| <b>Net movement in funds for the year</b>                   |        | <b>(748,026)</b>           | <b>(616,936)</b>         | <b>(1,364,962)</b> | <b>(1,211,034)</b> |
| <b>Fund balances brought forward at 1 September 2020</b>    | 16, 17 | <b>14,664,624</b>          | <b>(18,683)</b>          | <b>14,645,941</b>  | <b>15,856,975</b>  |
| <b>Fund balances carried forward at 31 August 2021</b>      | 16, 17 | <b>13,916,598</b>          | <b>(635,619)</b>         | <b>13,280,979</b>  | <b>14,645,941</b>  |

All of the charitable group's activities are continuing.

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

**THE GORDON FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2022**

Company Number 00027272  
Charity Number 312092

## THE GORDON FOUNDATION

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## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION

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|                        |                                                                                      |
|------------------------|--------------------------------------------------------------------------------------|
| <b>Patron</b>          | HM The Queen                                                                         |
| <b>Vice Presidents</b> | The Lord Mayor of London<br>The Lord Lieutenant of Surrey<br>The Bishop of Guildford |
| <b>Ambassadors</b>     | Mr P Talbot<br>Mr M Hawkesworth<br>Mr P Wynter Bee                                   |

#### Foundation Committee (The Board)

|                                             |                                 |
|---------------------------------------------|---------------------------------|
| General Sir Peter Wall GCB CBE              | Chairman (Resigned 1 May 2022)  |
| Lieutenant General Richard Cripwell CB, CBE | Chairman (Appointed 1 May 2022) |
| Mr R Whittington DL <sup>1,2,4,5,8</sup>    | Vice Chairman                   |
| Mr C Whiffin <sup>1,2,8</sup>               | Treasurer                       |
| Mrs J Valner <sup>1,2,3,4,5,7</sup>         | Chair of Governors              |
| Lord Lingfield                              | Resigned 21 January 2023        |
| Mr W Eason <sup>1,2,3,4,5,8</sup>           | Resigned 21 January 2023        |
| Ms A MacLennan <sup>6</sup>                 | Resigned 21 January 2023        |
| Mr T Gordon                                 |                                 |
| Mrs L Bannister <sup>3,7,9</sup>            |                                 |
| Mr C Lomas                                  | Resigned 16 June 2022           |
| Mr M Barnes <sup>1,2,8,9</sup>              |                                 |
| Mrs A Stephens <sup>1</sup>                 |                                 |
| Major General A Fay CB                      |                                 |
| Mrs D McKenzie <sup>5</sup>                 |                                 |
| Mrs S Hounsham <sup>6,7</sup>               |                                 |
| Mr P Jones <sup>1,2</sup>                   |                                 |
| Mr S Azeem DL                               |                                 |
| Ms Neelam Devasher DL <sup>4,9</sup>        | Appointed 22 January 2022       |
| Brigadier J Mullin <sup>7</sup>             | Appointed 22 January 2022       |
| Ms J Kruger                                 | Appointed 21 January 2023       |

#### Head Teacher

Mr A Moss

#### Foundation and Company Secretary

Mrs S M Meikle

#### Committee Membership

- Member of the Foundation Development Committee = 1
- Member of the Joint Finance & Estates Committee = 2
- Member of the Investment Panel = 3
- Member of the Awards Panel = 4
- Member of the Governance Committee = 5
- Member of the Fundraising & Enterprises Committee = 6
- Governor of Gordon's School = 7
- Member of the Risk & Audit Committee = 8
- Member of the Performance Management & Salaries Committee = 9

## **THE GORDON FOUNDATION**

### **LEGAL AND ADMINISTRATIVE INFORMATION (continued)**

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#### **ADVISERS**

|                             |                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------|
| <b>Bankers:</b>             | Bank of Scotland<br>38 Threadneedle Street<br>London EC2P 2HL                    |
| <b>Auditors:</b>            | Alliotts LLP<br>Friary Court<br>13-21 High Street<br>Guildford<br>Surrey GU1 3DL |
| <b>Investment Managers:</b> | Quilter Cheviot<br>Senator House<br>85 Queen Victoria Street<br>London EC4V 4AB  |
| <b>Legal Advisers:</b>      | Moore Barlow LLP<br>The Oriel<br>Guildford<br>Surrey GU1 3SR                     |

#### **STATUS AND ADMINISTRATION**

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| <b>Registered Office:</b> | The Gordon Foundation<br>Gordon's School<br>West End<br>Woking<br>Surrey GU24 9PT |
|---------------------------|-----------------------------------------------------------------------------------|

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Gordon Foundation is a company limited by guarantee (Company No 00027272), its registered office being at Gordon's School, West End, Woking, Surrey, GU24 9PT. The company is a charity for educational purposes (registered charity No 312092).

Management of the charity is vested in the Foundation Committee, who are directors and members for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP 2015 (FRS 102). Foundation Committee members are required to retire from office every third year from the date of election but are eligible for re-election for a maximum of three terms. The Foundation Committee has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Foundation Secretary.

The charity was founded at the express wish of Queen Victoria as the national memorial to General Gordon who was killed in Khartoum in 1885. The Gordon Foundation owns, freehold, the land and buildings formerly known as the Gordon Boys' Home which was changed to The Gordon's Boys' Home in 1943, started to accept girls and day boarders from 1990 and is now known as Gordon's School.

The majority of the Governors of Gordon's School, a State Boarding School with Academy status, are either trustees of or are appointed by The Gordon Foundation.

Following a decision made in 2019 to increase the number of (ex-officio) Vice Presidents, a recommendation to introduce the position of Ambassador was approved. Ambassadors, a seven-year appointment, are former trustees of seniority or long service who have continued interest in supporting the Foundation's work. Paul Talbot, Gordonian and former trustee of over 30 years' service, and Mark Hawkesworth, former Treasurer, accepted the invitation to be the first Ambassadors for The Gordon Foundation while Peter Wynter Bee who retired in 2021 after 21 years' service to Gordon's as trustee and for eight years a School Governor, accepted the Committee's invitation to continue his links as a Gordon's Ambassador.

After seven years as the Foundation's Chairman, General Sir Peter Wall retired and was succeeded by Royal Engineer, Lieutenant General Richard Cripwell. The Foundation and School are grateful to Sir Peter for his leadership, particularly during the challenges of the Covid Pandemic and school lockdowns.

The Wider Leadership Team controls the running of the Foundation and School at an executive level and implements the policies and decisions of the trustees and governors through agreed schemes of delegation. Key management personnel are defined as the Head Teacher, Deputy Heads (Curriculum and Pastoral), Bursar, Head of Sixth Form, Assistant Heads and senior Foundation support services managers. A review of Governance was commissioned during Summer 2021. This identified many strengths in governance arrangements and some areas for improvement including consideration of the size of the Foundation Committee, decision-making procedures and succession planning.

##### **Arrangements for setting pay and remuneration of key management personnel**

The Wider Leadership Team is paid on the Leadership pay scale which broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Leaders must demonstrate sustained performance in respect to their performance objectives; non-teaching leadership salaries are benchmarked against local market conditions. The Performance Management and Salaries Committee awards one incremental point on the Gordon's Pay Scale where performance objectives are met and where there is a sustained high quality of overall performance.

##### **Policies and Procedures adopted for the Induction and Training of Trustees**

Prospective trustees are invited to Gordon's School prior to their appointment to meet with the Foundation Secretary, Head Teacher and at least two trustees who make their report to the next meeting of the Governance Committee. A schedule of trustees with their qualifications and experience is maintained, cross-referenced against the business requirements of the Foundation, which assists in the selection of new trustees.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

Once appointed, new trustees follow an induction which includes an explanation of their role as trustee, the company and the relationship between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All trustees are encouraged to attend professional training courses, take online courses for trustees and are provided with joint briefings at least once each year.

#### OBJECT AND OBJECTIVES

##### General

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for 945 residential and day boarding students aged 11-18 years. The School changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education and Skills Funding Agency pays the cost of teaching and learning, delivery of the national curriculum and some classroom facilities. In addition to managing the estate and buildings, The Gordon Foundation provides support services to the School and in particular runs the boarding operation for the day, weekly and full boarding students and the extensive co-curricular programmes. For families who require financial assistance with boarding charges, The Gordon Foundation is able to provide means-tested bursaries.

The Gordon Enterprises UK Ltd, a subsidiary of The Gordon Foundation, oversees management of and hire of the Gordon's Sports Hub, letting of the school facilities when not required by the School and other opportunities for non-boarding revenue generation. Proceeds from such activities are gift-aided to The Gordon Foundation, designated to the bursary funds.

##### Vision

Our long-term vision is a family of Gordon Foundation schools where students, particularly those from disadvantaged backgrounds, benefit from a Gordon's education. An education recognised as amongst the finest in the world for the calibre of young people we develop, the progress they make and the difference they make to the lives of others.

##### Object

The object of The Gordon Foundation is to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need, with a view to preparing them for education or for earning their livelihood, such object being in continuation of the work of the unincorporated institution known as the Gordon Boys' Home, established in July 1885 as the National Memorial to General Gordon.

##### Objectives

Whilst the main objective of The Gordon Foundation is support for Gordon's School, trustees appreciate its wider objects of encouraging and supporting residential boarding for 'necessitous' young people, improving the public's awareness of the value and benefits of residential boarding and increasing funds available to support residential boarding. In setting these objectives and planning activities, trustees give careful consideration to the Charity Commission's guidance on Public Benefit.

| OBJECTIVE                                        | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintain the National Memorial to General Gordon | Following the previous year's Covid lockdown and restrictions, it was pleasing that the Whitehall Parade and memorial service in Embankment Gardens could again take place. Y7 History classes continue to include a short course on the history of Gordon's, the Home and School, and the life of General Charles Gordon. Links with Khartoum International Community School are sustained with the hope that a visit can be planned for 2024. General Gordon's principles are referred to and maintained within the updated strategy, <i>Vision for Gordon's</i> . A lecture was planned for Autumn 2022 on General Gordon's legacy today. |

Objectives (continued)

| OBJECTIVE                                                                                                                      | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Be alert to and take advantage of opportunities to extend the influence of Gordon's at home and overseas                       | A range of partnerships are in place that benefit current students and extend the Gordon's reach. In addition to the Harlequins RFC Programme, the MoU with Aldershot Town FC continues positively, and with Surrey Storm (Netball). Cooperation with Woking High School continues under the Arete Partnership, particularly for student leadership training and inter-school competitions; Robert May's School joins in September 2022 and a fourth school will join during 2023. The partnership launched in 2022 with Commonwealth Education Trust is developing, drawing on Gordon's pedagogy. Opportunities for a Gordon's 2 continue to be explored as opportunities arise.                                                                                                                                                                                                                                                                                                                                          |
| Ensure that support services provided by The Gordon Foundation are fit for purpose and commensurate with outstanding provision | Taking opportunities to review for improvement is embedded within the Support teams. With the need to appoint a new Deputy Head Pastoral, the role and responsibilities of Designated Safeguarding Lead has been separated to a new post of DSL, appointed January 2022, such is its importance and increasing workload. The role of the Attendance Officer has also been augmented.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Increase the Foundation's financial stability and support for financially necessitous students                                 | Post-Covid, maintaining a positive cashflow alongside capital commitments is challenging but achieved. Regular communication is maintained with our Bank and there was no recourse to any further Bank facilities apart from the existing capital loans. By the end of the year, 71 (7.6%) students were in receipt of a means-tested bursary with total spend £403,748 with 15 of those students supported also by nine different external educational trusts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Deliver world-class pastoral care, curriculum, and co-curriculum provision                                                     | In June, Gordon's was presented with the Times Educational Supplement Boarding School of the Year Award. This recognises innovation, imagination and efforts to develop children in ways that go beyond academic achievement and the league tables as well as maintained continued excellence. Gordon's was one of eight boarding schools across the country to have been nominated.<br>Recognising the lack of provision in primary schools for learning musical instruments, a scheme offering free group tuition to Year 7 students started in September, with the intention of extending this for a maximum of three years and involving students in various ensembles. This initiative started well and 14 of the initial 20 students will continue into Year 8 with a new Y7 cohort starting.<br>The wide range of co-curricular activities included students travelling to participate in MUN Conferences, two teams took part in the Dartmoor Ten Tors Challenge and various drama productions, including Matilda. |

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Vision for Gordon's

As we recovered from a world pandemic there has never been a more important time to reconnect with General Gordon's legacy and reimagine what we can and should try to achieve. The updated 'Vision for Gordon's' was launched during the Summer term 2021, following extensive consultation within the Gordon's Community. This strategic plan for Gordon's sets out our vision for the national memorial to General Gordon to be more than a school, but a symbol of what can be achieved by a community united in making an outstanding contribution for the good of global society, through its educational leadership and through the lives Gordonians go on to lead. During the next year this vision will be extended towards 2035, the Foundation's 150th anniversary.

A Gordon's education strives to be more than the best possible examination results, but a thorough preparation for life. Our aim is to develop rounded world class, global citizens with the character, capabilities and confident humility to achieve well, to stay active, to appreciate what they have and to connect and give back to the communities in which they live and work.



The Vision for Gordon's is for the national memorial to General Gordon to be a force for a more caring and just world: a world in which inequality in opportunities is diminishing; where individuals are treated similarly and have equal chances based not on privilege, but on how hard they work for themselves and others.

### Capital Developments

Woolwich House, the residential boarding house created from the former Head Teacher's House and adjoining Chapel House that opened in September 2019 continues to provide a popular and appropriate introduction to residential boarding for 32 Year 7 students within their own accommodation, while linking with their senior House to which they move in Year 8.

Planning permission for the new sports hall and 3G all-weather pitch was received in January 2019. A £6m long-term bank loan facility was taken out in December 2019 to finance this project. After a delayed start on site, work continued throughout the Covid-19 lockdown and the sports hall was completed with hand-over in October 2020. A contractual disagreement with the main contractor meant that handover of the 3G pitch was delayed until December 2021. That disagreement led to the main contractor referring the dispute to adjudication as the Foundation had withheld funds to replace what it considered a non-compliant facility; the adjudication in November 2022 went against the Foundation and the account is now settled in full.

During summer 2021 the two-classroom building known as 'India' was replaced and enlarged to provide four large and well-equipped classrooms for teaching IT & Computing and Business Studies. The Academy's 2021 CIF grants from the DfE to remedy significant damp issues in the Medway building (Music and Drama) was completed summer 2022.

The Drama and Music departments make good use of the Gym and Pool building ahead of its conversion into a performing arts centre, when finance allows. Some theatrical equipment that will continue to be used in the performing arts centre was purchased during this year to improve student drama experience.

During summer 2022 a seventh Science Laboratory was created (with financial assistance from The Wolfson Foundation, an extra classroom provided, the Library part-refurbished; the two Art studios were co-located and to achieve this, the Fitness Suite re-sited close to the Sports Hall. Two of the four senior residential boarding Houses were in part refurbished, the first stage of an intended £2m improvement plan for all residential Houses. Future projects under consideration include the performing arts centre, improvements to the Back Fields and moving Gordon's to Carbon Neutral.

### Academic Results for the School

During the year the School educated approximately 936 students between the ages of 11 and 18. Recruitment continues to be strong with waiting lists for Key Stages 3 and 4. There were 271 residential boarders and 314 students in the Sixth Form. With Teacher Assessed Grades in 2020, then Centre Assessed Grades in 2021, for Y13, 2022 was their first set formal public examinations.

Compared to many state schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects. 45% of Y13 Leavers obtaining places at Russell Group universities and 83% gained places at their preferred destination, above national average. Two students gained places at Cambridge, three embarked on courses in Medicine or Dentistry, two gained places at Leeds Conservatoire, four took up Sports Scholarships at US Universities. One student entered RMA Sandhurst on a Leadership Scholarship and two DiSE students gained professional contracts with Harlequins RFC. Seven leavers opted for Apprenticeships.

#### A Level results 2022

48% of entries graded A\*-A  
77% of entries graded A\* -B  
91% of entries graded A\*-C

#### BTEC L3 2022

35% of entries graded D\*-D  
92% of entries graded D\*-M

#### GCSE results 2022

48% of entries graded 9-7  
87% of entries graded 9-5  
96% of entries graded 9-4

#### BTEC L2 2022

33% of entries graded D\*-D  
100% of entries graded D\*-M

Detailed information on student activities and the co-curricular programme can be found on the School website [www.gordons.school](http://www.gordons.school) as well as the Annual Report of the Gordon's School Academy Trust.

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

##### **General**

The Development team is responsible for activities focusing on support for the school community as well as strengthening local and wider community links, ranging from regular talks, organising all larger school internal and external event and seeking opportunities to let facilities when not required by the school, and fundraising. Development Prefects assist the department with appropriate administration and hosting of events, providing them with some insight into a different area of the school as well as useful experience. A strong working partnership continues with the Gordon's School Parents' Association which clearly benefits the school and the parent community.

In September, we were delighted to be able to assist in providing a venue for part of the Archbishop of Canterbury's visitation to the Diocese of Guildford. Also, to welcome HRH Princess Eugenie who came to speak about her involvement in the work of the Anti-Slavery Collective, as relevant today in the UK as it was for General Gordon in Sudan.

Following the dissolution of the Gordonian Association and responsibility for all alumni-focused activity incorporated within the Development Office, a key focus continues to be developing a strategy for appropriate communication and engagement activity with each age groups. The Gordonian Football team, sponsored by a local business, is also supported by providing home match facilities on the new 3G pitch. In the summer, Gordonians of all ages enjoyed being able to return to the School for the Annual Parade and previously meeting up in London after the Whitehall Parade. Former members of the Pipe Band are invited to play in the Big Blaw, the summer cricket match is popular as well as a three-way netball tournament for Gordonians, staff and current students. The Gordonian Awards 2021, for Arts and for Sports, attract increasing numbers of high calibre applicants; these financially support two Year 11 students with the costs for developing a particular talent, and encouragement to continue into the Gordon's Sixth Form.

Support is provided to the Careers team to assist with finding work placements and speakers as well as organising the annual Careers Fair. Opportunities for parents and members of the local community to network continue with reinstatement of the monthly Business Networking Breakfasts held at the School. The Development team now helps and encourages the School Charities Committee with appropriate links and organisational support; Gordon's students volunteered over 9,000 hours during the year and the whole community was generous in its support for the people of Ukraine as requested items and money were collected and sent to their assistance.

The Gordon's Pipe Band celebrated its 80<sup>th</sup> anniversary with a range of activities including a piping recital held in the Gordon's Chapel, travel to Scotland to compete in the Schools' and World Championships and, following a longstanding link with Brookwood Last Post Association at Brookwood Military Cemetery, members of the Pipes and Drums who represent the School at Brookwood Last Post were selected to go to Menin Gate to play and take part in the Last Post Association's Remembrance Service.

##### **Commercial**

A planning condition for the Sports Hall and 3G pitch is community use with a Community Use Agreement in place between Gordon's and Surrey Heath Council. There is significant interest in hire of these facilities, with a focus on supporting local grass-roots sports clubs. Other sports facilities, creating the Sports Hub, are also made available for hire.

Other commercial activity includes GordonstoGo within the Catering Department, and the Sports Hub Café, part of the new Sports Hall building available for use in conjunction with sports hire as well as Gordon's Sixth Form students during the school day. A monthly Gordon's Supper Club has been re-launched post-Covid. While we were pleased to again host Barracuda Day Camps during the Easter and Summer holidays, residential lettings were not feasible due to refurbishment work in the residential Houses and fewer enquiries received following Covid as well as Brexit.

##### **Partnerships**

The partnership launched with Aldershot Town Football Club in July 2021 whereby their team is based and trains at Gordon's during weekday mornings, and provided with catering and other facilities, continues positively. In addition to hire charges, School football teams are provided with coaching by the ATFC coaching team and opportunities for free home match tickets. Other sporting partnerships continue, with Harlequins Rugby Football Club and Surrey Storm (Premier Netball).

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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Gordon's is proud to help reduce global educational poverty through a working partnership with the Commonwealth Education Trust (CET). Formally known as the Commonwealth Institute, the CET is a well-established, leading charity that champions education across the Commonwealth. Their digital platforms reach teachers in underserved, often rural communities around the world, providing them with much needed bite-size professional development courses. Gordon's teachers work with CET to establish courses to help improve pedagogy and classroom management, later extending to support designated schools through fundraising and practical resources.

The Camelthorn Foundation supports community-led wildlife initiatives alongside promoting education and socio-economic opportunities in Zimbabwe's Hwange province. Gordon's has pledged to work with the Camelthorn Foundation to raise sufficient funds to provide, initially, a girls' boarding house and then accommodation for boys, attending Ngamo Secondary School. In time, we hope that students and staff may be able to volunteer with the Camelthorn Foundation in their conservation, education or social programmes.

#### **External support**

Applications to trusts and foundations continue for bursary funding as well as specific projects. The support for Gordon's students from a range of educational trusts is valued and in particular the continued generosity of the Girdlers' Livery Company.

Support for Gordon's students by Reedham Children's Trust, Buttle UK, the Masonic Charitable Foundation, Lloyd Foundation, Emmott Foundation, Wispers Trust, The Royal SpringBoard Children's Foundation and Tak Turton Trust continues to be welcomed by student families and the School.

Last year, two significant new competitions were launched, the Wynter Bee Global Citizen Prize and the Headmaster's Global Citizen Prize, for which students were asked to engage with one of the UN 17 Sustainable Development Goals. We are immensely grateful to Peter Wynter Bee, former trustee and now Gordon's Ambassador, for encouraging the institution of these student competitions and for his generosity in funding the prizes, an all-expenses paid trip to Costa Rica to take part in a conservation and development project for the KS4/5 Wynter Bee Global Citizen Award and a Red Letter Day experience together with sponsorship for a Costa Rican student for the KS3 Headmaster's Global Citizen Award.

Gordon's is proud to have signed up to the Forces Covenant and to display the Bronze Award of the Employers' Recognition Scheme, recognising the School's role in supporting our Forces families as well as being a major employer in the area. The link with the Corps of Royal Engineers continues to be valued, in particular CCF students participating in Field Days organised at Gibraltar Barracks; training staff from Pirbright Camp assist with ceremonial drill. Members of the Pipes and Drums play regularly for the Last Post Association at Brookwood Cemeteries. The Pipe Band has played for Surrey Police Pass-Out Parades and with Surrey Police Band in a Festival Remembrance Parade.

#### **Fundraising**

The trustees recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The Foundation keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The Foundation only raises funds from those individuals and organisations known to it and the Foundation does not undertake fundraising campaigns to members of the public.

#### **Patronage**

In June, the School celebrated the Platinum Jubilee of Queen Elizabeth II, Patron of Gordon's School. In September the School joined the nation as we mourned Her Majesty's death. Trustees hope that in due course HM King Charles III will agree to continue the unbroken line of the reigning monarch as the Foundation's Patron.

#### **Former trustee**

Trustees were saddened to learn of the death in September 2022 of former trustee John Udal, who had served with the Sudan Political Service until Sudan's independence and continued to promote interest in the country.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

#### MANAGEMENT AND EFFECTS OF COVID-19

It has been relief to the whole School community to have the whole school year without lockdown. The additional costs incurred during the previous two years have reduced significantly, any cost of continuing practices incorporated within general operating costs. Changes that came about through Covid such as online staff briefing, the two-part lunch break and virtual parent conferences have continued.

#### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The main sources of funding for the Foundation are through boarding charges and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a waiting list. The fee income received by the Foundation was £10,193,082 (2021: £8,451,959).

The net movement in funds for the year was a surplus of £1,081,008 (2021: deficit of £1,364,962)

Investments performed as well as could be expected during a year of continued upheaval. The investment portfolio has decreased by £191,800 to £3,229,973 (2021: £3,421,773).

On 1 January 2013, Gordon's School converted to Academy Trust status under the Academies Act 2010 with all operations, assets and liabilities transferred over to the Gordon's School Academy Trust. This transfer was accounted for using the acquisition method resulting in a £389,000 deficit on the Local Government Pension Scheme transferring into the Trust. Most years since there has been an additional deficit on the scheme, the scheme deficit was £610,000 at 31 August 2022 (2021: £1,903,000).

Further information on the pension schemes is given in note 21.

#### RESERVES

Funds comprise unrestricted funds of £13,586,116 (2021: £13,916,598) and restricted funds, excluding pension reserve, of £1,385,871 (2021: £1,267,381). The restricted funds pension deficit reserve stands at £610,000 (2021: £1,903,000 deficit). The restricted funds are set out in note 17.

Unrestricted funds are represented by the Foundation's property and other tangible fixed assets, investments and net working capital. Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are negative and the Foundation Committee have set a policy to restore and build free reserves in order to maintain the site and fund the modernisation and future development of Gordon's School.

#### Risk

The trustees have assessed the major risks to which The Gordon Foundation is exposed and have taken steps to reduce and manage these risks. Trustees approve a formal Risk Register which is updated regularly and reviewed by the Joint Audit and Risk Committee at least annually. The most significant risks identified are noted below together with the means by which to manage the risk:

| RISK                                                                                                     | CONTROL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Worsening economic climate</b>                                                                        | Regular consideration given to economic factors which may affect parents' ability to pay charges and reduce ESFA funding. Effect of economic downturn mitigated by reducing costs where possible and holding back on plans as well as ensuring frequent reporting of student roll and finances. Maintain a schedule of pre-agreed changes in the event of significantly reduced income. Focus on developing alternative income streams.                                                                                                    |
| <b>Loss of charitable status</b>                                                                         | Compliance with requirement of public benefit; the availability of means-tested bursaries                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Breach of Health &amp; Safety issues; major incident resulting in loss of life or school closure.</b> | Crisis Management Plan in place and reviewed at least annually. Risks mitigated by identifying them, setting our procedures to reduce and monitoring that all procedures are operating effectively. H&S external advice, staff trained on specific procedures and are reviewed annual by external experts. H&S policy reviewed annually. H&S Committee meets termly or as required; membership includes a trustee / governor. H&S part of staff induction. Property Services Manager is H&S and Fire Officer and is trained appropriately. |

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

#### Risk (continued)

| RISK                                                                  | CONTROL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Compromised site security, buildings and personnel</b>             | All staff know to challenge strangers on site; wear emergency contact information; security contractor employed evenings, overnight and 24 hours over weekends; resident staff. Restricted access to all buildings. Perimeter fencing and gates improved but some weakness end of Front Field and should review north side access controls. Lockdown procedures in place.                                                                                                                                                |
| <b>Fire that results in the school being unable to operate</b>        | Fire risk assessments carried out by specialist subcontractor on a triennial basis (or sooner where there is an alteration to premises) and reviewed annually. Procedures and evacuation plans reviewed annually. Procedures in place for dealing with arson, smoking, kitchen, heating, lightening conductors, fire evacuation, alarm installation. Routine alarm checks, hydrants, appliances. Adequate insurance in place + disaster recovery plan which is tested.                                                   |
| <b>Difficulty in staff retention; poor staff morale and wellbeing</b> | Staff turnover data maintained. Exit interviews with Assistant Bursar for all posts and report made to SLT. Pay rates reviewed regularly against appropriate market, benchmark. Effective communications maintained between staff, line and senior managers. Open Door for Head and Chair of Governors. Appropriate benefits provided + PRP (teaching) and termly bonus scheme (support). Positive encouragement to use non-contact time for wellbeing activity if wish to. Availability of school facilities for staff. |
| <b>Loss of Internet connectivity for a prolonged period</b>           | Service is provided by contracted IT managed service provider with high SLAs and 24/7 remote monitoring. Depending on where the failure has occurred, a restricted network provision could be restored. Backup second internet feed being considered (less speed but adequate for priority purposes). School website can be updated to inform parents if prolonged loss of service or SchoolComms messaging. Termly check of disaster recovery plan with IT managed Services.                                            |

#### INVESTMENT POLICY

The charity aims to manage the investment portfolio such that investment income is maintained and capital growth is achieved, in real terms. The performance of investments and the investment policy is reviewed regularly by the Investment Panel. The Investment Panel does not impose any constraints that might limit selection of individual investments for social, environmental or ethical reasons.

#### PLANS FOR FUTURE YEARS

##### 3-year Strategic Priorities:

- i) Develop a working and learning environment for Gordon's School that moves beyond outstanding
- ii) Develop the School's Digital Strategy across both learning and administrative processes
- iii) Progress the Estates Master Plan
- iv) Design and implement our environmental policy
- v) Further develop 'Gordon's Connected' platform, boosting parent, student and staff engagement by creating partnerships between Gordon's Careers department, Business Network, alumni and parents
- vi) Further develop Gordon's Schools' Partnership, boosting collaborative opportunities for students and staff.

#### DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each person who was a Director at the time this report was approved:

- So far as that Director was aware there was no relevant available information of which the Group's auditor was unaware and
- That Director had taken all the steps that the Director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

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

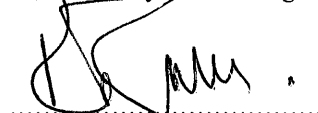
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITOR

Our auditor, Alliotts LLP, has indicated their willingness to continue in office.

The Trustees' Report, incorporating the Strategic Report was approved by the trustees of The Gordon Foundation

on 21 January 2023 and signed on its behalf by:



**Lieutenant General Richard Cripwell CB, CBE**  
Chairman

## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION

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#### Opinion

We have audited the consolidated financial statements of The Gordon Foundation for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the 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.

#### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

#### Opinions 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 Foundation Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Foundation Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company 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.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 12, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook 2021, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.



## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION (continued)

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We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Foundation Committee;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

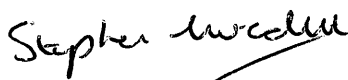
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

#### Use of this report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of Alliot's LLP**

Senior Statutory Auditor  
Alliot's LLP  
Friary Court  
13-21 High Street

10 May 2023

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2022

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 91,975                     | -                        | 91,975             | 13,136             |
| Grants                                                      | 2      | -                          | 238,513                  | 238,513            | 159,157            |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 10,186,586                 | 6,496                    | 10,193,082         | 8,451,959          |
| Other operating income                                      | 3      | 206,276                    | -                        | 206,276            | 240,304            |
| Funding for the Academy's educational operations            | 3      | -                          | 5,323,140                | 5,323,140          | 5,109,004          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 153,278                    | -                        | 153,278            | 41,822             |
| <b>Investment income</b>                                    | 5      | 88,823                     | 12,866                   | 101,689            | 106,529            |
| <b>Total income</b>                                         |        | <b>10,726,938</b>          | <b>5,581,015</b>         | <b>16,307,953</b>  | <b>14,121,911</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 5,965,615                  | 4,155,884                | 10,121,499         | 9,372,237          |
| Educational costs                                           |        | -                          | 529,173                  | 529,173            | 481,604            |
| Welfare costs                                               |        | 1,908,141                  | -                        | 1,908,141          | 1,612,039          |
| Premises costs                                              |        | 1,901,624                  | 715,688                  | 2,617,312          | 3,290,721          |
| Support costs                                               |        | 570,592                    | 358,865                  | 929,457            | 728,323            |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 291,509                    | -                        | 291,509            | 244,926            |
| Investment management                                       |        | 2,261                      | -                        | 2,261              | 762                |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 142,892                    | -                        | 142,892            | 12,683             |
| <b>Total expenditure</b>                                    | 6      | <b>10,782,634</b>          | <b>5,759,610</b>         | <b>16,542,244</b>  | <b>15,743,295</b>  |
| <b>Operating income/(expenditure)</b>                       |        | <b>(55,696)</b>            | <b>(178,595)</b>         | <b>(234,291)</b>   | <b>(1,621,384)</b> |
| Net gains/(losses) on investments                           | 9      | (274,786)                  | (20,915)                 | (295,701)          | 430,422            |
| <b>Net income/(expenditure)</b>                             |        | <b>(330,482)</b>           | <b>(199,510)</b>         | <b>(529,992)</b>   | <b>(1,190,962)</b> |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | 1,611,000                | 1,611,000          | (174,000)          |
| <b>Net movement in funds for the year</b>                   |        | <b>(330,482)</b>           | <b>1,411,490</b>         | <b>1,081,008</b>   | <b>(1,364,962)</b> |
| <b>Fund balances brought forward at 1 September 2021</b>    | 16, 17 | 13,916,598                 | (635,619)                | 13,280,979         | 14,645,941         |
| <b>Fund balances carried forward at 31 August 2022</b>      | 16, 17 | <b>13,586,116</b>          | <b>775,871</b>           | <b>14,361,987</b>  | <b>13,280,979</b>  |

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

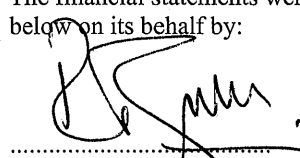
Details of comparative figures by fund are disclosed in note 23.

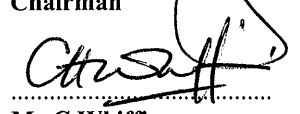
## GROUP BALANCE SHEET

AS AT 31 AUGUST 2022

|                                                                |       | 2022             |                          | 2021             |                          |
|----------------------------------------------------------------|-------|------------------|--------------------------|------------------|--------------------------|
|                                                                | Notes | £                | £                        | £                | £                        |
| <b>FIXED ASSETS</b>                                            |       |                  |                          |                  |                          |
| Tangible                                                       | 8     |                  | 21,756,654               |                  | 21,170,012               |
| Investments                                                    | 9,10  |                  | 3,229,973                |                  | 3,421,773                |
|                                                                |       |                  | <u>24,986,627</u>        |                  | <u>24,591,785</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                  |                          |                  |                          |
| Debtors                                                        | 12    | 780,056          |                          | 776,046          |                          |
| Cash at bank and in hand                                       |       | 273,054          |                          | 743,138          |                          |
|                                                                |       | <u>1,053,110</u> |                          | <u>1,519,184</u> |                          |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (3,852,991)      |                          | (3,714,563)      |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                  | <u>(2,799,881)</u>       |                  | <u>(2,195,379)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  | 22,186,746               |                  | 22,396,406               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                  | (7,214,759)              |                  | (7,212,427)              |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |       |                  | <u>14,971,987</u>        |                  | <u>15,183,979</u>        |
| <b>PENSION SCHEME LIABILITY</b>                                | 21    |                  | (610,000)                |                  | (1,903,000)              |
| <b>NET ASSETS</b>                                              |       |                  | <u><u>14,361,987</u></u> |                  | <u><u>13,280,979</u></u> |
| <b>FUNDS</b>                                                   |       |                  |                          |                  |                          |
| Unrestricted funds                                             | 16    |                  | 13,586,116               |                  | 13,916,598               |
| Restricted – Specific Funds                                    | 17    |                  | 1,385,871                |                  | 1,267,381                |
| Restricted - Pension Reserve                                   | 17    |                  | (610,000)                |                  | (1,903,000)              |
|                                                                |       |                  | <u><u>14,361,987</u></u> |                  | <u><u>13,280,979</u></u> |

The financial statements were approved and authorised for issue by the Board on 21 January 2023 and were signed below on its behalf by:

  
 Lieutenant General Richard Cripwell CB, CBE  
 Chairman

  
 Mr C Whiffin  
 Treasurer

The accompanying notes form part of these financial statements.

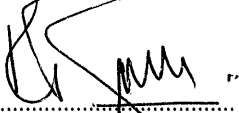
## CHARITY BALANCE SHEET

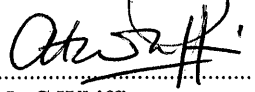
AS AT 31 AUGUST 2022

|                                                                |       | 2022           |                          | 2021             |                          |
|----------------------------------------------------------------|-------|----------------|--------------------------|------------------|--------------------------|
|                                                                | Notes | £              | £                        | £                | £                        |
| <b>FIXED ASSETS</b>                                            |       |                |                          |                  |                          |
| Tangible                                                       | 8     |                | 21,514,516               |                  | 20,962,028               |
| Investments                                                    | 9     |                | 3,229,973                |                  | 3,421,773                |
| Investment in subsidiary company                               | 10    |                | 2                        |                  | 2                        |
|                                                                |       |                | <u>24,744,491</u>        |                  | <u>24,383,803</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                |                          |                  |                          |
| Debtors                                                        | 12    | 404,739        |                          | 501,087          |                          |
| Cash at bank and in hand                                       |       | 267,016        |                          | 659,980          |                          |
|                                                                |       | <u>671,755</u> |                          | <u>1,161,067</u> |                          |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (3,944,406)    |                          | (5,166,632)      |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                | <u>(3,272,651)</u>       |                  | <u>(4,055,565)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                | 21,471,840               |                  | 20,378,238               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                | (7,146,667)              |                  | (7,131,954)              |
| <b>NET ASSETS</b>                                              |       |                | <u><u>14,325,173</u></u> |                  | <u><u>13,246,284</u></u> |
| <b>FUNDS</b>                                                   |       |                |                          |                  |                          |
| Unrestricted funds                                             | 19    |                | 13,420,683               |                  | 12,340,241               |
| Restricted funds                                               | 20    |                | 904,490                  |                  | 906,043                  |
|                                                                |       |                | <u><u>14,325,173</u></u> |                  | <u><u>13,246,284</u></u> |

The charitable company has taken exemption from presenting the charity statement of financial activities under section 408 of the Companies Act 2006. The net income of the charitable company for the year was £1,078,889 (2021: net expenditure £1,365,954).

The financial statements were approved and authorised for issue by the Board on 21 January 2023 and were signed below on its behalf by:

  
 Lieutenant General Richard Cripwell CB, CBE  
 Chairman

  
 Mr C Whiffin  
 Treasurer

The accompanying notes form part of these financial statements.

**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

|                                                                                                | Note     | 2022<br>£         | 2021<br>£         |
|------------------------------------------------------------------------------------------------|----------|-------------------|-------------------|
| <b>Net cash inflow from operating activities</b>                                               | <b>A</b> | <b>728,984</b>    | <b>574,590</b>    |
| <b>Cash flows from investing activities</b>                                                    |          |                   |                   |
| Investment income received                                                                     |          | 101,689           | 106,529           |
| Capital grants from DFE/ESFA                                                                   |          | 263,122           | 518,135           |
| Purchase of fixed assets                                                                       |          | (1,171,806)       | (1,434,008)       |
| Purchase of investments                                                                        |          | (128,687)         | (169,314)         |
| Sale of investments                                                                            |          | 24,784            | 63,560            |
| <b>Net cash outflow from investing activities</b>                                              |          | <b>(910,898)</b>  | <b>(915,098)</b>  |
| <b>Cash flow from financing activities</b>                                                     |          |                   |                   |
| Loan repayments                                                                                |          | (332,381)         | (133,333)         |
| New loan finance                                                                               |          | 334,713           | 1,090,351         |
| Interest paid                                                                                  |          | (291,509)         | (244,926)         |
| <b>Net cash inflow from financing activities</b>                                               |          | <b>(289,177)</b>  | <b>712,092</b>    |
| <b>Change in cash and cash equivalents in the year</b>                                         |          | <b>(471,091)</b>  | <b>371,584</b>    |
| Cash and cash equivalents at the beginning of the year                                         |          | 743,138           | 371,554           |
| Cash and cash equivalents at the end of the year                                               |          | <b>272,047</b>    | <b>743,138</b>    |
| <b>A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |          | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
| Net movement in funds for the year                                                             |          | 1,081,008         | (1,364,962)       |
| Depreciation                                                                                   |          | 585,164           | 1,311,759         |
| ESFA capital grants                                                                            |          | (238,513)         | 26,020            |
| Losses/(Gains) on investments                                                                  |          | 295,701           | (430,422)         |
| Decrease/(increase) in debtors                                                                 |          | 1,244,197         | 729,342           |
| (Decrease)/increase in creditors                                                               |          | (1,135,393)       | (193,544)         |
| Investment income receivable                                                                   |          | (101,689)         | (106,529)         |
| Finance Costs                                                                                  |          | 291,509           | 244,926           |
| Pension adjustment                                                                             |          | (1,293,000)       | 358,000           |
| <b>Net cash inflow from operating activities</b>                                               |          | <b>728,984</b>    | <b>574,590</b>    |
| <b>B. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                                |          | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
| Cash at bank                                                                                   |          | 273,054           | 743,138           |
| Overdraft                                                                                      |          | (1,007)           | -                 |
|                                                                                                |          | <b>272,047</b>    | <b>743,138</b>    |

**THE GORDON FOUNDATION**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Gordon Foundation is a charitable company limited by guarantee, incorporated in England and Wales (company number: 00027272) and a charity registered in England and Wales (charity number: 312092). The Charity's registered office address is: The Gordon Foundation, Gordon's School, West End, Woking, Surrey, GU24 9PT.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (the FRS 102 Charities SORP) (effective from 1 January 2019) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

**Boarding Charge Debtor Policy**

Boarding Charges debts, in debtors, reflect outstanding debts for the boarding charges to 31 August 2022, whilst Boarding Charges in advance, in creditors, reflect cash received prior to 31 August for the autumn term 2022 boarding charges.

**Basis of Consolidation**

The consolidated financial statements incorporate those of The Gordon Foundation and all its subsidiaries. All financial statements are made up to 31 August 2022. All subsidiary undertakings have been included within the financial statements.

The entities are consolidated on a line by line basis and all intra-group transactions and balances between group companies are eliminated on consolidation.

**b) Going concern**

The financial statements are prepared under the going concern basis which assumes the Group will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The trustees have reviewed regularly revised budgets and cash flow forecasts based on various scenarios including the requirements of the bank loan covenants and are keeping the situation under constant review, meeting regularly with senior management.

Based on the information available on the date of signing these financial statements, the trustees cannot make a reliable estimate as to the ultimate financial impact, however they believe the actions taken have ensured the Group's ability to continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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c) **Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Judgment 1** – the present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- **Judgement 2** - a bad debt provision against potential future uncollectible boarding charges.

d) **Income**

All income included in the Statement of Financial Activities (SOFA) when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, and receipt is probable.

*Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

*Donations*

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of raising funds.

*Investment Income*

Investment income is accounted for when receivable and includes the related tax recoverable.

e) **Expenditure:**

Expenditure is accounted for on an accruals basis.

*Costs of raising funds*

Costs of raising funds comprise finance charges associated with interest payable on the Group's borrowings and costs associated with lettings.

*Charitable activities*

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs. Charitable activity costs represent costs directly associated with the provision of education and related support costs.

*Governance costs*

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Trading activities*

Costs of trading activities include costs directly associated with providing the services provided through trading.

f) **Leased Assets**

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

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**g) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets, other than freehold land, on the following methods at rates calculated to write off the assets over their estimated useful lives. The methods and rates are

|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| Freehold land and buildings | - | 2% - 4% per annum straight line |
| Machinery and equipment     | - | 20% per annum straight line     |
| Fixtures and fittings       | - | 20% per annum straight line     |
| Motor vehicles              | - | 20% per annum straight line     |

Buildings erected before the year 2000 are depreciated over 50 years, and newer buildings over 25 years.

**h) Investments**

Listed investments are stated at market value at the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**j) Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**k) Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**l) Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see notes 17 and 20).



## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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##### m) Pension Costs

Retirement benefit to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Foundation employees are part of a defined contribution workplace pension scheme with Salvus Master. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

|                                                     | Unrestricted<br>Funds<br>£ | 2022<br>Restricted<br>Funds<br>£ | Total<br>£        | 2021<br>Total<br>£ |
|-----------------------------------------------------|----------------------------|----------------------------------|-------------------|--------------------|
| <b>1. DONATIONS AND LEGACIES</b>                    |                            |                                  |                   |                    |
| Donations and gifts                                 | 91,975                     | -                                | 91,975            | 13,136             |
| Legacies                                            | -                          | -                                | -                 | -                  |
|                                                     | <u>91,975</u>              | <u>-</u>                         | <u>91,975</u>     | <u>13,136</u>      |
| <b>2. GRANTS</b>                                    |                            |                                  |                   |                    |
| Government grant - Coronavirus Job Retention Scheme | -                          | -                                | -                 | 159,157            |
| ESFA capital grants                                 |                            | 238,513                          | 238,513           |                    |
|                                                     | <u>-</u>                   | <u>238,513</u>                   | <u>238,513</u>    | <u>159,157</u>     |
| <b>3. INCOME FROM CHARITABLE ACTIVITIES</b>         |                            |                                  |                   |                    |
| Gross income from boarding charges                  | 10,757,313                 | 6,496                            | 10,763,809        | 8,912,188          |
| <b>Less:</b>                                        |                            |                                  |                   |                    |
| Bursaries                                           | (535,286)                  | -                                | (535,286)         | (431,590)          |
| Staff discounts                                     | (18,739)                   | -                                | (18,739)          | (15,405)           |
| Other discounts                                     | (16,702)                   | -                                | (16,702)          | (13,234)           |
|                                                     | <u>10,186,586</u>          | <u>6,496</u>                     | <u>10,193,082</u> | <u>8,451,959</u>   |
| Net income from boarding charges                    | 10,186,586                 | 6,496                            | 10,193,082        | 8,451,959          |
| Other operating income                              | 206,276                    | -                                | 206,276           | 240,304            |
| Funding for the Academy's educational operations    | -                          | 5,323,140                        | 5,323,140         | 5,109,004          |
|                                                     | <u>10,392,862</u>          | <u>5,329,636</u>                 | <u>15,722,498</u> | <u>13,801,267</u>  |
| <b>4. TRADING ACTIVITIES</b>                        |                            |                                  |                   |                    |
| Trading income                                      | 153,278                    | -                                | 153,278           | 41,822             |
|                                                     | <u>153,278</u>             | <u>-</u>                         | <u>153,278</u>    | <u>41,822</u>      |
| <b>5. INVESTMENT INCOME</b>                         |                            |                                  |                   |                    |
| Interest received                                   | -                          | -                                | -                 | 14                 |
| Dividends received                                  | 88,823                     | 12,866                           | 101,689           | 106,515            |
|                                                     | <u>88,823</u>              | <u>12,866</u>                    | <u>101,689</u>    | <u>106,529</u>     |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

6. EXPENDITURE

|                             | Staff Costs<br>£  | Other<br>£       | Depreciation<br>£ | 2022<br>Total<br>£ |
|-----------------------------|-------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                   |                  |                   |                    |
| Staff costs                 | 10,121,499        | -                | -                 | 10,121,499         |
| Teaching costs              | -                 | 529,173          | -                 | 529,173            |
| Welfare costs               | -                 | 1,908,141        | -                 | 1,908,141          |
| Premises costs              | -                 | 2,032,148        | 585,164           | 2,617,312          |
| Support costs               | -                 | 929,457          | -                 | 929,457            |
|                             | <u>10,121,499</u> | <u>5,398,919</u> | <u>585,164</u>    | <u>16,105,582</u>  |
| <b>Raising funds:</b>       |                   |                  |                   |                    |
| Finance costs               | -                 | 291,509          | -                 | 291,509            |
| Other costs                 | -                 | 2,261            | -                 | 2,261              |
| Trading costs               | -                 | 142,892          | -                 | 142,892            |
|                             | <u>10,121,499</u> | <u>5,835,581</u> | <u>585,164</u>    | <u>16,542,244</u>  |

EXPENDITURE (PRIOR YEAR)

|                             | Staff Costs<br>£ | Other<br>£       | Depreciation<br>£ | 2021<br>Total<br>£ |
|-----------------------------|------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                  |                  |                   |                    |
| Staff costs                 | 9,372,237        | -                | -                 | 9,372,237          |
| Teaching costs              | -                | 481,604          | -                 | 481,604            |
| Welfare costs               | -                | 1,612,039        | -                 | 1,612,039          |
| Premises costs              | -                | 1,978,962        | 1,311,759         | 3,290,721          |
| Support costs               | -                | 728,323          | -                 | 728,323            |
|                             | <u>9,372,237</u> | <u>4,800,928</u> | <u>1,311,759</u>  | <u>15,484,924</u>  |
| <b>Raising funds:</b>       |                  |                  |                   |                    |
| Finance costs               | -                | 244,926          | -                 | 244,926            |
| Other costs                 | -                | 762              | -                 | 762                |
| Trading costs               | -                | 12,683           | -                 | 12,683             |
|                             | <u>9,372,237</u> | <u>5,059,299</u> | <u>1,311,759</u>  | <u>15,743,295</u>  |

|                                                   | 2022<br>£ | 2021<br>£ |
|---------------------------------------------------|-----------|-----------|
| <b>Total expenditure includes:</b>                |           |           |
| Depreciation                                      | 585,164   | 1,311,759 |
| Operating lease payments recognised as an expense | 297,563   | 194,509   |
| Auditor's remuneration: - Audit fees              | 23,600    | 21,200    |
| - Other services                                  | 10,050    | 8,325     |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

7. STAFF COSTS

|                           | 2022<br>£         | 2021<br>£        |
|---------------------------|-------------------|------------------|
| Wages and salaries        | 7,838,181         | 7,345,031        |
| Social security costs     | 775,083           | 695,402          |
| Other pension costs       | 1,498,483         | 1,319,564        |
| Staff restructuring costs | 9,752             | 12,240           |
|                           | <u>10,121,499</u> | <u>9,372,237</u> |

|                                                           | 2022<br>No | 2021<br>No |
|-----------------------------------------------------------|------------|------------|
| The average number of employees in the year was:          |            |            |
| Teachers                                                  | 73         | 70         |
| Administration (including academic support & maintenance) | 214        | 176        |
|                                                           | <u>287</u> | <u>246</u> |

The number of higher paid staff during the year was as follows:

|                      |           |           |
|----------------------|-----------|-----------|
| £60,001 to £70,000   | 13        | 7         |
| £70,001 to £80,000   | 2         | 1         |
| £80,001 to £90,000   | 1         | 2         |
| £90,001 to £100,000  | 1         | 1         |
| £120,001 to £130,000 | 1         | 1         |
|                      | <u>18</u> | <u>12</u> |

No trustees received any remuneration or benefits-in-kind during the year (2021: £nil). No trustees received reimbursement of expenses in respect of travel and subsistence during the year (2021: £nil).

Pension contributions of £80,819 (2021: £89,313) were made to personal pension plans in respect of higher paid staff during the year.

The key management personnel of the group comprise the trustees, Head Teacher, Deputy Head Teachers, Bursar, Head of Finance, Assistant Bursar and Property Services Manager. The total remuneration of the key management personnel during the year was £693,800 (2021: £741,926).

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

8. FIXED ASSETS – GROUP AND CHARITY

|                          | Freehold<br>Land &<br>Buildings<br>£ | Machinery &<br>Equipment<br>£ | Fixtures<br>&<br>Fittings<br>£ | Assets under<br>Construction<br>£ | Total<br>Charity<br>£ | Academy<br>Trust<br>£ | Total<br>Group<br>£ |
|--------------------------|--------------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------|-----------------------|---------------------|
| <b>COST</b>              |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2021      | 26,175,265                           | 1,022,155                     | 817,218                        | 154,822                           | 28,169,460            | 1,071,402             | 29,240,862          |
| Additions                | 303,453                              | 128,951                       | 162,500                        | 455,355                           | 1,050,259             | 121,547               | 1,171,806           |
| Reclassification         | 154,822                              | -                             | -                              | (154,822)                         |                       |                       |                     |
| <b>At 31 August 2022</b> | <b>26,633,540</b>                    | <b>1,151,106</b>              | <b>979,718</b>                 | <b>455,355</b>                    | <b>29,219,719</b>     | <b>1,192,949</b>      | <b>30,412,668</b>   |
| <b>DEPRECIATION</b>      |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2021      | 5,671,885                            | 815,952                       | 719,595                        | -                                 | 7,207,432             | 863,418               | 8,070,850           |
| Charge for the year      | 316,986                              | 97,266                        | 83,519                         | -                                 | 497,771               | 87,393                | 585,164             |
| <b>At 31 August 2022</b> | <b>5,988,871</b>                     | <b>913,218</b>                | <b>803,114</b>                 | <b>-</b>                          | <b>7,705,203</b>      | <b>950,811</b>        | <b>8,656,014</b>    |
| <b>NET BOOK VALUE</b>    |                                      |                               |                                |                                   |                       |                       |                     |
| <b>At 31 August 2022</b> | <b>20,644,669</b>                    | <b>237,888</b>                | <b>176,604</b>                 | <b>455,355</b>                    | <b>21,514,516</b>     | <b>242,138</b>        | <b>21,756,654</b>   |
| <b>At 31 August 2021</b> | <b>20,503,380</b>                    | <b>206,203</b>                | <b>97,623</b>                  | <b>154,822</b>                    | <b>20,962,028</b>     | <b>207,984</b>        | <b>21,170,012</b>   |

9. FIXED ASSETS INVESTMENTS – GROUP AND CHARITY

|                                                            | 2022<br>£        | 2021<br>£        |
|------------------------------------------------------------|------------------|------------------|
| Balance at 1 September 2021 (excluding cash deposits)      | 3,367,891        | 2,852,799        |
| Additions                                                  | 66,116           | 169,314          |
| Disposals at opening market value                          | (24,784)         | (84,644)         |
| Realised and unrealised (losses)/gains                     | (295,701)        | 430,422          |
| <b>Balance at 31 August 2022 (excluding cash deposits)</b> | <b>3,113,522</b> | <b>3,367,891</b> |
| Cash deposits                                              | 116,451          | 53,882           |
| <b>Balance at 31 August 2022</b>                           | <b>3,229,973</b> | <b>3,421,773</b> |

Class of investments is split as follow:

|                                  | 2022<br>£        |
|----------------------------------|------------------|
| Cash or cash equivalents         | 116,451          |
| Equities                         | 2,967,159        |
| Alternative investments          | 95,994           |
| Fixed interest                   | 50,369           |
| <b>Balance at 31 August 2022</b> | <b>3,229,973</b> |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY**

Shares in  
group  
undertakings  
£  
**2**

Balance at 1 September 2021 and 31 August 2022

Details of the charitable company's subsidiaries at 31 August are as follows:

**(i) Gordon's School Academy Trust** is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT. On the basis that The Gordon Foundation is member of the Gordon's School Academy Trust and has significant influence over the entity, Gordon's School Academy Trust has been included within the consolidated financial statements.

**Academy results:**

|                                                     | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| <b><u>SOFA</u></b>                                  |                             |                             |
| Total Income                                        | 6,354,947                   | 7,789,953                   |
| Total Expenditure                                   | (7,963,829)                 | (7,614,961)                 |
| Net income/(expenditure)                            | (1,608,882)                 | 174,992                     |
| Other recognised gains and losses                   |                             |                             |
| Actuarial(losses) on defined benefit pension scheme | 1,611,000                   | (174,000)                   |
| Net movement in funds                               | 2,118                       | 992                         |
| Total funds brought forward at 1 September 2021     | 21,108                      | 20,116                      |
| Total funds carried forward at 31 August 2022       | 23,226                      | 21,108                      |
| <b><u>Balance Sheet</u></b>                         |                             |                             |
| Fixed Assets                                        | 242,138                     | 207,984                     |
| Current Assets                                      | 1,404,279                   | 2,622,926                   |
| Current Liabilities                                 | (945,099)                   | (826,329)                   |
| Creditors falling due after more than one year      | (68,092)                    | (80,473)                    |
| LGPS Pension Scheme Liabilities                     | (610,000)                   | (1,903,000)                 |
| Total Funds                                         | 23,226                      | 21,108                      |

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

(ii) The Foundation holds 100% of the share capital of **The Gordon Enterprises UK Limited** (company number: 04104254, registered in England and Wales, registered office: Bagshot Road, West End, Surrey, G24 9PT), whose principal activities are letting the buildings and grounds of Gordon's School and selling memorabilia. A summary of the profit and loss account and the balance sheet from the audited financial statements is set out below:

| <u>Profit and Loss Account</u>    | 2022<br>£     | 2021<br>£     |
|-----------------------------------|---------------|---------------|
| Turnover                          | 145,193       | 39,695        |
| Costs                             | (142,892)     | (12,683)      |
| Profit for the year               | 2,301         | 27,012        |
| Donation to The Gordon Foundation | (2,301)       | (27,012)      |
| Retained Profit for the Year      | <u>£Nil</u>   | <u>£Nil</u>   |
| <u>Balance Sheet</u>              |               |               |
| Net Current Assets                | 13,587        | 13,587        |
| Retained Profits                  | 13,585        | 13,585        |
| Share capital                     | 2             | 2             |
| Total equity                      | <u>13,587</u> | <u>13,587</u> |

| 12. DEBTORS                  | Group<br>2022<br>£ | Group<br>2021<br>£ | Charity<br>2022<br>£ | Charity<br>2021<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| Boarding charge debtors      | 228,309            | 178,448            | 228,309              | 178,448              |
| Sundry debtors               | 21,137             | 3,639              | 2                    | 111                  |
| Amount owing to subsidiaries | -                  | -                  | 8,656                | 39,994               |
| Prepayments                  | 206,979            | 168,384            | 32,284               | 55,937               |
| VAT reclaim                  | 225,624            | 302,959            | 135,488              | 226,597              |
| Accrued income               | 98,007             | 122,616            | -                    | -                    |
|                              | <u>780,056</u>     | <u>776,046</u>     | <u>404,739</u>       | <u>501,087</u>       |

| 13. CREDITORS: amounts falling due within one year | Group<br>2022<br>£ | Group<br>2021<br>£ | Charity<br>2022<br>£ | Charity<br>2021<br>£ |
|----------------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Loans and overdraft                                | 333,387            | 332,380            | 320,000              | 320,000              |
| Trade creditors                                    | 1,291,467          | 1,384,102          | 900,111              | 975,834              |
| Boarding charges in advance and pupil deposits     | 648,739            | 849,028            | 648,739              | 849,028              |
| Taxation and social security                       | 186,209            | 180,390            | 49,074               | 50,563               |
| Other creditors                                    | 665,149            | 792,436            | 303,123              | 555,356              |
| Amount owing to subsidiaries                       | -                  | -                  | 1,041,325            | 2,282,802            |
| Accruals and deferred income                       | 728,040            | 176,227            | 682,034              | 133,049              |
|                                                    | <u>3,852,991</u>   | <u>3,714,563</u>   | <u>3,944,406</u>     | <u>5,166,632</u>     |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

| <b>14. CREDITORS: amounts falling due after more than one year</b> | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Charity<br/>2022<br/>£</b> | <b>Charity<br/>2021<br/>£</b> |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loan                                                          | 7,214,759                   | 7,212,427                   | 7,146,667                     | 7,131,954                     |
| Other loan                                                         | -                           | -                           | -                             | -                             |
|                                                                    | <b>7,214,759</b>            | <b>7,212,427</b>            | <b>7,146,667</b>              | <b>7,131,954</b>              |
| <b>Analysis of loans:</b>                                          |                             |                             |                               |                               |
| Between one and two years                                          | 332,380                     | 332,380                     | 320,000                       | 320,000                       |
| Between two and five years                                         | 997,141                     | 997,141                     | 960,000                       | 960,000                       |
| After five years                                                   | 5,885,238                   | 5,882,906                   | 5,866,667                     | 5,851,954                     |
|                                                                    | <b>7,214,759</b>            | <b>7,212,427</b>            | <b>7,146,667</b>              | <b>7,131,954</b>              |
| <br>Due within one year                                            | <br>332,380                 | <br>332,380                 | <br>320,000                   | <br>320,000                   |
|                                                                    | <b>7,547,139</b>            | <b>7,544,807</b>            | <b>7,466,667</b>              | <b>7,451,594</b>              |

At the year end, The Gordon Foundation had two long term loans. Both loans are secured by legal first charges over freehold land and buildings of The Gordon Foundation.

The first bank loan of £2,000,000 was taken out in December 2018 and is due for repayment by instalments by January 2044. Interest accrues on this loan at 3.8%. and interest payments are made quarterly. Capital repayments commenced in January 2020.

The second bank loan facility of £6,000,000 was taken out in December 2019 to fund construction of a new sports facility and all weather pitch. A sum of £5,680,000 was outstanding at 31 August 2022 and the capital will be repaid by instalments until January 2046. Interest accrues on this loan at a rate of 2.1% plus the Bank of England base interest rate. Interest payments are made monthly and capital repayments commenced in April 2021.



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**15. LEASE COMMITMENTS**

At 31 August 2022 the total of future minimum lease payments under non-cancellable operating leases were:

|                            | 2022<br>£      | 2021<br>£      |
|----------------------------|----------------|----------------|
| <b>Leases expiring:</b>    |                |                |
| Within one year            | 283,024        | 225,089        |
| Between two and five years | 248,499        | 238,105        |
| More than five years       | -              | -              |
|                            | <u>531,523</u> | <u>463,194</u> |

**16. UNRESTRICTED FUNDS**

|                        | 1 September<br>2021<br>£ | Income<br>£       | Expenditure<br>£    | Investment<br>(Losses)<br>£ | Transfers<br>£ | 31 August<br>2022<br>£ |
|------------------------|--------------------------|-------------------|---------------------|-----------------------------|----------------|------------------------|
| Designated - Eyre Fund | 50,651                   | -                 | -                   | -                           | -              | 50,651                 |
| General Fund           | 13,865,947               | 10,726,938        | (10,782,634)        | (274,786)                   | -              | 13,535,465             |
|                        | <u>13,916,598</u>        | <u>10,726,938</u> | <u>(10,782,634)</u> | <u>(274,786)</u>            | <u>-</u>       | <u>13,586,116</u>      |

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | 1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£  | Investment<br>Gains<br>£ | Transfers<br>£ | 31 August<br>2021<br>£ |
|------------------------|--------------------------|------------------|-------------------|--------------------------|----------------|------------------------|
| Designated - Eyre Fund | 51,743                   | -                | (1,092)           | -                        | -              | 50,651                 |
| General Fund           | 14,612,881               | 8,965,620        | (10,106,573)      | 394,019                  | -              | 13,865,947             |
|                        | <u>14,664,624</u>        | <u>8,965,620</u> | <u>10,107,665</u> | <u>394,019</u>           | <u>-</u>       | <u>13,916,598</u>      |

The Designated Eyre Fund represents the balance on an unrestricted donation which is used to help finance music lessons.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**17. RESTRICTED FUNDS**

|                                | Balance at<br>1 September<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2022<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds:</b>         |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation Special fund | 434,815                                | 12,866           | -                  | (20,915)                          | -              | 426,766                              |
| Stepping Forward Appeal        | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund                     | 1,740                                  | -                | -                  | -                                 | -              | 1,740                                |
| Bursaries                      | 89,398                                 | 6,496            | -                  | -                                 | -              | 95,894                               |
| DfCSF (DfE) fund               | 153,354                                | 5,323,140        | (5,354,217)        | -                                 | (91,891)       | 30,386                               |
| Other restricted funds         | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund           | 207,984                                | 238,513          | (87,393)           | -                                 | 91,891         | 450,995                              |
|                                | <u>1,267,381</u>                       | <u>5,581,015</u> | <u>(5,441,610)</u> | <u>(20,915)</u>                   | <u>-</u>       | <u>1,385,871</u>                     |
| <b>Pension reserve</b>         | <u>(1,903,000)</u>                     | <u>-</u>         | <u>(318,000)</u>   | <u>1,611,000</u>                  | <u>-</u>       | <u>(610,000)</u>                     |

**RESTRICTED FUNDS  
(PRIOR YEAR)**

|                                | Balance at<br>1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2021<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds</b>          |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation Special fund | 387,606                                | 10,806           | -                  | 36,403                            | -              | 434,815                              |
| Stepping Forward Appeal fund   | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Piano fund                     | 2,160                                  | -                | (420)              | -                                 | -              | 1,740                                |
| Bursaries                      | 52,917                                 | 36,481           | -                  | -                                 | -              | 89,398                               |
| DfCSF (DfE) fund               | 517,331                                | 5,109,004        | (5,322,332)        | -                                 | (150,649)      | 153,354                              |
| Other restricted funds         | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund           | 186,213                                | -                | (128,878)          | -                                 | 150,649        | 207,984                              |
|                                | <u>1,526,317</u>                       | <u>5,156,291</u> | <u>(5,451,630)</u> | <u>36,403</u>                     | <u>-</u>       | <u>1,267,381</u>                     |
| <b>Pension reserve</b>         | <u>(1,545,000)</u>                     | <u>-</u>         | <u>(184,000)</u>   | <u>(174,000)</u>                  | <u>-</u>       | <u>(1,903,000)</u>                   |

**Gordon Foundation Special Fund** – this fund represents the balance of assets transferred by several connected charities on 1 April 1996.

**Stepping Forward Appeal Fund** - this fund reflects an appeal to enhance performing arts facilities at Gordon's School.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**17. RESTRICTED FUNDS (Continued)**

**DfCSF (DfE) Fund & DfE Fixed Asset fund** – these funds reflect monies received from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of assisting with the general academy running costs and building projects.

**Other restricted funds** represent other specific donations to fund activities of the Foundation.

**Pension Reserve** – this fund represents the share of the pension deficit borne by the subsidiary, Gordon's School Academy Trust, in the Local Government Pension Scheme. Further detail is given in note 21 below.

**18. ALLOCATION OF THE GROUP NET ASSETS**

|                              | Investments      | Tangible Assets   | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total                    |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|--------------------------|
|                              | £                | £                 | £                                | £                              | £                        |
| Restricted – Specific        | 269,945          | 242,138           | 873,788                          | -                              | <b>1,385,871</b>         |
| Restricted – Pension reserve | -                | -                 | -                                | (610,000)                      | <b>(610,000)</b>         |
| Unrestricted                 | 2,960,028        | 21,514,516        | (3,673,669)                      | (7,214,759)                    | <b>13,586,116</b>        |
|                              | <u>3,229,973</u> | <u>21,756,654</u> | <u>(2,799,881)</u>               | <u>(7,824,759)</u>             | <u><b>14,361,987</b></u> |

**ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)**

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total                    |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|--------------------------|
|                              | £                | £                 | £                                | £                              | £                        |
| Restricted – Specific        | 275,553          | 207,984           | 783,844                          | -                              | <b>1,267,381</b>         |
| Restricted – Pension reserve | -                | -                 | -                                | (1,903,000)                    | <b>(1,903,000)</b>       |
| Unrestricted                 | 3,146,220        | 20,962,028        | (2,979,223)                      | (7,212,427)                    | <b>13,916,598</b>        |
|                              | <u>3,421,773</u> | <u>21,170,012</u> | <u>(2,195,379)</u>               | <u>(9,115,427)</u>             | <u><b>13,280,979</b></u> |

**19. CHARITY UNRESTRICTED FUNDS**

**UNRESTRICTED FUNDS**

|                        | Balance at 1 September 2021 | Income            | Expenditure        | Investment Gains/(losses) | Transfers | Balance at 31 August 2022 |
|------------------------|-----------------------------|-------------------|--------------------|---------------------------|-----------|---------------------------|
|                        | £                           | £                 | £                  | £                         | £         | £                         |
| Designated - Eyre Fund | 50,651                      | -                 | -                  | -                         | -         | 50,651                    |
| General Fund           | 12,289,590                  | 10,575,961        | (9,220,733)        | (274,786)                 | -         | 13,370,032                |
|                        | <u>12,340,241</u>           | <u>10,575,961</u> | <u>(9,220,733)</u> | <u>(274,786)</u>          | <u>-</u>  | <u><b>13,420,683</b></u>  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**19. CHARITY UNRESTRICTED FUNDS (Continued)**

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2020 | Income           | Expenditure         | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2021 |
|------------------------|-----------------------------------|------------------|---------------------|------------------------------|-----------|---------------------------------|
|                        | £                                 | £                | £                   | £                            | £         | £                               |
| Designated - Eyre Fund | 51,743                            | -                | (1,092)             | -                            | -         | 50,651                          |
| General Fund           | 13,737,722                        | 8,950,810        | (10,792,961)        | 394,019                      | -         | 12,289,590                      |
|                        | <u>13,789,465</u>                 | <u>8,950,810</u> | <u>(10,794,053)</u> | <u>394,019</u>               | <u>-</u>  | <u>12,340,241</u>               |

**20. CHARITY RESTRICTED FUNDS**

|                         | Balance at<br>1 September<br>2021 | Income        | Expenditure | Investment<br>Gains/(losses) | Transfers | Balance at<br>31 August<br>2022 |
|-------------------------|-----------------------------------|---------------|-------------|------------------------------|-----------|---------------------------------|
|                         | £                                 | £             | £           | £                            | £         | £                               |
| Gordon Foundation       | 434,815                           | 12,866        | -           | (20,915)                     | -         | 426,766                         |
| Special fund            |                                   |               |             |                              |           |                                 |
| Stepping Forward Appeal | 300,686                           | -             | -           | -                            | -         | 300,686                         |
| Camel fund              | -                                 | -             | -           | -                            | -         | -                               |
| Piano fund              | 1,740                             | -             | -           | -                            | -         | 1,740                           |
| Bursaries               | 89,398                            | 6,496         | -           | -                            | -         | 95,894                          |
| DfCSF (DfE) funds       | -                                 | -             | -           | -                            | -         | -                               |
| Other restricted funds  | 79,404                            | -             | -           | -                            | -         | 79,404                          |
|                         | <u>906,043</u>                    | <u>19,362</u> | <u>-</u>    | <u>(20,915)</u>              | <u>-</u>  | <u>904,490</u>                  |

**CHARITY RESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2020 | Income        | Expenditure  | Investment<br>Gains | Transfers | Balance at<br>31 August<br>2021 |
|------------------------|-----------------------------------|---------------|--------------|---------------------|-----------|---------------------------------|
|                        | £                                 | £             | £            | £                   | £         | £                               |
| Gordon Foundation      |                                   |               |              |                     |           |                                 |
| Special fund           | 387,606                           | 10,806        | -            | 36,403              | -         | 434,815                         |
| Stepping Forward       |                                   |               |              |                     |           |                                 |
| Appeal                 | 300,686                           | -             | -            | -                   | -         | 300,686                         |
| Camel fund             | -                                 | -             | -            | -                   | -         | -                               |
| Piano fund             | 2,160                             | -             | (420)        | -                   | -         | 1,740                           |
| Bursaries              | 52,917                            | 36,481        | -            | -                   | -         | 89,398                          |
| DfCSF (DfE) funds      | -                                 | -             | -            | -                   | -         | -                               |
| Other restricted funds | 79,404                            | -             | -            | -                   | -         | 79,404                          |
|                        | <u>822,773</u>                    | <u>42,287</u> | <u>(420)</u> | <u>36,403</u>       | <u>-</u>  | <u>906,043</u>                  |

## THE GORDON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £356,527 were payable to the schemes at 31 August 2022 (2021: £231,680) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £889,176 (2021: £867,713).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Total contributions made**

|                          | <b>2022</b> | <b>2021</b> |
|--------------------------|-------------|-------------|
|                          | <b>£</b>    | <b>£</b>    |
| Employer's contributions | 158,000     | 141,000     |
| Employees' contributions | 42,000      | 37,000      |
|                          | <hr/>       | <hr/>       |
| Total contributions      | 200,000     | 178,000     |
|                          | <hr/>       | <hr/>       |

**Principal actuarial assumptions**

|                                                    | <b>2022</b> | <b>2021</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 4.10        | 3.80        |
| Rate of increase for pensions in payment/inflation | 3.20        | 2.90        |
| Discount rate for scheme liabilities               | 4.25        | 1.65        |
|                                                    | <hr/>       | <hr/>       |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                      | <b>2022</b>  | <b>2021</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| - Males              | 22.1         | 22.3         |
| - Females            | 24.5         | 24.7         |
| Retiring in 20 years |              |              |
| - Males              | 23.1         | 23.4         |
| - Females            | 26.2         | 26.4         |
|                      | <hr/>        | <hr/>        |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | <b>2022</b> | <b>2021</b> |
|-------------------------------|-------------|-------------|
|                               | <b>£</b>    | <b>£</b>    |
| Discount rate + 0.1%          | (57,000)    | (84,000)    |
| Discount rate - 0.1%          | 57,000      | 84,000      |
| Mortality assumption + 1 year | 105,000     | 154,000     |
| Mortality assumption - 1 year | (105,000)   | (154,000)   |
| CPI rate + 0.1%               | 56,000      | 80,000      |
| CPI rate - 0.1%               | (56,000)    | (80,000)    |

**Defined benefit pension scheme net liability**

|                    | <b>2022</b> | <b>2021</b> |
|--------------------|-------------|-------------|
|                    | <b>£</b>    | <b>£</b>    |
| Scheme assets      | 2,004,000   | 1,942,000   |
| Scheme obligations | (2,614,000) | (3,845,000) |
| Net liability      | (610,000)   | (1,903,000) |

**The academy trust's share of the assets in the scheme**

|          | <b>2022</b>       | <b>2021</b>       |
|----------|-------------------|-------------------|
|          | <b>Fair value</b> | <b>Fair value</b> |
|          | <b>£</b>          | <b>£</b>          |
| Equities | 1,523,000         | 1,456,000         |
| Bonds    | 281,000           | 311,000           |
| Cash     | 40,000            | 39,000            |
| Property | 160,000           | 136,000           |
|          | 2,004,000         | 1,942,000         |

The actual return on scheme assets was a loss of £100,000 (2021: loss of £343,000).

**Amount recognised in the Statement of Financial Activities**

|                                                               | <b>2022</b> | <b>2021</b> |
|---------------------------------------------------------------|-------------|-------------|
|                                                               | <b>£</b>    | <b>£</b>    |
| Current service cost                                          | 442,000     | 298,000     |
| Interest income                                               | (33,000)    | (26,000)    |
| Interest cost                                                 | 67,000      | 53,000      |
| Benefit changes, curtailments and settlements gains or losses | -           | -           |
| Total operating charge                                        | 476,000     | 325,000     |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

| <b>Changes in the present value of defined benefit obligations</b>             | <b>2022</b>      | <b>2021</b>      |
|--------------------------------------------------------------------------------|------------------|------------------|
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2021                                                            | 3,845,000        | 2,993,000        |
| Current service cost                                                           | 442,000          | 298,000          |
| Interest cost                                                                  | 67,000           | 53,000           |
| Employee contributions                                                         | 42,000           | 37,000           |
| Actuarial loss                                                                 | (1,744,000)      | 491,000          |
| Benefits paid                                                                  | (38,000)         | (27,000)         |
| At 31 August 2022                                                              | <u>2,614,000</u> | <u>3,845,000</u> |
| <b>Changes in the fair value of the academy trust's share of scheme assets</b> | <b>2022</b>      | <b>2021</b>      |
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2021                                                            | 1,942,000        | 1,448,000        |
| Interest income                                                                | 33,000           | 26,000           |
| Actuarial loss/(gain)                                                          | (133,000)        | 317,000          |
| Employer contributions                                                         | 158,000          | 141,000          |
| Employee contributions                                                         | 42,000           | 37,000           |
| Benefits paid                                                                  | (38,000)         | (27,000)         |
| At 31 August 2022                                                              | <u>2,004,000</u> | <u>1,942,000</u> |

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £166,848 (2021: £153,705) and there were no contributions payable to the scheme at 31 August 2022 (2021: £19,716).

**22. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period (2021: None).



THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2021

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 13,136                     | -                        | 13,136             | 92,300             |
| Grants                                                      | 2      | 159,157                    | -                        | 159,157            | 462,520            |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 8,415,478                  | 36,481                   | 8,451,959          | 7,092,768          |
| Other operating income                                      | 3      | 240,304                    | -                        | 240,304            | 215,851            |
| Funding for the Academy's educational operations            | 3      | -                          | 5,109,004                | 5,109,004          | 5,186,906          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 41,822                     | -                        | 41,822             | 21,901             |
| <b>Investment income</b>                                    | 5      | 95,723                     | 10,806                   | 106,529            | 78,075             |
| <b>Total income</b>                                         |        | <b>8,965,620</b>           | <b>5,156,291</b>         | <b>14,121,911</b>  | <b>13,150,321</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 5,489,150                  | 3,883,087                | 9,372,237          | 8,678,783          |
| Educational costs                                           |        | -                          | 481,604                  | 481,604            | 534,952            |
| Welfare costs                                               |        | 1,611,619                  | 420                      | 1,612,039          | 1,219,652          |
| Premises costs                                              |        | 2,344,105                  | 946,616                  | 3,290,721          | 2,603,511          |
| Support costs                                               |        | 404,420                    | 323,903                  | 728,323            | 591,318            |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 244,926                    | -                        | 244,926            | 105,680            |
| Investment management                                       |        | 762                        | -                        | 762                | 54,714             |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 12,683                     | -                        | 12,683             | 2,803              |
| <b>Total expenditure</b>                                    | 6      | <b>10,107,665</b>          | <b>5,635,630</b>         | <b>15,743,295</b>  | <b>13,791,413</b>  |
| <b>Net income/(expenditure)</b>                             |        | <b>(1,142,045)</b>         | <b>(479,339)</b>         | <b>(1,621,384)</b> | <b>(641,092)</b>   |
| Gross transfers between funds                               | 17     | -                          | -                        | -                  | -                  |
| <b>Other recognised gains and losses</b>                    |        | <b>(1,142,045)</b>         | <b>(479,339)</b>         | <b>(1,621,384)</b> | <b>(641,092)</b>   |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | (174,000)                | (174,000)          | (541,000)          |
| Net gains/(losses) on investments                           | 9      | 394,019                    | 36,403                   | 430,422            | (28,942)           |
| <b>Net movement in funds for the year</b>                   |        | <b>(748,026)</b>           | <b>(616,936)</b>         | <b>(1,364,962)</b> | <b>(1,211,034)</b> |
| <b>Fund balances brought forward at 1 September 2020</b>    | 16, 17 | <b>14,664,624</b>          | <b>(18,683)</b>          | <b>14,645,941</b>  | <b>15,856,975</b>  |
| <b>Fund balances carried forward at 31 August 2021</b>      | 16, 17 | <b>13,916,598</b>          | <b>(635,619)</b>         | <b>13,280,979</b>  | <b>14,645,941</b>  |

All of the charitable group's activities are continuing.

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

# **The Gordon Foundation**

## **Management Report for the Year Ended 31 August 2022**



Alliotts LLP  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

**Draft: January 2023**

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This report is part of a continuing dialogue between the charity and ourselves and is therefore not intended to cover every matter discussed during the course of the audit. For this reason, the report is intended for the sole use of the charity. We do not accept responsibility to the trustees acting in an individual capacity, and do not accept responsibility for any reliance that third parties may place on the report.

It should be noted that the primary objective of our audit is to express an opinion on the truth and fairness of the charity accounts as a whole. An audit does not examine every operating activity and accounting procedure in the charity, nor does it provide a substitute for management's responsibility to maintain adequate controls over the charity's activities. Our work is not designed therefore to provide a comprehensive statement of all weaknesses or inefficiencies that may exist in the charity's systems and working practices, or of all improvements that could be made.

# 1 EXECUTIVE SUMMARY

## 1.1 Purpose

The purpose of this report is to record the overall results of our work and to assist the trustees

by commenting on those matters that came to our attention during the course of the audit. These matters cover:

- Independence
- Materiality and Audit approach
- Comments on the accounting policies and practices applied when preparing the charity accounts
- Summary of adjustments to draft management figures
- Suggestions for improvement to the charity's accounting and financial control systems

## 1.2 Independence

In accordance with auditing standards we can confirm that any relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff have been identified and assessed at the planning stage of our audit.

- We have no independence issues to bring to your attention.

## 1.3 Audit approach and materiality

Our audit planning was carried out taking account of the issues highlighted through a planning meeting with you, and our knowledge and understanding of the charity.

In our planning, we have taken account of the results of our own risk assessment made in accordance with the guidance set by International Standards on Auditing (UK and Ireland).

- The level of materiality for making adjustments to the financial statements, as set out in the detailed planning memorandum, was calculated at £210,000.

We are required to notify you of any potential adjustments identified during the course of our audit work unless they are trivial.

- For the purposes of this report we have taken trivial as being less than £10,500.

## 1.4 Accounting policies and practices

In preparing the financial statements of the charity, trustees are required under FRS102 to review the charity's accounting policies on an annual basis to ensure they remain appropriate to the charity's circumstances and are being properly applied.

- We have reviewed the accounting policies and practices selected by the charity and are satisfied that the charity operates acceptable accounting policies and practices.
- Section 2 of this report summarises the main accounting issues that we have discussed with management.
- Section 3 records the adjustments that have been made to the draft accounts as a result of matters arising during the course of the audit. This section also summarises the errors identified during the course of the audit which remain unadjusted.

## 1.5 Accounting and financial control systems

We found that the charity had good operational and management controls.

- We have identified some areas where we believe controls should be strengthened further. These are detailed in Section 5 together with the management's responses to our recommendations for improvement.

## 2 SIGNIFICANT MATTERS

### 2.1 Introduction

The following significant matters were discussed with management during the course of the audit. This includes the audit outcome of the key risks identified within our audit planning memorandum.

### 2.2 Expenditure – Service Contract

During the audit, it was noted that there was a change in FY21-22 for the service contract with Gordon Enterprises UK Limited. The academy trust is now charging the company various amounts; as a result, there is less charged to the Academy trust and The Gordon Foundation as a percentage for certain charges.

### 2.3 Gordonian Bank Accounts

In the prior year, Gordonians were a separate legal entity to the Foundation. This has changed in 2021/22 and the Foundation now has complete control over the Gordonian Bank Account.

Specific amounts are restricted and awarded as grants as decided by the advisory panel. There have been no grants made in the FY ended 31 August 2022.

### 2.4 Loss of Legal Dispute

During the audit, we have noted that £334,713 that had been held in a separate Foundation deposit account for the football pitch has been released and spent on replacing the all-weather pitch during the year.

We have also noted that a Dispute to Adjudication dated 26 September 2022 regarding the amended JCT 2016 Design and Build Contract dated 11 December 2019, to design and build sporting facilities at the Gordon's School was found in favour of Stepnell Limited. As a result, the Charitable Company has made a payment of £312k for the contractual sum including interest and adjudicators fees (exclusive VAT) after the year end. A provision for this has been provided in the accounts at the year end. See Section 3 audit adjustments.

### 3 CORRECTED AND UNCORRECTED MISSTATEMENTS

#### 3.1 Adjusted items

The following misstatements were processed during the course of our audit:

| <i>Adjusted misstatements:</i>                                    | SOFA             |                  | Balance Sheet  |                |
|-------------------------------------------------------------------|------------------|------------------|----------------|----------------|
|                                                                   | <i>£Dr</i>       | <i>£Cr</i>       | <i>£Dr</i>     | <i>£Cr</i>     |
| Being reallocation of debtors                                     | 2,284,594        | 2,284,594        | -              | -              |
| Being reallocation of other income to unrestricted income         | -                | -                | 35,709         | 35,709         |
| Being agree intercompany debtor due from Gordon Enterprise        | -                | 29,313           | 29,313         | -              |
| Being agree intercompany creditor due to Gordon School Academy    | 42,000           | -                | -              | 42,000         |
| Being transfer from Assets Under Construction to Land & Buildings | -                | -                | 154,822        | 154,822        |
| Being reclassification of fixed assets additions                  | -                | -                | 154,822        | 154,822        |
| Being provision for Stepnell dispute costs                        | 312,911          | -                | -              | 312,911        |
| <b>Total of corrected misstatements</b>                           | <b>2,639,505</b> | <b>2,313,907</b> | <b>374,666</b> | <b>700,264</b> |
| <b>Net impact of corrected misstatements</b>                      |                  | <b>325,598</b>   |                |                |

#### 3.2 Unadjusted items – Potential adjustments

The following immaterial misstatements were noted during our audit testing and have not been adjusted for:

| <i>Unadjusted misstatements:</i>             | SOFA       |               | Balance Sheet |            |
|----------------------------------------------|------------|---------------|---------------|------------|
|                                              | <i>£Dr</i> | <i>£Cr</i>    | <i>£Dr</i>    | <i>£Cr</i> |
| Being bad debts provision over provided      | -          | 19,915        | 19,915        | -          |
| <b>Net impact of corrected misstatements</b> |            | <b>19,915</b> |               |            |

## 4 UPDATE ON RISKS IDENTIFIED AT THE PLANNING STAGE

At the audit planning stage we established the key risk areas for the focus of our audit work. This annex includes the outcomes of our audit work in respect of these key risks.

| Issue                                                                | Audit risk                                                                                                                                                                                                                                               | Proposed audit work                                                                                                                                                                                                                                                                                                  | Outcome                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Fluctuations in pupil numbers                                     | Changes in demographics and public perception could lead to fluctuating pupil numbers which would lead to a fall in GAG funding.                                                                                                                         | Review if there are any indications that the School has suffered from a fall in income.                                                                                                                                                                                                                              | Pupil numbers have remained in line with forecasts and the prior year figure therefore no concerns around decreased future funding.                                                                                                                                                                                                                                |
| 2. Reliance on key members of staff and possible management override | <p>Risk that segregation of duties could become difficult should members of the team be absent due to ill health for any length of time.</p> <p>Risk that management could override key controls.</p>                                                    | Discuss with the client and review systems and controls.                                                                                                                                                                                                                                                             | <p>There is seen to be a reliance on certain members of staff which could be sustained over short term absences but would be unsustainable in the long-term.</p> <p>Adequate segregation of duties was found to be in place from our reviews carried out during the audit suggesting that management override would be difficult to achieve without collusion.</p> |
| 3. Errors and fraud                                                  | <p>Risk of errors in the cut off of expenditure leading to the accounts not reflecting a true and fair view and thereby affecting management decisions based on the accounts.</p> <p>Risk of fraud from internal and external affecting the results.</p> | <p>Cut off to be tested. Review systems and control procedures through discussions with the accounts staff and complete a number of walkthroughs to confirm systems and controls are in place.</p> <p>Discuss with management if any frauds have occurred and review any systems in place to mitigate the risks.</p> | No instances of fraud were identified during the audit and no significant concerns over the management controls were raised. This was confirmed with management.                                                                                                                                                                                                   |

#### 4 UPDATE ON RISKS IDENTIFIED AT THE PLANNING STAGE(CONTINUED)

| Issue                               | Audit risk                                                                                                                                                                                                 | Proposed audit work                                                                                                                                                                                                                                                                 | Outcome                                                                                                                                                                                   |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. Income Recognition               | Risk that income could be under-stated.                                                                                                                                                                    | Review cut off procedures and systems for income recognition.                                                                                                                                                                                                                       | Income was seen to be recognised in line with the SORP requirements.                                                                                                                      |
| 5. Related parties and transactions | Risk related party transactions with the Foundation may be missed from the financial statements.                                                                                                           | Request information regarding all related party transactions with the Foundation and from the Trustees.<br><br>Review transactions comparing to Governors' register of interest and Foundation accounting records to confirm no further related party transactions to be disclosed. | Systems and controls were reviewed, and no issues were identified.<br><br>No issues noted from review of the related party declarations received and minutes of meetings during the year. |
| 6. Going Concern                    | Risk that changes in government funding may impact the group's ability to continue as a Going Concern.<br><br>Risk that disclosure of Going Concern position is not disclosed in the financial statements. | Review the budget/forecast.<br><br>Discuss with management.<br><br>Review disclosures to ensure these reflect the appropriate Going Concern position.                                                                                                                               | From review of the group forecast we can see that surpluses are predicted for the forthcoming years.                                                                                      |
| 7. Assets under construction        | Risk that assets under construction are materially misstated in the accounts due to being an estimate.                                                                                                     | Review the assets under construction on the fixed asset register and trace to invoices raised in the year.<br><br>Carry out physical inspection of the assets under construction.                                                                                                   | From review of the assets under construction, we traced the sample back to invoices and physically verified that the assets under construction existed.                                   |



## 5 ACCOUNTING AND FINANCIAL CONTROL SYSTEMS

### 5.1 Introduction

The table below summarises our recommendations for improving the effectiveness of the charity's accounting and financial control systems in the following areas:

| # | Subject                                           | Grade |
|---|---------------------------------------------------|-------|
| 1 | Points raised from the previous years' audit      | N/A   |
| 2 | Current year recommendations – Enterprise Debtors | 3     |

We have used the following grading system to indicate the significance of the matters we have raised and the priority that we believe should be given to our recommendations:

- Grade 1: We believe these observations are particularly significant and that management should take prompt action.
- Grade 2: These observations are significant but of a less urgent nature than Grade 1 observations. We believe that action needs to be taken within the agreed timescale.
- Grade 3: Observations that merit attention but are less significant than Grade 1 and 2 observations.

## 5.2 Issues noted

| 1 | Points raised from the previous years' audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Grade: N/A |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|   | <p data-bbox="226 347 512 376"><b>(a) Supplier Accounts</b></p> <p data-bbox="226 411 2031 533">During testing of the Academy Trust in prior years, it was noted that a number of purchase invoices were being expensed by the Academy but the invoices were in the name of the Foundation. It was discussed that this was a mistake due to confusion by suppliers over the entity that they were dealing with. This gives rise to the risk that costs are not recognised against the appropriate budgets and therefore spending controls are not able to operate correctly.</p> <p data-bbox="226 568 2022 596">We recommended that where invoices are in the Foundation's name that these are recognised as such and recharged to the academy where applicable.</p> <p data-bbox="226 616 2002 702"><i>Resolved: During expenditure testing this year, some invoices were found to have been addressed to the School, rather than the Foundation, however we note that where these invoices are in relation to the two entities that the costs have been recharged appropriately. Therefore, this point is considered to be resolved.</i></p> <p data-bbox="226 754 486 783"><b>(b) Bank Covenants</b></p> <p data-bbox="226 818 2031 940">We noted during prior audits that as a result of covid19 and the unusual events during that years audit that the bank covenants covering the loan agreements had been broken. The loans from these agreements have provided significant amounts necessary for the cash flow of the Foundation, to ensure it remains operational and the agreements should be reviewed regularly to ensure that where the Foundation is projected to break the covenants that all necessary measures are taken and confirmation of the bank's continuing support has been obtained in advance of this.</p> <p data-bbox="226 975 2031 1032">We recommended that the covenants should be tracked and measured as part of the Foundations reporting to Trustees to ensure covenants are not broken without foresight of this.</p> <p data-bbox="226 1051 2002 1109"><i>Resolved: Confirmation of Lloyds' support in relation to the bank loans has been confirmed to us by the Lloyds Relationship Director, who confirms that the covenants have not been breached.</i></p> <p data-bbox="226 1128 2002 1185"><i>This year we understand that the Head of Finance has been in regular contact with the Lloyds' Relationship Director to ensure they have been updated of any occurrences that could affect the covenants.</i></p> |            |

| 2                                                                                                                                                                                                                                                                                                                                                                                                                         | Enterprise – Debtors              | Grade: 3                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------|
| <p><b>Issue</b></p> <p>During the audit we noted that Aldershot Town FC who are one of the main customers of Gordon Enterprise UK Ltd had some outstanding invoices which exceeded their credit limit. From discussions with the client, these credit terms were verbally agreed with Aldershot Town FC and not set out in writing. This could cause confusion as to when payments are due and may lead to bad debts.</p> |                                   |                                                     |
| <p><b>Recommendation</b></p> <p>We recommend that credit terms of all customers be reviewed and set out in writing to ensure there is no confusion between parties and debts are paid on time.</p>                                                                                                                                                                                                                        | <p><b>Management response</b></p> | <p><b>Action by whom</b></p> <p><b>Deadline</b></p> |

## 6 TECHNICAL UPDATE

### 6.1 Charities Act 2022

The Charities Act 2022 (the Act) received Royal Assent earlier in the year and brings into force several key changes to the Charities Act 2011, aimed at simplifying a number of processes.

These changes include:

- **Governing document amendments**

The Act has made amendments to bring the rules in line for charities amending their constitution irrespective of the charity's legal structure, be it a limited company, trust or Charitable Incorporated Organisation. The Commission will still need to approve any regulated amendments, such as changes to the charity's objects, but they will now apply the same consistent criteria to approve these.

- **Permanent endowments**

The definition of permanent endowments has been updated with a simplified definition where property is considered to be a permanent endowment if it is 'subject to a restriction on being expended which distinguishes between income and capital'. The Charities Act has also been updated to increase the maximum value of a permanent endowment that Trustees can resolve to release restrictions on spending capital from £10,000 to £25,000. This power has also been extended to incorporated entities too.

In addition, a new provision in the Act will allow Trustees to borrow up to a quarter of the value of a charity's permanent endowment, on condition that the amount borrowed needs to be repaid within 20 years of the loan being taken out.

- **Mergers**

A key amendment to the Act allows for legacies to be transferred to a merged charity. This change will remove the need for 'shell charities' to be maintained on the mergers register and therefore should reduce administration costs.

- **Failed appeals**

The Act introduces new rules granting the power for trustees to apply cy-près, therefore allowing charities more flexibility where there may have been a specific appeal that has failed to meet its fundraising target. The donations collected in this instance, can be applied for another charitable purposes rather than having to be returned to donors under certain conditions:

- the donation is a single gift of £120 or less; or
- the donor, after all agreed actions have been taken, cannot be identified or found; or
- the donor cannot be identified at all (which would be the case for cash street collections).

- **Payments to Trustees**

The Act has updated the circumstances where a trustee, or someone connected to the trustee, may be paid for the provision of services to a charity under certain conditions. The Act also extends this provision to allow payment for the provision of goods to a charity.

Ex gratia payments have historically required Charity Commission permission in the past, but the Act allows for ex gratia payments to be made without the Commission's consent, up to a maximum of £20,000 depending on the charity's income. The Act allows this decision making to be delegated to charity staff.

## **6.2 Charity Commission Guidance on the Implications of Covid 19 (last update March 2022)**

The Charity Commission issued guidance to encourage charities to explain the impact of the Covid 19 virus on the charity.

When preparing their trustees' annual report, charity trustees may wish to consider the following:

- how the virus control measures affected the charity's activities
- explain any financial uncertainties regarding financial sustainability and going concern
- how the contribution of any volunteers assisted in managing in the changed circumstances
- the impact on the charity's ability to fundraise
- how the outbreak of the virus has affected
  - staff, volunteers and beneficiaries and the implications for the charity's operations and activities
  - the principal risks and uncertainties facing the charity during the reporting period
- implications for any defined benefit pension liability and investments
- any impact on the charity's reserves policy
- impact on the future aims and activities of the charity
- impact on any wider network of which the charity is a part and how this affects the charity's operations

The Corporate Insolvency and Governance Act (CIGA) 2020 allowed charities and most CIOs to hold online AGMs whether their governing documents allowed virtual meetings or not. The provisions of CIGA finished on 31 March 2021, and the Charity Commission allowed a flexible approach but from **22 April 2022**, the Commission does not allow cancellation/postponement of AGMs and other physical meetings, unless the governing document permits this, so some charities with older rules will have to hold physical AGMs again or seek to update their rules.

### 6.3 Audit regulation changes- Revised International Standards on Auditing (ISAs)

A number of changes to auditing standards have been made which have had/ will have an impact on how audits are carried out for charities and ultimately mean that charities will spend more time and money meeting the requirements of the audit regime.

#### **ISA(UK) 240 Fraud – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements**

The revised standard applies to accounting periods starting after 15 December 2021 and tightens up the processes adopted by auditors when considering the prospect of fraud in financial statements.

Whilst It still remains that the primary responsibility for the prevention and detection of fraud rests with ‘those charged with governance’ and management, the enhanced processes carried out by the auditors look to obtain the reasonable assurance (not absolute assurance), required by the standard.

Whilst auditors have more things to do to comply with the revised standards, charities will see the impact of these changes as there will an enhances risk assessment and further enquiries from the auditors, perhaps of other member of charity staff that do not normally deal with the audit.

#### **ISA (UK) 315 Risk of Material Misstatement**

This expanded standard gives more guidance to auditors on how to identify significant risks, with a stronger emphasis on looking at internal controls within the charity. Charities are likely to face additional questions from auditors about how charity trustees assess the control environment, particularly with remote/branch operations. This standard is from accounting periods starting after 15 December 2021.

#### **ISA (UK) 570 on Going Concern**

This standard was updated and now auditors have to perform additional work to conclude on whether the Governors use of the ‘Going Concern’ basis of accounting is appropriate, and whether there are any material uncertainties in this regard. Auditors have to be tougher and more rigorous; consider management bias of presentation and perform a ‘Stand back’ test when draw conclusions –right up to the date of signing of the audit report.

#### **ISA (UK) 700 on Forming an opinion and reporting on financial statements**

The update in this standard now requires that the auditor's report of all entities explain to what extent the audit was considered capable of detecting irregularities, including fraud. The auditor must also consider impact of non-compliance with laws and regulations, which can be complex for charities.

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# Accounts

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**THE GORDON FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2021**

Company Number 00027272  
Charity Number 312092



## THE GORDON FOUNDATION

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## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION

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|                        |                                                                                      |
|------------------------|--------------------------------------------------------------------------------------|
| <b>Patron</b>          | HM The Queen                                                                         |
| <b>Vice Presidents</b> | The Lord Mayor of London<br>The Lord Lieutenant of Surrey<br>The Bishop of Guildford |
| <b>Ambassadors</b>     | Mr P Talbot<br>Mr M Hawkesworth<br>Mr P Wynter Bee                                   |

#### Foundation Committee (The Board)

|                                                |                                                           |
|------------------------------------------------|-----------------------------------------------------------|
| General Sir Peter Wall GCB CBE                 | Chairman                                                  |
| Mr R Whittington DL <sup>1,2,4,5,8</sup>       | Vice Chairman                                             |
| Mr C Whiffin <sup>1,2,8</sup>                  | Treasurer                                                 |
| Mrs J Valner <sup>1,2,3,4,5,7</sup>            | Chair of Governors, Gordon's School from 26 November 2020 |
| Lord Lingfield                                 |                                                           |
| Mr W Eason <sup>1,2,3,4,5,8</sup>              |                                                           |
| Ms A MacLennan <sup>6</sup>                    |                                                           |
| Mr T Gordon                                    |                                                           |
| Mrs L Bannister <sup>3,7</sup>                 |                                                           |
| Mr C Lomas <sup>6,7,9</sup>                    | Resigned 22 January 2022                                  |
| Mr M Barnes <sup>1,2,7,8,9</sup>               |                                                           |
| Mrs A Stephens <sup>1</sup>                    |                                                           |
| Major General A Fay CB                         |                                                           |
| Mrs D McKenzie                                 |                                                           |
| Mrs S Hounsham <sup>6</sup>                    |                                                           |
| Mr P Jones <sup>1,2</sup>                      | Appointed 29 September 2020                               |
| Mr S Azeem                                     | Appointed 23 January 2021                                 |
| Brigadier J Mullin                             | Appointed 22 January 2022                                 |
| Mrs P A Lea <sup>1,2</sup>                     | Resigned 23 January 2021                                  |
| Mr P F Wynter Bee TD <sup>1,2,5,6,7</sup>      | Resigned 23 January 2021                                  |
| Dr J Higgs <sup>3,6</sup>                      | Resigned 23 July 2021                                     |
| Major General J Russell-Jones OBE <sup>4</sup> | Resigned 22 January 2022                                  |
| Mr A McClafferty                               | Resigned 22 January 2022                                  |
| Mrs N Devesher                                 | Appointed 22 January 2022                                 |
| Lieutenant General R Cripwell                  | Appointed 22 January 2022                                 |

#### Head Teacher

Mr A Moss

#### Foundation and Company Secretary

Mrs S M Meikle

#### Committee Membership

- Member of the Foundation Development Committee = 1
- Member of the Joint Finance & Estates Committee = 2
- Member of the Investment Panel = 3
- Member of the Awards Panel = 4
- Member of the Nominations Committee = 5
- Member of the Fundraising & Enterprises Committee = 6
- Governor of Gordon's School = 7
- Member of the Risk & Audit Committee = 8
- Member of the Performance Management & Salaries Committee = 9

## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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#### ADVISERS

|                             |                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------|
| <b>Bankers:</b>             | Bank of Scotland<br>38 Threadneedle Street<br>London EC2P 2HL                    |
| <b>Auditors:</b>            | Alliotts LLP<br>Friary Court<br>13-21 High Street<br>Guildford<br>Surrey GU1 3DL |
| <b>Investment Managers:</b> | Quilter Cheviot<br>Senator House<br>85 Queen Victoria Street<br>London EC4V 4AB  |
| <b>Legal Advisers:</b>      | Moore Barlow LLP<br>The Oriel<br>Guildford<br>Surrey GU1 3SR                     |

#### STATUS AND ADMINISTRATION

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| <b>Registered Office:</b> | The Gordon Foundation<br>Gordon's School<br>West End<br>Woking<br>Surrey GU24 9PT |
|---------------------------|-----------------------------------------------------------------------------------|

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### **Constitution**

The Gordon Foundation is a company limited by guarantee (Company No 27272), its registered office being at Gordon's School, West End, Woking, Surrey, GU24 9PT. The company is a charity for educational purposes (registered charity No 312092).

Management of the charity is vested in the Foundation Committee, who are directors and members for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP 2015 (FRS 102). Foundation Committee members are required to retire from office every third year from the date of election but are eligible for re-election. The Foundation Committee has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Foundation Secretary.

The charity was founded at the express wish of Queen Victoria as the national memorial to General Gordon who was killed in Khartoum in 1885. The Gordon Foundation owns, freehold, the land and buildings formerly known as the Gordon Boys' Home which was changed to The Gordon's Boys' Home in 1943, started to accept girls and day boarders from 1990 and is now known as Gordon's School.

The majority of the Governors of Gordon's School, a State Boarding School with Academy status, are either trustees of or are appointed by The Gordon Foundation.

Following a decision made in 2019 to increase the number of (ex-officio) Vice Presidents, a recommendation to introduce the position of Ambassador was approved. Ambassadors, a seven-year appointment, are former trustees of seniority or long service who have continued interest in supporting the Foundation's work. Paul Talbot, Gordonian and former trustee of over 30 years' service, and Mark Hawkesworth, former Treasurer, accepted the invitation to be the first Ambassadors for The Gordon Foundation while Peter Wynter Bee who retired in 2021 after 21 years' service to Gordon's as trustee and for eight years a School Governor, accepted the Committee's invitation to continue his links as a Gordon's Ambassador.

##### **Governance**

The Wider Leadership Team controls the running of the Foundation and School at an executive level and implements the policies and decisions of the trustees and governors through agreed schemes of delegation. Key management personnel are defined as the Head Teacher, Deputy Heads (Curriculum and Pastoral), Bursar, Head of Sixth Form, Assistant Heads and senior Foundation support services managers. A review of Governance was commissioned during the latter part of the year, the report from which will be considered during early 2022 with agreed recommendations implemented from September 2022.

##### **Arrangements for setting pay and remuneration of key management personnel**

The Wider Leadership Team is paid on the Leadership pay scale which broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Leaders must demonstrate sustained performance in respect to their performance objectives; non-teaching leadership salaries are benchmarked against local market conditions. The Performance Management and Salaries Committee awards one incremental point on the Gordon's Pay Scale where performance objectives are met and where there is a sustained high quality of overall performance.

##### **Policies and Procedures adopted for the Induction and Training of Trustees**

Prospective trustees are invited to Gordon's School prior to their appointment to meet with the Foundation Secretary, Head Teacher and at least two trustees who make their report to the next meeting of the Nominations Committee. A schedule of trustees with their qualifications and experience is maintained, cross-referenced against the business requirements of the Foundation, which assists in the selection of new trustees.

Once appointed, new trustees follow an induction which includes an explanation of their role as trustee, the company and the relationship between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All trustees are encouraged to attend professional training courses, take online courses for trustees and are provided with joint briefings at least once each year.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

#### OBJECT AND OBJECTIVES

##### General

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for 935 residential and day boarding students aged 11-18 years. The School changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education and Skills Funding Agency pays the cost of teaching and learning, delivery of the national curriculum and some classroom facilities. In addition to managing the estate and buildings, The Gordon Foundation provides support services to the School and in particular runs the boarding operation for the day, weekly and full boarding students and the extensive co-curricular programmes. For families who require financial assistance with boarding charges, The Gordon Foundation is able to provide means-tested bursaries.

The Gordon Enterprises UK Ltd, a subsidiary of The Gordon Foundation, lets the school facilities when not required by the School, the proceeds of which are gift-aided to The Gordon Foundation, designated to the bursary funds.

##### Vision

Our long-term vision is a family of Gordon Foundation schools where students, particularly those from disadvantaged backgrounds, benefit from a Gordon's education. An education recognised as amongst the finest in the world for the calibre of young people we develop, the progress they make and the difference they make to the lives of others.

##### Object

The object of The Gordon Foundation is to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need, with a view to preparing them for education or for earning their livelihood, such object being in continuation of the work of the unincorporated institution known as the Gordon Boys' Home, established in July 1885 as the National Memorial to General Gordon.

##### Objectives

Whilst the main objective of The Gordon Foundation is support for Gordon's School, trustees appreciate its wider objects of encouraging and supporting residential boarding for 'necessitous' young people, improving the public's awareness of the value and benefits of residential boarding and increasing funds available to support residential boarding. In setting these objectives and planning activities, trustees give careful consideration to the Charity Commission's guidance on Public Benefit

##### Key objectives include:

| OBJECTIVE                                        | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintain the National Memorial to General Gordon | Due to the Covid lockdown and restrictions, the Whitehall Parade and memorial service in Embankment Gardens could not take place. Instead, a service attended by residential boarders at the school was held at the Camel statue at the school on 24 January. Y7 History classes continue to include a short course on the history of Gordon's, the Home and School, and the life of General Charles Gordon. Links with Khartoum International Community School are sustained but regretfully, a visit in February planned for a group of Gordon's students and staff was cancelled due to political unrest in Khartoum and then the Covid-19 pandemic. A pulpit salvaged from the redundant Medway church where General Gordon preached was donated to the School. General Gordon's principles are referred to and maintained within the updated strategy, <i>Vision for Gordon's</i> . |

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

|                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Be alert to and take advantage of opportunities to extend the influence of Gordon's at home and overseas                       | A range of new partnerships have or are being established that will benefit current students and extend the Gordon's reach. In addition to the Harlequins RFC Programme, MoUs are in place with Aldershot Town FC, with Surrey Storm (Netball) and in discussion with Surrey County Cricket Club and the Bedser Foundation. Cooperation with Woking High School continues under the Arete Partnership, particularly for student leadership training and inter-school competitions, and a third school will join during 2022. The new partnership with Commonwealth Education Trust will draw on Gordon's pedagogy and digital IT experience. Opportunities to create a Gordon's 2 continue to be actively explored.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Ensure that support services provided by The Gordon Foundation are fit for purpose and commensurate with outstanding provision | Taking opportunities to review for improvement is embedded within the Support teams. During the year the role of HR administrator was increased from part- to full-time; with the need to appoint a new Deputy Head Pastoral, the role and responsibilities of Designated Safeguarding Lead has been separated to a new post of DSL, such is its importance and increasing workload. The cleaning contract was re-tendered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Increase the Foundation's financial stability and support for financially necessitous students                                 | Following the Summer term discount on boarding charges, maintaining a positive cashflow alongside capital commitments was challenging but achieved. Regular communication is maintained with our Bank and there was no recourse to any further Bank facilities apart from the existing capital loans. By the end of the year, 89 (9.57%) students were in receipt of a means-tested bursary with total spend £445,361 with 14 of those students also supported by nine different external educational trusts. £66,297 of bursary expenditure relates to the effect of Covid on parent employment or business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Deliver world-class pastoral care, curriculum, and co-curriculum provision                                                     | <p>In Sports, Gordon's School retains the Platinum Schools' Award, as well as Arts achieving the Arts Council England's Artsmark Silver Award, the only creative quality standard for school and educational settings. Music highlights included all LCM Musical Theatre entrants receiving either merit or distinction, as did 90% of ABRSM entrants.</p> <p>In a challenging year for the co-curricular programme, students enjoyed a range of opportunities including a KS5 debating team competing virtually in the English Speaking Union MACE competition and six Gordon's teams participated in virtual MUN events. Although not allowed to camp out, 85 Year 10 students completed their DofE Bronze expeditions. Three Sixth Formers were appointed DofE Gordon's ambassadors and 18 Gold Awards were completed through the year. A virtual Gordon's Careers Fair was held in March.</p> <p>Gordon's was re-awarded the International Schools' Award for a further three years and continues to hold the Surrey Healthy Schools Gold Award, thereby demonstrating commitment and successful support of students' physical, emotional and mental health, and wellbeing. A Gordon's team reached the finals of the Goldsmiths' Community Engagement Awards.</p> <p>Following the 2020 curriculum review recommendations were implemented from September 2021, including a two-week timetable that allow classes in Maths and English daily for KS3 and 4, the introduction of a KS5 Liberal Arts Programme and Mandarin included within the Y8 choice of languages.</p> <p>After 32 years working at Gordon's, latterly as part-time Chaplain, the Reverend Sarah Norbron left to take up parish duties. The Reverend Graham Wright joined as part-time Chaplain in September 2021, bringing extensive experience of Chaplaincy, especially in boarding schools.</p> |

## ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

### The Vision for Gordon's

As we recover from a world pandemic there has never been a more important time to reconnect with General Gordon's legacy and reimagine what we can and should try to achieve. The updated 'Vision for Gordon's' was launched during the Summer term, following extensive consultation within the Gordon's Community. This strategic plan for Gordon's sets out our vision for the national memorial to General Gordon to be more than a school, but a symbol of what can be achieved by a community united in making an outstanding contribution for the good of global society, through its educational leadership and through the lives Gordonians go on to lead.

A Gordon's education strives to be more than the best possible examination results, but a thorough preparation for life. Our aim is to develop rounded world class, global citizens with the character, capabilities and confident humility to achieve well, to stay active, to appreciate what they have and to connect and give back to the communities in which they live and work.

Vision 2025 is for the national memorial to General Gordon to be a force for a more caring and just world: a world in which inequality in opportunities is diminishing; where individuals are treated similarly and have equal chances based not on privilege, but on how hard they work for themselves and others.

### Capital Developments

Woolwich House, the residential boarding house created from the former Head Teacher's House and adjoining Chapel House that opened in September 2019 continues to provide a popular and appropriate introduction to residential boarding for 32 Year 7 students within their own accommodation, while linking with their senior House to which they move in Year 8.

Planning permission for the new sports hall and 3G all-weather pitch was received in January 2019. After a delayed start on site until October 2019, work continued throughout the Covid-19 lockdown and the sports hall was completed with hand-over in October 2020. A contractual disagreement with the main contractor meant that handover of the 3G pitch was delayed until December 2021. A £6m long-term bank loan facility was taken out in December 2019 to finance this project.

During summer 2021 the two-classroom building known as 'India' was replaced and enlarged to provide four large and well-equipped classrooms for teaching IT & Computing and Business Studies.

Plans continue for developing the former gymnasium and swimming pool into a dedicated performing arts centre, with the intention, subject to funding, to have these facilities available 2023-24. For the short term, the decommissioned swimming pool has been filled in and covered so that the pool hall provides a useful music practice space and some re-usable investment made in the gymnasium to improve its use for drama.

Other development projects under discussion include resolving the need for two more Science laboratories that can accommodate main school classes and refurbishing the residential boarding houses over the next four years.

### Academic Results for the School

During the year the School educated approximately 935 students between the ages of 11 and 18. Recruitment continues to be strong with waiting lists for Key Stages 3 and 4. There were 276 residential boarders and 310 students in the Sixth Form.

Cancellation of all public examinations due to the continuing Covid-19 pandemic meant these were replaced by teacher assessment grades, subject to national moderation. Teachers ensured that the provision of education was effectively continued throughout the year, upskilled themselves with the ability to incorporate greater levels of IT into their pedagogy. Trustees approved expenditure of nearly £100k at the start of the year for the purchase of suitable IT equipment that would ensure all classroom-based staff were equipped to support remote learning in the event of further national lockdown. This proved invaluable, particularly for the Spring term during which all schools were again closed for an extended period.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

Compared to many states schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects. 57% of Y13 Leavers obtaining places at Russell Group and 78% gained places at their preferred destination, above national average. One student gained a place at Cambridge, eight embarked on courses in Medicine, Veterinary or Dentistry and three have taken up Sports Scholarships at US Universities.

|                                                                                                                                     |                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>A Level results 2021</b><br>55% of entries were graded A* -A<br>84% of entries were graded A* -B<br>97% entries were graded A*-C | <b>GCSE results 2021</b><br>37% of entries were graded 9-7<br>80% of entries were graded 9-5<br>94% of entries were graded 9-4 |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|

At GCSE, 60% of students achieved a strong pass, grade 5 or better, in English and Maths with 90% of students achieving the historic 'gold standard' of 5 or more (standard 4) GCSE grades including English Language and Maths. Progress was 1.13 (ALPS) making Gordon's within the top 5% of schools nationally. At A-Level, 100% of students gained three A Levels and with progress of 1.08 (ALPS) Gordon's is in the top 2% of schools nationally.

Detailed information on student activities and the co-curricular programme can be found on the School website [www.gordons.school](http://www.gordons.school) as well as the Annual Report of the Gordon's School Academy Trust.

The informal collaboration with Woking High School, Arete Partnership, launched in September 2015 provides opportunities for joint student and staff activities, training and sharing best practice. A third school has agreed in principle to join in 2022. The schools-specific Institute of Leadership Management (ILM) leadership training programme for students and staff is developing with students taking Level 2, staff (academic and support) taking Levels 3 and 5 while the Level 7 course has been commission and should be available in 2022.

### ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

#### General

The Development team is responsible for activities focusing on support for the school community as well as strengthening local and wider community links, ranging from regular talks, organising all larger school internal and external event and seeking opportunities to let facilities when not required by the school, and fundraising. Development Prefects assist the department with appropriate administration and hosting of events, providing them with some insight into a different area of the school as well as useful experience. A strong working partnership continues with the Gordon's School Parents' Association which clearly benefits the school and the parent community.

Following the dissolution of the Gordonian Association and responsibility for all alumni-focused activity incorporated within the Development Office, a key focus continues to be developing a strategy for appropriate communication and engagement activity with each age groups. The Gordonian Football team, sponsored by a local business, is also supported by providing home match facilities and some training facilities free of charge and will be further enhanced by the use of the new 3G pitch. In the summer, Gordonians enjoyed a cricket match as well as a three-way netball tournament for Gordonians, staff and current students. The Gordonian Awards 2020, for Arts and for Sports were awarded again; these financially support two Year 11 students with the costs for developing a particular talent, and encouragement to continue into the Gordon's Sixth Form.

The continued Covid-19 restrictions and Spring term 2021 lockdown again prevented the school hosting events such as the Whitehall Parade and Gordon Memorial Service, the Annual Parade and Prize Giving but virtual alternatives were made available through social media, including the Gordonian Memorial Service.

Support is provided to the Careers team to assist with finding work placements and speakers as well as organising the annual Careers Fair. Opportunities for parents and members of the local community to network continues to grow with monthly Business Networking Breakfasts held at the School although it was disappointing that so many events had to be cancelled. Opportunities to convert to online events are taken but people were tired of the over-use of virtual technology although the new online Business Directory has attracted wide-ranging interest.



## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **Commercial**

A planning condition for the Sports Hall and 3G pitch is community use with a Community Use Agreement in place between Gordon's and Surrey Heath Council. There is significant interest in hire of these facilities by local grass-roots sports clubs, with most available slots allocated.

Other commercial development launched during the year include GordonstoGo, an online facilities for the sale of high-end food and quality gifts as well as provision of catering such as Mothering Sunday Teas, and the Sports Hub Café, part of the new Sports Hall building. A monthly Gordon's Supper Club was launched during the Autumn term 2021 but since suspended due to Covid restrictions. While we were pleased to be able to host Barracuda Day Camps during the Easter and Summer holidays, residential lettings were not feasible.

Recognising the increasing commercial activities trading through the subsidiary The Gordon Enterprises UK Ltd, new facilities agreements have been drawn up and signed between The Gordon Foundation and its trading company.

#### **Partnerships**

In July, a partnership was launched with Aldershot Town Football Club whereby their team is based and trains at Gordon's during weekday mornings, and provided with catering and other facilities. In addition to payment, School football teams are provided with coaching by the ATFC coaching team and opportunities for free home match tickets. Other sporting partnerships continue, with Harlequins Rugby Football Club, Surrey Storm (Premier Netball) and ongoing discussions with Surrey County Cricket Club.

Gordon's is proud to help reduce global educational poverty through a new working partnership with the Commonwealth Education Trust (CET). Formally known as the Commonwealth Institute, the CET is a well-established, leading charity that champions education across the Commonwealth. Their digital platforms reach teachers in underserved, often rural communities around the world, providing them with much needed bite-size professional development courses. Gordon's teachers will work with CET to establish courses to help improve pedagogy and classroom management, later extending to support designated schools through fundraising and practical resources.

#### **External support**

Applications to trusts and foundations continue for bursary funding as well as specific projects. The support for Gordon's students from a range of educational trusts is valued and in particular the continued generosity of the Girdlers' Livery Company, and the Woolmen Livery Company for their support to the Pipe Band.

Support for Gordon's students by Reedham Children's Trust, ButtleUK, the Masonic Charitable Foundation, Lloyd Foundation, Emmott Foundation, Wispers Trust, The Royal SpringBoard Children's Foundation and Tak Turton Trust continues to be welcomed by student families and the School.

During the year, two significant new competitions were launched, the Wynter Bee Global Citizen Prize and the Headmaster's Global Citizen Prize, for which students were asked to engage with one of the UN 17 Sustainable Development Goals. We are immensely grateful to Peter Wynter Bee, former trustee and now Gordon's Ambassador, for encouraging the institution of these students competitions and for his generosity in funding the prizes, an all-expenses paid trip to Costa Rica to take part in a conservation and development project for the KS4/5 Wynter Bee Global Citizen Award and a Red Letter Day experience together with sponsorship for a Costa Rican student for the KS3 Headmaster's Global Citizen Award.

Gordon's is proud to have signed up to the Forces Covenant and to display the Bronze Award of the Employers' Recognition Scheme, recognising the School's role in supporting our Forces families as well as being a major employer in the area. The link with the Corps of Royal Engineers continues to be valued, in particular CCF students participating in Field Days organised at Gibraltar Barracks. Members of the Pipes and Drums play regularly for the Last Post Association at Brookwood Cemeteries and training staff from Pirbright assist with ceremonial drill. The Pipe Band is also invited to play for Surrey Police Pass-Out Parades.

#### **Fundraising**

The trustees recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The Foundation keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The Foundation only raises funds from those individuals and organisations known to it and the Foundation does not undertake fundraising campaigns to members of the public.

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **Former trustees**

During the year trustees were saddened to learn of the deaths of former trustees Brigadier David Swinburn and of John Walshe DL. Also, during the Autumn term 2021, the unexpected death of Jay Tamsitt, former Chairman of the Gordonian Association, and Foundation trustee.

#### **MANAGEMENT AND EFFECTS OF COVID-19**

This was a challenging year for all schools. Although the school re-opened fully in September, managing the School within the many Covid-related guidelines such as social distancing, increased cleaning, and provision of hygiene equipment increased operational costs. A need for extra teaching and social accommodation required purchased of two temporary classrooms and hire of two marquees. The cost of servicing three catering outlets was recognised as unsustainable and resolved by extending the length of the lunch break as well as providing staff and Sixth Form students with takeaway meal facilities. Supporting residential students, additional expense was incurred for extra evening staffing.

As required, the School closed for a second period during the spring term 2021 in response to the national lockdown; online curriculum and pastoral support was immediately put into place for the period, building on the experiences of the summer term 2020. A small number of key worker and EHCP students attended school throughout the period. Trustees were not able to visit the school and meetings were held virtually. The School's 'Cobra' Team that focuses on Covid-related matters continues to meet on a weekly basis. Some changes that came about through Covid will be retained, such as online staff briefing, the two-part lunch break and virtual parent conferences.

For the start of the Autumn term 2020 it was agreed to continue the level of boarding charges at the same rate as for the Summer term, delaying any increases until January 2021. It was agreed not to reduce the Spring term 2021 boarding charges but wait until schools re-opened when both cost savings and extra costs incurred since the start of the year could be calculated, as a result of which rebates were credited to the Summer term invoices. Furlough grants were claimed as eligible. Close communication was maintained with Bank of Scotland throughout, particularly with regard to cashflow and maintaining monthly payments for the Sports Hub construction project.

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The main sources of funding for the Foundation are through boarding charges and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a waiting list. The boarding charges received by the Foundation was £8,451,959 (2020: £7,092,768).

The net movement in funds for the year was a negative £1,364,962 (2020: negative £1,211,034).

Investments performed well, despite the uncertain external environment. The investment portfolio increased by £536,175 over the year to £3,421,773 (2020: £2,885,598).

On 1 January 2013, Gordon's School converted to Academy Trust status under the Academies Act 2010 with all operations, assets and liabilities transferred over to the Gordon's School Academy Trust. This transfer was accounted for using the acquisition method, resulting in a £389,000 deficit on the Local Government Pension Scheme transferring into the Trust. Most years since there has been an additional deficit on the scheme with the current overall scheme deficit of £1,903,000 at 31 August 2021 (2020: £1,545,000).

Further information on the pension schemes is provided in note 21.

#### **RESERVES**

Funds comprise unrestricted funds of £13,916,598 (2020: £14,664,624) and specific restricted funds of £1,267,381 (2020: £1,526,317). The restricted funds pension deficit reserve stands at £1,903,000 (2020: £1,545,000 deficit). The restricted funds are set out in note 17.

Unrestricted funds are primarily represented by the Foundation's property and other tangible fixed assets, investments and net working capital. Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are negative, as is common within the education sector, and the Foundation Committee have set a policy to restore and build free reserves in order to maintain the site and fund the modernisation and future development of Gordon's School.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

#### Risk

The trustees have assessed the major risks to which The Gordon Foundation is exposed and have taken steps to reduce and manage these risks. Trustees approve a formal Risk Register which is updated regularly and reviewed by the Joint Audit and Risk Committee at least annually. The most significant risks identified are noted below together with the means by which to manage the risk:

| <b>RISK</b>                                                                                              | <b>CONTROL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Worsening economic climate</b>                                                                        | Regular consideration given to economic factors which may affect parents' ability to pay charges and reduce ESFA funding. Effect of economic downturn mitigated by reducing costs where possible and holding back on plans as well as ensuring frequent reporting of student roll and finances. Maintain a schedule of pre-agreed changes in the event of significantly reduced income. Focus on developing alternative income streams.                                                                                                   |
| <b>Loss of charitable status</b>                                                                         | Compliance with requirement of public benefit; the availability of means-tested bursaries                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Breach of Health &amp; Safety issues; major incident resulting in loss of life or school closure.</b> | Crisis Management Plan in place and reviewed at least termly. Risks mitigated by identifying them, setting out procedures to reduce and monitoring that all procedures are operating effectively. H&S external advice, staff trained on specific procedures and are reviewed annual by external experts. H&S policy reviewed annually. H&S Committee meets termly or as required; membership includes a trustee / governor. H&S part of staff induction. Property Services Manager is H&S and Fire Officer, and is trained appropriately. |
| <b>Compromised site security, buildings and personnel</b>                                                | All staff know to challenge strangers on site; wear emergency contact information; security contractor employed evenings, overnight and 24 hours over weekends; resident staff. Restricted access to all buildings. Perimeter fencing and gates improved but some weakness end of Front Field and should review north side access controls. Lockdown procedures in place.                                                                                                                                                                 |
| <b>Fire that results in the school being unable to operate</b>                                           | Fire risk assessments carried out by specialist subcontractor on a triennial basis (or sooner where there is an alteration to premises) and reviewed annually. Procedures and evacuation plans reviewed annually. Procedures in place for dealing with arson, smoking, kitchen, heating, lightening conductors, fire evacuation, alarm installation. Routine alarm checks, hydrants, appliances. Adequate insurance in place + disaster recovery plan which is tested.                                                                    |
| <b>Difficulty in staff retention; poor staff morale and wellbeing</b>                                    | Staff turnover data maintained. Exit interviews with Assistant Bursar for all posts and report made to SLT. Pay rates reviewed regularly against appropriate market, benchmark. Effective communications maintained between staff, line and senior managers. Open Door for Head and Chair of Governors. Appropriate benefits provided + PRP (teaching) and termly bonus scheme (support). Positive encouragement to use non-contact time for wellbeing activity if wish to. Availability of school facilities for staff.                  |
| <b>Loss of Internet connectivity for a prolonged period</b>                                              | Service is provided by contracted IT managed service provider with high SLAs and 24/7 remote monitoring. Depending on where the failure has occurred, a restricted network provision could be restored. Backup second internet feed being considered (less speed but adequate for priority purposes). School website can be updated to inform parents if prolonged loss of service or SchoolComms messaging. Termly check of disaster recovery plan with IT managed Services.                                                             |

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **INVESTMENT POLICY**

The charity aims to manage the investment portfolio such that investment income is maintained and capital growth is achieved, in real terms. The performance of investments and the investment policy is reviewed regularly by the Investment Panel. The Investment Panel does not impose any constraints that might limit selection of individual investments for social, environmental or ethical reasons.

#### **PLANS FOR FUTURE YEARS**

##### **3-year Strategic Priorities:**

- i) Develop a working and learning environment for Gordon's School that moves beyond outstanding
- ii) Develop the School's Digital Strategy across both learning and administrative processes
- iii) Progress the Estates Master Plan
- iv) Design and implement our environmental policy
- v) Further develop 'Gordon's Connected' platform, boosting parent, student and staff engagement by creating partnerships between Gordon's Careers department, Business Network, alumni and parents
- vi) Further develop Gordon's Schools' Partnership, boosting collaborative opportunities for students and staff.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each person who was a trustee at the time this report was approved:

- So far as that trustee was aware there was no relevant available information of which the Group's auditor was unaware and
- That trustee had taken all the steps that the trustee ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation Trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

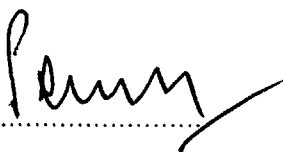
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The trustees 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITOR

The auditor, Alliot's LLP, has indicated their willingness to continue in office.

The Trustees' Report, incorporating the Strategic Report was approved by the trustees of The Gordon Foundation on 22 January 2022 and signed on its behalf by:



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General Sir Peter Wall GCB CBE  
Chairman

### Opinion

We have audited the consolidated financial statements of The Gordon Foundation for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2021 and of the group's and parent charitable company's net movement in funds, including the 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.

### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

### Opinions 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 Foundation Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Foundation Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company 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.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 12, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities Act 2011, the Academies Financial Handbook 2020, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## THE GORDON FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GORDON FOUNDATION (continued)

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We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Foundation Committee;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

#### Use of this report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
for and on behalf of Alliot's LLP

Friary Court  
13-21 High Street  
Guildford  
Surrey GU1 3DL

11 April 2022



**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 13,136                     | -                        | 13,136             | 92,300             |
| Grants                                                      | 2      | 159,157                    | -                        | 159,157            | 462,520            |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 8,415,478                  | 36,481                   | 8,451,959          | 7,092,768          |
| Other operating income                                      | 3      | 240,304                    | -                        | 240,304            | 215,851            |
| Funding for the Academy's educational operations            | 3      | -                          | 5,109,004                | 5,109,004          | 5,186,906          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 41,822                     | -                        | 41,822             | 21,901             |
| <b>Investment income</b>                                    | 5      | 95,723                     | 10,806                   | 106,529            | 78,075             |
| <b>Total income</b>                                         |        | <b>8,965,620</b>           | <b>5,156,291</b>         | <b>14,121,911</b>  | <b>13,150,321</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 5,489,150                  | 3,883,087                | 9,372,237          | 8,678,783          |
| Educational costs                                           |        | -                          | 481,604                  | 481,604            | 534,952            |
| Welfare costs                                               |        | 1,611,619                  | 420                      | 1,612,039          | 1,219,652          |
| Premises costs                                              |        | 2,344,105                  | 946,616                  | 3,290,721          | 2,603,511          |
| Support costs                                               |        | 404,420                    | 323,903                  | 728,323            | 591,318            |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 244,926                    | -                        | 244,926            | 105,680            |
| Investment management                                       |        | 762                        | -                        | 762                | 54,714             |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 12,683                     | -                        | 12,683             | 2,803              |
| <b>Total expenditure</b>                                    | 6      | <b>10,107,665</b>          | <b>5,635,630</b>         | <b>15,743,295</b>  | <b>13,791,413</b>  |
| <b>Net income/(expenditure)</b>                             |        | <b>(1,142,045)</b>         | <b>(479,339)</b>         | <b>(1,621,384)</b> | <b>(641,092)</b>   |
| Gross transfers between funds                               | 17     | -                          | -                        | -                  | -                  |
|                                                             |        | (1,142,045)                | (479,339)                | (1,621,384)        | (641,092)          |
| <b>Other recognised gains and losses</b>                    |        |                            |                          |                    |                    |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | (174,000)                | (174,000)          | (541,000)          |
| Net gains/(losses) on investments                           | 9      | 394,019                    | 36,403                   | 430,422            | (28,942)           |
| <b>Net movement in funds for the year</b>                   |        | <b>(748,026)</b>           | <b>(616,936)</b>         | <b>(1,364,962)</b> | <b>(1,211,034)</b> |
| <b>Fund balances brought forward at 1 September 2020</b>    | 16, 17 | <b>14,664,624</b>          | <b>(18,683)</b>          | <b>14,645,941</b>  | <b>15,856,975</b>  |
| <b>Fund balances carried forward at 31 August 2021</b>      | 16, 17 | <b>13,916,598</b>          | <b>(635,619)</b>         | <b>13,280,979</b>  | <b>14,645,941</b>  |

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

Details of comparative figures by fund are disclosed in note 23.

## GROUP BALANCE SHEET

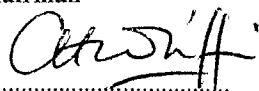
AS AT 31 AUGUST 2021

|                                                                |       | 2021             |                          | 2020<br>As restated |                          |
|----------------------------------------------------------------|-------|------------------|--------------------------|---------------------|--------------------------|
|                                                                | Notes | £                | £                        | £                   | £                        |
| <b>FIXED ASSETS</b>                                            |       |                  |                          |                     |                          |
| Tangible                                                       | 8     |                  | 21,170,012               |                     | 21,047,763               |
| Investments                                                    | 9,10  |                  | 3,421,773                |                     | 2,885,598                |
|                                                                |       |                  | <u>24,591,785</u>        |                     | <u>23,933,361</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                  |                          |                     |                          |
| Debtors                                                        | 12    | 776,046          |                          | 1,499,576           |                          |
| Cash at bank and in hand                                       |       | 743,138          |                          | 371,554             |                          |
|                                                                |       | <u>1,519,184</u> |                          | <u>1,871,130</u>    |                          |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (3,714,563)      |                          | (3,159,094)         |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                  | <u>(2,195,379)</u>       |                     | <u>(1,287,964)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  | 22,396,406               |                     | 22,645,397               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                  | <u>(7,212,427)</u>       |                     | <u>(6,454,456)</u>       |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |       |                  | 15,183,979               |                     | 16,190,941               |
| <b>PENSION SCHEME LIABILITY</b>                                | 21    |                  | <u>(1,903,000)</u>       |                     | <u>(1,545,000)</u>       |
| <b>NET ASSETS</b>                                              |       |                  | <u><u>13,280,979</u></u> |                     | <u><u>14,645,941</u></u> |
| <b>FUNDS</b>                                                   |       |                  |                          |                     |                          |
| Unrestricted funds                                             | 16    |                  | 13,916,598               |                     | 14,664,624               |
| Restricted – Specific Funds                                    | 17    |                  | 1,267,381                |                     | 1,526,317                |
| Restricted - Pension Reserve                                   | 17    |                  | <u>(1,903,000)</u>       |                     | <u>(1,545,000)</u>       |
|                                                                |       |                  | <u><u>13,280,979</u></u> |                     | <u><u>14,645,941</u></u> |

The financial statements were approved and authorised for issue by the Board on 22 January 2022 and were signed below on its behalf by:



General Sir Peter Wall GCB CBE  
Chairman



Mr C Whiffin  
Treasurer

The accompanying notes form part of these financial statements.

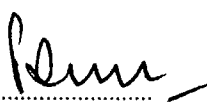
## CHARITY BALANCE SHEET

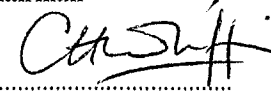
AS AT 31 AUGUST 2021

|                                                                |       | 2021             |                          | 2020             |                          |
|----------------------------------------------------------------|-------|------------------|--------------------------|------------------|--------------------------|
|                                                                | Notes | £                | £                        | £                | As restated<br>£         |
| <b>FIXED ASSETS</b>                                            |       |                  |                          |                  |                          |
| Tangible                                                       | 8     |                  | 20,962,028               |                  | 20,861,549               |
| Investments                                                    | 9     |                  | 3,421,773                |                  | 2,885,598                |
| Investment in subsidiary company                               | 10    |                  | 2                        |                  | 2                        |
|                                                                |       |                  | <u>24,383,803</u>        |                  | <u>23,747,149</u>        |
| <b>CURRENT ASSETS</b>                                          |       |                  |                          |                  |                          |
| Debtors                                                        | 12    | 501,087          |                          | 751,619          |                          |
| Cash at bank and in hand                                       |       | 659,980          |                          | 295,382          |                          |
|                                                                |       | <u>1,161,067</u> |                          | <u>1,047,001</u> |                          |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (5,166,632)      |                          | (3,727,456)      |                          |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                  | <u>(4,055,565)</u>       |                  | <u>(2,680,455)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  | 20,378,238               |                  | 21,066,694               |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                  | (7,131,954)              |                  | (6,454,456)              |
| <b>NET ASSETS</b>                                              |       |                  | <u><u>13,246,284</u></u> |                  | <u><u>14,612,238</u></u> |
| <b>FUNDS</b>                                                   |       |                  |                          |                  |                          |
| Unrestricted funds                                             | 19    |                  | 12,340,241               |                  | 13,789,465               |
| Restricted funds                                               | 20    |                  | 906,043                  |                  | 822,773                  |
|                                                                |       |                  | <u><u>13,246,284</u></u> |                  | <u><u>14,612,238</u></u> |

The charitable company has taken exemption from presenting the charity statement of financial activities under section 408 of the Companies Act 2006. The net expenditure of the charitable company for the year was £1,365,954 (2020: net expenditure £1,211,986).

The financial statements were approved and authorised for issue by the Board on 22 January 2022 and were signed below on its behalf by:

  
 General Sir Peter Wall GCB CBE  
 Chairman

  
 Mr C Whiffin  
 Treasurer

The accompanying notes form part of these financial statements.

**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                                                          | Note     | 2021<br>£         | 2020<br>£          |
|------------------------------------------------------------------------------------------|----------|-------------------|--------------------|
| <b>Net cash inflow from operating activities</b>                                         | <b>A</b> | <b>574,590</b>    | <b>966,455</b>     |
| <b>Cash flows from investing activities</b>                                              |          |                   |                    |
| Investment income received                                                               |          | 106,529           | 78,075             |
| Capital grants from DFE/ESFA                                                             |          | 518,135           | 23,114             |
| Purchase of fixed assets                                                                 |          | (1,434,008)       | (5,255,480)        |
| Purchase of investments                                                                  |          | (169,314)         | (2,606,101)        |
| Sale of investments                                                                      |          | 63,560            | 2,662,757          |
| <b>Net cash outflow from investing activities</b>                                        |          | <b>(915,098)</b>  | <b>(5,097,635)</b> |
| <b>Cash flow from financing activities</b>                                               |          |                   |                    |
| Loan repayments                                                                          |          | (133,333)         | (11,847)           |
| New loan finance                                                                         |          | 1,090,351         | 4,587,789          |
| Interest paid                                                                            |          | (244,926)         | (105,680)          |
| <b>Net cash inflow from financing activities</b>                                         |          | <b>712,092</b>    | <b>4,470,262</b>   |
| <b>Change in cash and cash equivalents in the year</b>                                   |          | <b>371,584</b>    | <b>339,082</b>     |
| Cash and cash equivalents at the beginning of the year                                   |          | 371,554           | 32,472             |
| Cash and cash equivalents at the end of the year                                         |          | <b>743,138</b>    | <b>371,554</b>     |
| <b>A. RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |          | <b>2021<br/>£</b> | <b>2020<br/>£</b>  |
| Net income/(expenditure)                                                                 |          | (1,364,962)       | (1,211,034)        |
| Depreciation                                                                             |          | 1,311,759         | 1,038,540          |
| ESFA capital grants                                                                      |          | 26,020            | (689,885)          |
| Losses/(Gains) on investments                                                            |          | (430,422)         | 28,942             |
| Movement in stock                                                                        |          | -                 | 8,565              |
| Decrease/(increase) in debtors                                                           |          | 729,342           | (491,998)          |
| (Decrease)/increase in creditors                                                         |          | (193,544)         | 1,564,720          |
| Investment income receivable                                                             |          | (106,529)         | (78,075)           |
| Finance Costs                                                                            |          | 244,926           | 105,680            |
| Pension adjustment                                                                       |          | 358,000           | 691,000            |
| <b>Net cash inflow from operating activities</b>                                         |          | <b>574,590</b>    | <b>966,455</b>     |
| <b>B. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                          |          | <b>2021<br/>£</b> | <b>2020<br/>£</b>  |
| Cash at bank                                                                             |          | 743,138           | 371,554            |
| Overdraft                                                                                |          | -                 | -                  |
|                                                                                          |          | <b>743,138</b>    | <b>371,554</b>     |

**THE GORDON FOUNDATION**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Gordon Foundation is a charitable company limited by guarantee, incorporated in England and Wales (company number: 00027272) and a charity registered in England and Wales (charity number: 312092). The Charity's registered office address is: The Gordon Foundation, Gordon's School, West End, Woking, Surrey, GU24 9PT.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (the FRS 102 Charities SORP) (effective from 1 January 2019) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

**Boarding Charge Debtor Policy & Prior Year Adjustment (Restatement)**

Following a review of the accounting treatment of charges raised to parents at the end of the financial year for the following term's boarding costs, the prior policy of reflecting the gross charges debtor and deferring all income in creditors was deemed to be incorrect. In this year's financial statements, Boarding Charges debts, in debtors, reflect outstanding debts for the boarding charges to the 31 August 2021, whilst Boarding Charges in advance, in creditors, reflect cash received prior to 31 August for the autumn term 2021 boarding charges. The prior year figures have been restated, although there is no impact on Net Current Assets, nor the Net Movement in Funds in 2020 in the Statement of Financial Activities.

**Basis of Consolidation**

The consolidated financial statements incorporate those of The Gordon Foundation and all its subsidiaries. All financial statements are made up to 31 August 2021. All subsidiary undertakings have been included within the financial statements.

The entities are consolidated on a line by line basis and all intra-group transactions and balances between group companies are eliminated on consolidation.

**b) Going concern**

The financial statements are prepared under the going concern basis which assumes the Group will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The trustees have considered the potential impact of the emergence and spread of the Covid-19 virus, which occurred before these financial statements were approved, and the various measures taken as a result, on the operations of the Group in the near future. The trustees have reviewed regularly revised budgets and cash flow forecasts based on various scenarios including the requirements of the bank loan covenants and are keeping the situation under constant review, meeting regularly with senior management.

Based on the information available on the date of signing these financial statements, the trustees cannot make a reliable estimate as to the ultimate financial impact, however they believe the actions taken have ensured the Group's ability to continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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**c) Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Judgment 1** – the present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- **Judgement 2** - a bad debt provision against potential future uncollectible boarding charges.

**d) Income**

All income included in the Statement of Financial Activities (SOFA) when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, and receipt is probable.

*Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

*Donations*

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of raising funds.

*Investment Income*

Investment income is accounted for when receivable and includes the related tax recoverable.

**e) Expenditure:**

Expenditure is accounted for on an accruals basis.

*Costs of raising funds*

Costs of raising funds comprise finance charges associated with interest payable on the Group's borrowings and costs associated with lettings.

*Charitable activities*

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs. Charitable activity costs represent costs directly associated with the provision of education and related support costs.

*Governance costs*

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Trading activities*

Costs of trading activities include costs directly associated with providing the services provided through trading.

**f) Leased Assets**

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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**g) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets, other than freehold land, on the following methods at rates calculated to write off the assets over their estimated useful lives. The methods and rates are

|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| Freehold land and buildings | - | 2% - 4% per annum straight line |
| Machinery and equipment     | - | 20% per annum straight line     |
| Fixtures and fittings       | - | 20% per annum straight line     |
| Motor vehicles              | - | 20% per annum straight line     |

Buildings erected before the year 2000 are depreciated over 50 years, and newer buildings over 25 years.

**h) Investments**

Listed investments are stated at market value at the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**j) Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**k) Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**l) Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see notes 17 and 20).

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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**m) Pension Costs**

Retirement benefit to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS' are funded schemes and the assets are held separately in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Foundation employees are part of a defined contribution workplace pension scheme with Salvus Master. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                     | Unrestricted<br>Funds<br>£ | 2021<br>Restricted<br>Funds<br>£ | Total<br>£        | 2020<br>Total<br>£ |
|-----------------------------------------------------|----------------------------|----------------------------------|-------------------|--------------------|
| <b>1. DONATIONS AND LEGACIES</b>                    |                            |                                  |                   |                    |
| Donations and gifts                                 | 13,136                     | -                                | 13,136            | 92,300             |
| Legacies                                            | -                          | -                                | -                 | -                  |
|                                                     | <u>13,136</u>              | <u>-</u>                         | <u>13,136</u>     | <u>92,300</u>      |
| <b>2. GRANTS</b>                                    |                            |                                  |                   |                    |
| Government grant - Coronavirus Job Retention Scheme | 159,157                    | -                                | 159,157           | 462,520            |
|                                                     | <u>159,157</u>             | <u>-</u>                         | <u>159,157</u>    | <u>462,520</u>     |
| <b>3. INCOME FROM CHARITABLE ACTIVITIES</b>         |                            |                                  |                   |                    |
| Gross income from boarding charges                  | 8,875,707                  | 36,481                           | 8,912,188         | 7,423,220          |
| <b>Less:</b>                                        |                            |                                  |                   |                    |
| Bursaries                                           | (431,590)                  | -                                | (431,590)         | (289,085)          |
| Staff discounts                                     | (15,405)                   | -                                | (15,405)          | (4,313)            |
| Other discounts                                     | (13,234)                   | -                                | (13,234)          | (37,054)           |
| Net income from boarding charges                    | <u>8,415,478</u>           | <u>36,481</u>                    | <u>8,451,959</u>  | <u>7,092,768</u>   |
| Other operating income                              | 240,304                    |                                  | 240,304           | 215,851            |
| Funding for the Academy's educational operations    | -                          | 5,109,004                        | 5,109,004         | 5,186,906          |
|                                                     | <u>8,655,782</u>           | <u>5,145,485</u>                 | <u>13,801,267</u> | <u>12,495,525</u>  |
| <b>4. TRADING ACTIVITIES</b>                        |                            |                                  |                   |                    |
| Trading income                                      | 41,822                     | -                                | 41,822            | 21,901             |
|                                                     | <u>41,822</u>              | <u>-</u>                         | <u>41,822</u>     | <u>21,901</u>      |
| <b>5. INVESTMENT INCOME</b>                         |                            |                                  |                   |                    |
| Interest received                                   | 14                         | -                                | 14                | 17                 |
| Dividends received                                  | 95,709                     | 10,806                           | 106,515           | 78,058             |
|                                                     | <u>95,723</u>              | <u>10,806</u>                    | <u>106,529</u>    | <u>78,075</u>      |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2021

6. EXPENDITURE

|                             | Staff Costs<br>£ | Other<br>£       | Depreciation<br>£ | 2021<br>Total<br>£ |
|-----------------------------|------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                  |                  |                   |                    |
| Staff costs                 | 9,372,237        | -                | -                 | 9,372,237          |
| Teaching costs              | -                | 481,604          | -                 | 481,604            |
| Welfare costs               | -                | 1,612,039        | -                 | 1,612,039          |
| Premises costs              | -                | 1,978,962        | 1,311,759         | 3,290,721          |
| Support costs               | -                | 728,323          | -                 | 728,323            |
|                             | <u>9,372,237</u> | <u>4,800,928</u> | <u>1,311,759</u>  | <u>15,484,924</u>  |
| <b>Raising funds:</b>       |                  |                  |                   |                    |
| Finance costs               | -                | 244,926          | -                 | 244,926            |
| Other costs                 | -                | 762              | -                 | 762                |
| Trading costs               | -                | 12,683           | -                 | 12,683             |
|                             | <u>9,372,237</u> | <u>5,059,299</u> | <u>1,311,759</u>  | <u>15,743,295</u>  |

EXPENDITURE (PRIOR YEAR)

|                             | Staff Costs<br>£ | Other<br>£       | Depreciation<br>£ | 2020<br>Total<br>£ |
|-----------------------------|------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                  |                  |                   |                    |
| Staff costs                 | 8,678,783        | -                | -                 | 8,678,783          |
| Teaching costs              | -                | 534,952          | -                 | 534,952            |
| Welfare costs               | -                | 1,219,652        | -                 | 1,219,652          |
| Premises costs              | -                | 1,564,971        | 1,038,540         | 2,603,511          |
| Support costs               | -                | 591,318          | -                 | 591,318            |
|                             | <u>8,678,783</u> | <u>3,910,893</u> | <u>1,038,540</u>  | <u>13,628,216</u>  |
| <b>Raising funds:</b>       |                  |                  |                   |                    |
| Finance costs               | -                | 105,680          | -                 | 105,680            |
| Other costs                 | -                | 54,714           | -                 | 54,714             |
| Trading costs               | -                | 2,803            | -                 | 2,803              |
|                             | <u>8,678,783</u> | <u>4,074,090</u> | <u>1,038,540</u>  | <u>13,791,413</u>  |

|                                                   | 2021<br>£ | 2020<br>£ |
|---------------------------------------------------|-----------|-----------|
| <b>Total expenditure includes:</b>                |           |           |
| Depreciation                                      | 1,311,759 | 1,038,540 |
| Operating lease payments recognised as an expense | 194,509   | 279,386   |
| Auditor's remuneration: - Audit fees              | 21,200    | 19,815    |
| - Other services                                  | 8,325     | 7,465     |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**7. STAFF COSTS**

|                           | <b>2021</b>             | <b>2020</b>             |
|---------------------------|-------------------------|-------------------------|
|                           | <b>£</b>                | <b>£</b>                |
| Wages and salaries        | 7,345,031               | 6,822,802               |
| Social security costs     | 695,402                 | 648,289                 |
| Other pension costs       | 1,319,564               | 1,207,692               |
| Staff restructuring costs | 12,240                  | -                       |
|                           | <u><b>9,372,237</b></u> | <u><b>8,678,783</b></u> |

|                                                           | <b>2021</b>       | <b>2020</b>       |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | <b>No</b>         | <b>No</b>         |
| The average number of employees in the year was:          |                   |                   |
| Teachers                                                  | 70                | 68                |
| Administration (including academic support & maintenance) | 176               | 157               |
|                                                           | <u><b>246</b></u> | <u><b>225</b></u> |

The number of higher paid staff during the year was as follows:

|                      |                  |                  |
|----------------------|------------------|------------------|
| £60,001 to £70,000   | 7                | 9                |
| £70,001 to £80,000   | 1                | 1                |
| £80,001 to £90,000   | 2                | 1                |
| £90,001 to £100,000  | 1                | 1                |
| £120,001 to £130,000 | 1                | 1                |
|                      | <u><b>12</b></u> | <u><b>13</b></u> |

No trustees received any remuneration or benefits-in-kind during the year (2020: £nil). No trustees received reimbursement of expenses in respect of travel and subsistence during the year (2020: one trustee received reimbursement of expenses totalling £129).

Pension contributions of £89,313 (2020: £86,130) were made to personal pension plans in respect of higher paid staff during the year.

The key management personnel of the group comprise the trustees, Head Teacher, Deputy Head Teachers, Bursar, Head of Finance, Assistant Bursar and Property Services Manager. The total remuneration of the key management personnel during the year was £741,926 (2020: £722,391).

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**8. FIXED ASSETS – GROUP AND CHARITY**

|                          | Freehold<br>Land &<br>Buildings<br>£ | Machinery &<br>Equipment<br>£ | Fixtures<br>&<br>Fittings<br>£ | Assets under<br>Construction<br>£ | Total<br>Charity<br>£ | Academy<br>Trust<br>£ | Total<br>Group<br>£ |
|--------------------------|--------------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------|-----------------------|---------------------|
| <b>COST</b>              |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2020      | 19,542,987                           | 1,017,080                     | 801,143                        | 5,524,891                         | 26,886,101            | 920,753               | 27,806,854          |
| Additions                | 598,630                              | 5,075                         | 16,075                         | 663,579                           | 1,283,359             | 150,649               | 1,434,008           |
| Reclassification         | 6,033,648                            | -                             | -                              | (6,033,648)                       |                       |                       |                     |
| <b>At 31 August 2021</b> | <b>26,175,265</b>                    | <b>1,022,155</b>              | <b>817,218</b>                 | <b>154,822</b>                    | <b>28,169,460</b>     | <b>1,071,402</b>      | <b>29,240,862</b>   |
| <b>DEPRECIATION</b>      |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2020      | 4,651,013                            | 735,600                       | 637,938                        | -                                 | 6,024,551             | 734,540               | 6,759,091           |
| Charge for the year      | 1,020,872                            | 80,352                        | 81,657                         | -                                 | 1,182,881             | 128,878               | 1,311,759           |
| Reclassification         | -                                    |                               |                                |                                   |                       |                       |                     |
| <b>At 31 August 2021</b> | <b>5,671,885</b>                     | <b>815,952</b>                | <b>719,595</b>                 | <b>-</b>                          | <b>7,207,432</b>      | <b>863,418</b>        | <b>8,070,850</b>    |
| <b>NET BOOK VALUE</b>    |                                      |                               |                                |                                   |                       |                       |                     |
| <b>At 31 August 2021</b> | <b>20,503,380</b>                    | <b>206,203</b>                | <b>97,623</b>                  | <b>154,822</b>                    | <b>20,962,028</b>     | <b>207,984</b>        | <b>21,170,012</b>   |
| <b>At 31 August 2020</b> | <b>14,891,974</b>                    | <b>281,480</b>                | <b>163,205</b>                 | <b>5,524,891</b>                  | <b>20,861,550</b>     | <b>186,213</b>        | <b>21,047,763</b>   |

**9. FIXED ASSETS INVESTMENTS – GROUP AND CHARITY**

|                                                            | 2021<br>£        | 2020<br>£        |
|------------------------------------------------------------|------------------|------------------|
| Balance at 1 September 2020 (excluding cash deposits)      | 2,852,799        | 2,665,350        |
| Additions                                                  | 169,314          | 2,606,101        |
| Disposals at opening market value                          | (84,644)         | (2,389,710)      |
| Realised and unrealised (losses)/gains                     | 430,422          | (28,942)         |
| <b>Balance at 31 August 2021 (excluding cash deposits)</b> | <b>3,367,891</b> | <b>2,852,799</b> |
| Cash deposits                                              | 53,882           | 32,799           |
| <b>Balance at 31 August 2021</b>                           | <b>3,421,773</b> | <b>2,885,598</b> |

Class of investments is split as follow:

|                                  | 2021<br>£        |
|----------------------------------|------------------|
| Cash or cash equivalents         | 53,882           |
| Equities                         | 3,241,188        |
| Alternative investments          | 67,243           |
| Fixed interest                   | 59,460           |
| <b>Balance at 31 August 2021</b> | <b>3,421,773</b> |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY**

Shares in  
group  
undertakings  
£  
2

Balance at 1 September 2020 and 31 August 2021

Details of the charitable company's subsidiaries at 31 August are as follows:

(i) **Gordon's School Academy Trust** is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT. On the basis that The Gordon Foundation is member of the Gordon's School Academy Trust and has significant influence over the entity, Gordon's School Academy Trust has been included within the consolidated financial statements.

**Academy results:**

|                                                     | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| <b><u>SOFA</u></b>                                  |                             |                             |
| Total Income                                        | 7,789,953                   | 7,493,852                   |
| Total Expenditure                                   | (7,614,961)                 | (6,951,900)                 |
| Net income/(expenditure)                            | 174,992                     | 541,952                     |
| Other recognised gains and losses                   |                             |                             |
| Actuarial(losses) on defined benefit pension scheme | (174,000)                   | (541,000)                   |
| Net movement in funds                               | 992                         | 952                         |
| Total funds brought forward at 1 September 2020     | 20,116                      | 19,164                      |
| Total funds carried forward at 31 August 2021       | 21,108                      | 20,116                      |
| <b><u>Balance Sheet</u></b>                         |                             |                             |
| Fixed Assets                                        | 207,984                     | 186,213                     |
| Current Assets                                      | 2,622,926                   | 1,976,866                   |
| Current Liabilities                                 | (826,329)                   | (597,963)                   |
| Creditors falling due after more than one year      | (80,473)                    | -                           |
| LGPS Pension Scheme Liabilities                     | (1,903,000)                 | (1,545,000)                 |
| Total Funds                                         | 21,108                      | 20,116                      |

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2021

### 11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

(ii) The Foundation holds 100% of the share capital of **The Gordon Enterprises UK Limited** (company number: 04104254, registered in England and Wales, registered office: Bagshot Road, West End, Surrey, G24 9PT), whose principal activities are letting the buildings and grounds of Gordon's School and selling memorabilia. A summary of the profit and loss account and the balance sheet from the audited financial statements is set out below:

|                                       | 2021<br>£ | 2020<br>£ |
|---------------------------------------|-----------|-----------|
| <b><u>Profit and Loss Account</u></b> |           |           |
| Turnover                              | 39,695    | 11,285    |
| Costs                                 | (12,683)  | (2,803)   |
| Profit for the year                   | 27,012    | 8,482     |
| Donation to The Gordon Foundation     | (27,012)  | (8,482)   |
| Retained Profit for the Year          | £Nil      | £Nil      |
| <b><u>Balance Sheet</u></b>           |           |           |
| Net Current Assets                    | 13,587    | 13,587    |
| Retained Profits                      | 13,585    | 13,585    |
| Share capital                         | 2         | 2         |
| Total equity                          | 13,587    | 13,587    |

### 12. DEBTORS

|                              | Group<br>2021<br>£ | Group<br>2020<br>As restated<br>£ | Charity<br>2021<br>£ | Charity<br>2020<br>As restated<br>£ |
|------------------------------|--------------------|-----------------------------------|----------------------|-------------------------------------|
| Boarding charge debtors      | 178,448            | 117,462                           | 178,448              | 117,462                             |
| Sundry debtors               | 3,639              | 73,125                            | 111                  | 64,964                              |
| Amount owing to subsidiaries | -                  | -                                 | 39,994               | 12,982                              |
| Prepayments                  | 168,384            | 170,813                           | 55,937               | 160,894                             |
| VAT reclaim                  | 302,959            | 471,405                           | 226,597              | 395,317                             |
| Accrued income               | 122,616            | 666,771                           | -                    | -                                   |
|                              | <u>776,046</u>     | <u>1,499,576</u>                  | <u>501,087</u>       | <u>751,619</u>                      |

As detailed in note 1(a) a prior year adjustment has been made to reduce 2020 Boarding charge debtors by £1,691,134 and a corresponding amount reduced from Boarding Charges in advance in Creditors: Amounts falling due within one year (note 13).

### 13. CREDITORS: amounts falling due within one year

|                                                | Group<br>2021<br>£ | Group<br>2020<br>As restated<br>£ | Charity<br>2021<br>£ | Charity<br>2020<br>As restated<br>£ |
|------------------------------------------------|--------------------|-----------------------------------|----------------------|-------------------------------------|
| Loans and overdraft                            | 332,380            | 133,333                           | 320,000              | 133,333                             |
| Trade creditors                                | 1,384,102          | 465,296                           | 975,834              | 139,114                             |
| Boarding charges in advance and pupil deposits | 849,028            | 1,001,236                         | 849,028              | 1,001,236                           |
| Taxation and social security                   | 180,390            | 159,274                           | 50,563               | 43,307                              |
| Other creditors                                | 792,436            | 329,676                           | 555,356              | 223,096                             |
| Amount owing to subsidiaries                   | -                  | -                                 | 2,282,802            | 1,168,646                           |
| Accruals and deferred income                   | 176,227            | 1,070,279                         | 133,049              | 1,018,724                           |
|                                                | <u>3,714,563</u>   | <u>3,159,094</u>                  | <u>5,166,632</u>     | <u>3,727,452</u>                    |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

| <b>14. CREDITORS: amounts falling due after more than one year</b> | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> | <b>Charity<br/>2021<br/>£</b> | <b>Charity<br/>2020<br/>£</b> |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loan                                                          | 7,212,427                   | 6,454,456                   | 7,131,954                     | 6,454,456                     |
| Other loan                                                         | -                           | -                           | -                             | -                             |
|                                                                    | <u>7,212,427</u>            | <u>6,454,456</u>            | <u>7,131,954</u>              | <u>6,454,456</u>              |
| <b>Analysis of loans:</b>                                          |                             |                             |                               |                               |
| Between one and two years                                          | 332,380                     | 320,000                     | 320,000                       | 320,000                       |
| Between two and five years                                         | 997,141                     | 960,000                     | 960,000                       | 960,000                       |
| After five years                                                   | 5,882,906                   | 5,174,456                   | 5,851,954                     | 5,174,456                     |
|                                                                    | <u>7,212,427</u>            | <u>6,454,456</u>            | <u>7,131,954</u>              | <u>6,454,456</u>              |
| <br>Due within one year                                            | <br>332,380                 | <br>133,333                 | <br>320,000                   | <br>133,333                   |
|                                                                    | <u>7,544,807</u>            | <u>6,587,789</u>            | <u>7,451,954</u>              | <u>6,587,789</u>              |

At the year end, The Gordon Foundation had two long term loans. Both loans are secured by legal first charges over freehold land and buildings of The Gordon Foundation.

The first bank loan of £2,000,000 was taken out in December 2018 and is due for repayment by instalments by January 2044. Interest accrues on this loan at 3.8%. and interest payments are made quarterly. Capital repayments commenced in January 2020.

The second bank loan facility of up to £6,000,000 was put in place in December 2019 to fund construction of a new sports facility and all weather pitch. A sum of £5,585,287 was outstanding at 31 August 2021 and the capital will be repaid by instalments until January 2046. Interest accrues on this loan at a rate of 2.1% plus the Bank of England base interest rate. Interest payments are made monthly and capital repayments commenced in April 2021.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**15. LEASE COMMITMENTS**

At 31 August 2021 the total of future minimum lease payments under non-cancellable operating leases were:

|                            | 2021<br>£      | 2020<br>£      |
|----------------------------|----------------|----------------|
| <b>Leases expiring:</b>    |                |                |
| Within one year            | 225,089        | 293,219        |
| Between two and five years | 238,105        | 346,616        |
| More than five years       | -              | -              |
|                            | <u>463,194</u> | <u>639,835</u> |

**16. UNRESTRICTED FUNDS**

|                           | 1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£    | Investment<br>Gains<br>£ | Transfers<br>£ | 31 August<br>2021<br>£ |
|---------------------------|--------------------------|------------------|---------------------|--------------------------|----------------|------------------------|
| Designated -<br>Eyre Fund | 51,743                   | -                | (1,092)             | -                        | -              | 50,651                 |
| General Fund              | 14,612,881               | 8,965,620        | (10,106,573)        | 394,019                  | -              | 13,865,947             |
|                           | <u>14,664,624</u>        | <u>8,965,620</u> | <u>(10,107,665)</u> | <u>394,019</u>           | <u>-</u>       | <u>13,916,598</u>      |

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                           | 1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>(Losses)<br>£ | Transfers<br>£   | 31 August<br>2020<br>£ |
|---------------------------|--------------------------|------------------|--------------------|-----------------------------|------------------|------------------------|
| Designated -<br>Eyre Fund | 53,055                   | -                | (1,312)            | -                           | -                | 51,743                 |
| General Fund              | 14,384,087               | 7,836,499        | (8,862,154)        | (1,931)                     | 1,256,380        | 14,612,881             |
|                           | <u>14,437,142</u>        | <u>7,836,499</u> | <u>(8,863,466)</u> | <u>(1,931)</u>              | <u>1,256,380</u> | <u>14,664,624</u>      |

The Designated Eyre Fund represents the balance on an unrestricted donation which is used to help finance music lessons.

The transfer is explained in note 20.



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**17. RESTRICTED FUNDS**

|                                | Balance at<br>1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2021<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|----------------|--------------------------------------|
| <b>Specific funds:</b>         |                                        |                  |                    |                                   |                |                                      |
| Gordon Foundation Special fund | 387,606                                | 10,806           | -                  | 36,403                            | -              | 434,815                              |
| Stepping Forward Appeal        | 300,686                                | -                | -                  | -                                 | -              | 300,686                              |
| Camel fund                     | -                                      | -                | -                  | -                                 | -              | -                                    |
| Piano fund                     | 2,160                                  | -                | (420)              | -                                 | -              | 1,740                                |
| Bursaries                      | 52,917                                 | 36,481           | -                  | -                                 | -              | 89,398                               |
| DfCSF (DfE) fund               | 517,331                                | 5,109,004        | (5,322,332)        | -                                 | (150,649)      | 153,354                              |
| Other restricted funds         | 79,404                                 | -                | -                  | -                                 | -              | 79,404                               |
| DfE Fixed Asset fund           | 186,213                                | -                | (128,878)          | -                                 | 150,649        | 207,984                              |
|                                | <u>1,526,317</u>                       | <u>5,156,291</u> | <u>(5,451,630)</u> | <u>36,403</u>                     | <u>-</u>       | <u>1,267,381</u>                     |
| <b>Pension reserve</b>         | <u>(1,545,000)</u>                     | <u>-</u>         | <u>(184,000)</u>   | <u>(174,000)</u>                  | <u>-</u>       | <u>(1,903,000)</u>                   |

**RESTRICTED FUNDS  
(PRIOR YEAR)**

|                                | Balance at<br>1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>Gains/(losses)<br>£ | Transfers<br>£     | Balance at<br>31 August<br>2020<br>£ |
|--------------------------------|----------------------------------------|------------------|--------------------|-----------------------------------|--------------------|--------------------------------------|
| <b>Specific funds</b>          |                                        |                  |                    |                                   |                    |                                      |
| Gordon Foundation Special fund | 403,273                                | 11,344           | -                  | (27,011)                          | -                  | 387,606                              |
| Stepping Forward Appeal fund   | 300,686                                | -                | -                  | -                                 | -                  | 300,686                              |
| Camel fund                     | 1,000                                  | -                | (1,000)            | -                                 | -                  | -                                    |
| Piano fund                     | 2,400                                  | -                | (240)              | -                                 | -                  | 2,160                                |
| Bursaries                      | 16,749                                 | 36,168           | -                  | -                                 | -                  | 52,917                               |
| DfCSF (DfE) fund               | 1,266,103                              | 5,166,902        | (4,659,294)        | -                                 | (1,256,380)        | 517,331                              |
| Other restricted funds         | -                                      | 79,404           | -                  | -                                 | -                  | 79,404                               |
| DfE Fixed Asset fund           | 283,622                                | 20,004           | (117,413)          | -                                 | -                  | 186,213                              |
|                                | <u>2,273,833</u>                       | <u>5,313,822</u> | <u>(4,777,947)</u> | <u>(27,011)</u>                   | <u>(1,256,380)</u> | <u>1,526,317</u>                     |
| <b>Pension reserve</b>         | <u>(854,000)</u>                       | <u>-</u>         | <u>(150,000)</u>   | <u>(541,000)</u>                  | <u>-</u>           | <u>(1,545,000)</u>                   |

**Gordon Foundation Special Fund** – this fund represents the balance of assets transferred by several connected charities on 1 April 1996.

**Stepping Forward Appeal Fund** - this fund reflects an appeal to enhance performing arts facilities at Gordon's School.

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 17. RESTRICTED FUNDS (Continued)

**DfCSF (DfE) Fund & DfE Fixed Asset fund** – these funds reflect monies received from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of assisting with the general academy running costs and building projects.

**Other restricted funds** represent other specific donations to fund activities of the Foundation.

**Pension Reserve** – this fund represents the share of the pension deficit borne by the subsidiary, Gordon's School Academy Trust, in the Local Government Pension Scheme. Further detail is given in note 21 below.

#### 18. ALLOCATION OF THE GROUP NET ASSETS

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 275,553          | 207,984           | 783,844                          | -                              | 1,267,381         |
| Restricted – Pension reserve | -                | -                 | -                                | (1,903,000)                    | (1,903,000)       |
| Unrestricted                 | 3,146,220        | 20,962,028        | (2,979,223)                      | (7,212,427)                    | 13,916,598        |
|                              | <u>3,421,773</u> | <u>21,170,012</u> | <u>(2,195,379)</u>               | <u>(9,115,427)</u>             | <u>13,280,979</u> |

#### ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total             |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|-------------------|
|                              | £                | £                 | £                                | £                              | £                 |
| Restricted – Specific        | 229,172          | 186,213           | 1,110,932                        | -                              | 1,526,317         |
| Restricted – Pension reserve | -                | -                 | -                                | (1,545,000)                    | (1,545,000)       |
| Unrestricted                 | 2,656,426        | 20,861,550        | (2,398,896)                      | (6,454,456)                    | 14,664,624        |
|                              | <u>2,885,598</u> | <u>21,047,763</u> | <u>(1,287,964)</u>               | <u>(7,999,456)</u>             | <u>14,645,941</u> |

#### 19. CHARITY UNRESTRICTED FUNDS

##### UNRESTRICTED FUNDS

|                        | Balance at 1 September 2020 | Income           | Expenditure         | Investment Gains/(losses) | Transfers | Balance at 31 August 2021 |
|------------------------|-----------------------------|------------------|---------------------|---------------------------|-----------|---------------------------|
|                        | £                           | £                | £                   | £                         | £         | £                         |
| Designated - Eyre Fund | 51,743                      | -                | (1,092)             | -                         | -         | 50,651                    |
| General Fund           | 13,737,722                  | 8,950,810        | (10,792,961)        | 394,019                   | -         | 12,289,590                |
|                        | <u>13,789,465</u>           | <u>8,950,810</u> | <u>(10,794,053)</u> | <u>394,019</u>            | <u>-</u>  | <u>12,340,241</u>         |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**19. CHARITY UNRESTRICTED FUNDS (Continued)**

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2019 | Income           | Expenditure        | Investment<br>Gains/(losses) | Transfers        | Balance at<br>31 August<br>2020 |
|------------------------|-----------------------------------|------------------|--------------------|------------------------------|------------------|---------------------------------|
|                        | £                                 | £                | £                  | £                            | £                | £                               |
| Designated - Eyre Fund | 53,055                            | -                | (1,312)            | -                            | -                | 51,743                          |
| General Fund           | 13,831,513                        | 7,814,597        | (9,122,005)        | (1,931)                      | 1,215,548        | 13,737,722                      |
|                        | <u>13,884,568</u>                 | <u>7,814,597</u> | <u>(9,123,317)</u> | <u>(1,931)</u>               | <u>1,215,548</u> | <u>13,789,465</u>               |

**20. CHARITY RESTRICTED FUNDS**

|                         | Balance at<br>1 September<br>2020 | Income        | Expenditure  | Investment<br>Gains | Transfers | Balance at<br>31 August<br>2021 |
|-------------------------|-----------------------------------|---------------|--------------|---------------------|-----------|---------------------------------|
|                         | £                                 | £             | £            | £                   | £         | £                               |
| Gordon Foundation       | 387,606                           | 10,806        | -            | 36,403              | -         | 434,815                         |
| Special fund            |                                   |               |              |                     |           |                                 |
| Stepping Forward Appeal | 300,686                           | -             | -            | -                   | -         | 300,686                         |
| Camel fund              | -                                 | -             | -            | -                   | -         | -                               |
| Piano fund              | 2,160                             | -             | (420)        | -                   | -         | 1,740                           |
| Bursaries               | 52,917                            | 36,481        | -            | -                   | -         | 89,398                          |
| DfCSF (DfE) funds       | -                                 | -             | -            | -                   | -         | -                               |
| Other restricted funds  | 79,404                            | -             | -            | -                   | -         | 79,404                          |
|                         | <u>822,773</u>                    | <u>47,287</u> | <u>(420)</u> | <u>36,403</u>       | <u>-</u>  | <u>906,043</u>                  |

**CHARITY RESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2019 | Income         | Expenditure    | Investment<br>Gains/losses | Transfers          | Balance at<br>31 August<br>2020 |
|------------------------|-----------------------------------|----------------|----------------|----------------------------|--------------------|---------------------------------|
|                        | £                                 | £              | £              | £                          | £                  | £                               |
| Gordon Foundation      |                                   |                |                |                            |                    |                                 |
| Special fund           | 403,273                           | 11,344         | -              | (27,011)                   | -                  | 387,606                         |
| Stepping Forward       |                                   |                |                |                            |                    |                                 |
| Appeal                 | 300,686                           | -              | -              | -                          | -                  | 300,686                         |
| Camel fund             | 1,000                             | -              | (1,000)        | -                          | -                  | -                               |
| Piano fund             | 2,400                             | -              | (240)          | -                          | -                  | 2,160                           |
| Bursaries              | 16,749                            | 36,168         | -              | -                          | -                  | 52,917                          |
| DfCSF (DfE) funds      | 1,215,548                         | -              | -              | -                          | (1,215,548)        | -                               |
| Other restricted funds | -                                 | 79,404         | -              | -                          | -                  | 79,404                          |
|                        | <u>1,939,656</u>                  | <u>126,916</u> | <u>(1,240)</u> | <u>(27,011)</u>            | <u>(1,215,548)</u> | <u>822,773</u>                  |

The transfer in the prior year represented accumulated funding from the Department of Education (DfE), previously the Department for Children, Schools and Families (DfCSF), for the purpose of assisting with academy running costs and building projects, that had been spent so meeting the restrictions imposed; the amount of £1,215,548 was transferred to unrestricted funds.

## THE GORDON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £231,680 were payable to the schemes at 31 August 2021 (2020: £106,579) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £867,713 (2020: £813,689).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 8.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Total contributions made**

|                          | <b>2021</b>    | <b>2020</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Employer's contributions | 141,000        | 124,000        |
| Employees' contributions | 37,000         | 32,000         |
|                          | <u>178,000</u> | <u>156,000</u> |

**Principal actuarial assumptions**

|                                                    | <b>2021</b> | <b>2020</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 3.8         | 3.2         |
| Rate of increase for pensions in payment/inflation | 2.9         | 2.3         |
| Discount rate for scheme liabilities               | <u>1.65</u> | <u>1.7</u>  |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                      | <b>2021</b>  | <b>2020</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| - Males              | 22.3         | 22.1         |
| - Females            | 24.7         | 24.3         |
| Retiring in 20 years |              |              |
| - Males              | 23.4         | 22.9         |
| - Females            | <u>26.4</u>  | <u>25.7</u>  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | <b>2021</b> | <b>2020</b> |
|-------------------------------|-------------|-------------|
|                               | <b>£</b>    | <b>£</b>    |
| Discount rate + 0.1%          | (84,000)    | (67,000)    |
| Discount rate - 0.1%          | 84,000      | 67,000      |
| Mortality assumption + 1 year | 154,000     | 120,000     |
| Mortality assumption - 1 year | (154,000)   | (120,000)   |
| CPI rate + 0.1%               | 80,000      | 64,000      |
| CPI rate - 0.1%               | (80,000)    | (64,000)    |

**Defined benefit pension scheme net liability**

|                    | <b>2021</b>        | <b>2020</b>        |
|--------------------|--------------------|--------------------|
|                    | <b>£</b>           | <b>£</b>           |
| Scheme assets      | 1,942,000          | 1,448,000          |
| Scheme obligations | (3,845,000)        | (2,993,000)        |
| Net liability      | <u>(1,903,000)</u> | <u>(1,545,000)</u> |

**The academy trust's share of the assets in the scheme**

|          | <b>2021</b>       | <b>2020</b>       |
|----------|-------------------|-------------------|
|          | <b>Fair value</b> | <b>Fair value</b> |
|          | <b>£</b>          | <b>£</b>          |
| Equities | 1,456,000         | 1,043,000         |
| Bonds    | 311,000           | 246,000           |
| Cash     | 39,000            | 43,000            |
| Property | 136,000           | 116,000           |
|          | <u>1,942,000</u>  | <u>1,448,000</u>  |

The actual return on scheme assets was a gain of £343,000 (2020: loss of £13,000).

**Amount recognised in the Statement of Financial Activities**

|                                                               | <b>2021</b>    | <b>2020</b>    |
|---------------------------------------------------------------|----------------|----------------|
|                                                               | <b>£</b>       | <b>£</b>       |
| Current service cost                                          | 298,000        | 257,000        |
| Interest income                                               | (26,000)       | (25,000)       |
| Interest cost                                                 | 53,000         | 42,000         |
| Benefit changes, curtailments and settlements gains or losses | -              | -              |
| Total operating charge                                        | <u>325,000</u> | <u>274,000</u> |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

| <b>Changes in the present value of defined benefit obligations</b>             | <b>2021</b>      | <b>2020</b>      |
|--------------------------------------------------------------------------------|------------------|------------------|
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2020                                                            | 2,993,000        | 2,185,000        |
| Current service cost                                                           | 298,000          | 257,000          |
| Interest cost                                                                  | 53,000           | 42,000           |
| Employee contributions                                                         | 37,000           | 32,000           |
| Actuarial loss                                                                 | 491,000          | 503,000          |
| Benefits paid                                                                  | (27,000)         | (26,000)         |
| At 31 August 2021                                                              | <u>3,845,000</u> | <u>2,993,000</u> |
| <b>Changes in the fair value of the academy trust's share of scheme assets</b> | <b>2021</b>      | <b>2020</b>      |
|                                                                                | <b>£</b>         | <b>£</b>         |
| At 1 September 2020                                                            | 1,448,000        | 1,331,000        |
| Interest income                                                                | 26,000           | 25,000           |
| Actuarial loss/(gain)                                                          | 317,000          | (38,000)         |
| Employer contributions                                                         | 141,000          | 124,000          |
| Employee contributions                                                         | 37,000           | 32,000           |
| Benefits paid                                                                  | (27,000)         | (26,000)         |
| At 31 August 2021                                                              | <u>1,942,000</u> | <u>1,448,000</u> |

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £153,705 (2020: £137,453) and there were £19,716 of contributions payable to the scheme at 31 August 2021 (2020: £Nil).

**22. RELATED PARTY TRANSACTIONS**

There were no related party transactions.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2021

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2020

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income from:</b>                                         |        |                            |                          |                    |                    |
| Donations and legacies                                      | 1      | 12,896                     | 79,404                   | 92,300             | 126,762            |
| Grants                                                      | 2      | 462,520                    |                          | 462,520            | -                  |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Income from boarding charges                                | 3      | 7,056,600                  | 36,168                   | 7,092,768          | 7,968,229          |
| Other operating income                                      | 3      | 215,851                    |                          | 215,851            | 548,643            |
| Funding for the Academy's educational operations            |        | -                          | 5,186,906                | 5,186,906          | 4,373,405          |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading income                                              | 4      | 21,901                     | -                        | 21,901             | 44,058             |
| <b>Investment income</b>                                    | 5      | 66,731                     | 11,344                   | 78,075             | 91,883             |
| <b>Total income</b>                                         |        | <b>7,836,499</b>           | <b>5,313,822</b>         | <b>13,150,321</b>  | <b>13,152,980</b>  |
| <b>Expenditure on:</b>                                      | 6      |                            |                          |                    |                    |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                    |
| Staff costs                                                 |        | 5,285,457                  | 3,393,326                | 8,678,783          | 7,780,797          |
| Educational costs                                           |        | -                          | 534,952                  | 534,952            | 570,151            |
| Welfare costs                                               |        | 1,219,412                  | 240                      | 1,219,652          | 1,114,130          |
| Premises costs                                              |        | 1,827,056                  | 776,455                  | 2,603,511          | 2,522,805          |
| Support costs                                               |        | 368,344                    | 222,974                  | 591,318            | 1,340,216          |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                    |
| Finance costs                                               |        | 105,680                    | -                        | 105,680            | 123,573            |
| Investment management                                       |        | 54,714                     | -                        | 54,714             | 6,527              |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                    |
| Trading costs                                               |        | 2,803                      | -                        | 2,803              | 147                |
| <b>Total expenditure</b>                                    | 6      | <b>8,863,466</b>           | <b>4,927,947</b>         | <b>13,791,413</b>  | <b>13,458,346</b>  |
| <b>Net income/(expenditure)</b>                             |        | <b>(1,026,967)</b>         | <b>385,875</b>           | <b>(641,092)</b>   | <b>(305,366)</b>   |
| Gross transfers between funds                               | 17     | 1,256,380                  | (1,256,380)              | -                  | -                  |
|                                                             |        | 229,413                    | (870,505)                | (641,092)          | (305,366)          |
| <b>Other recognised gains and losses</b>                    |        |                            |                          |                    |                    |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | (541,000)                | (541,000)          | (258,000)          |
| Net gains/(losses) on investments                           | 9      | (1,931)                    | (27,011)                 | (28,942)           | 21,595             |
| <b>Net movement in funds for the year</b>                   |        | <b>227,482</b>             | <b>(1,438,516)</b>       | <b>(1,211,034)</b> | <b>(541,771)</b>   |
| <b>Fund balances brought forward at 1 September 2019</b>    |        | <b>14,437,142</b>          | <b>1,419,833</b>         | <b>15,856,975</b>  | <b>16,398,746</b>  |
| <b>Fund balances carried forward at 31 August 2020</b>      | 16, 17 | <b>14,664,624</b>          | <b>(18,683)</b>          | <b>14,645,941</b>  | <b>15,856,975</b>  |



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# Accounts

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**THE GORDON FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2020**

Company Number 00027272  
Charity Number 312092

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# THE GORDON FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                        |                                                                                      |
|------------------------|--------------------------------------------------------------------------------------|
| <b>Patron</b>          | HM The Queen                                                                         |
| <b>Vice Presidents</b> | The Lord Mayor of London<br>The Lord Lieutenant of Surrey<br>The Bishop of Guildford |
| <b>Ambassadors</b>     | Mr P Talbot<br>Mr M Hawkesworth<br>Mr P Wynter Bee                                   |

### Foundation Committee (The Board)

|                                                |                                                           |
|------------------------------------------------|-----------------------------------------------------------|
| General Sir Peter Wall GCB CBE                 | Chairman                                                  |
| Mr P F Wynter Bee TD <sup>1,2,5,6,7</sup>      | Vice Chairman, retired 23 January 2021                    |
| Mr C Whiffin <sup>1,2,8</sup>                  | Treasurer                                                 |
| Mr R Whittington DL <sup>1,2,4,5,8</sup>       | Chair of Governors, Gordon's School, to 26 November 2020  |
| Lord Lingfield                                 |                                                           |
| Mr W Eason <sup>1,2,3,4,8</sup>                |                                                           |
| Ms A MacLennan <sup>6</sup>                    |                                                           |
| Dr J Higgs <sup>3,6</sup>                      |                                                           |
| Mr T Gordon                                    |                                                           |
| Mrs L Bannister <sup>3,7</sup>                 |                                                           |
| Mr C Lomas <sup>6,7,9</sup>                    |                                                           |
| Major General J Russell-Jones OBE <sup>4</sup> |                                                           |
| Mrs J Valner <sup>1,2,3,4,5,7,9</sup>          | Chair of Governors, Gordon's School from 26 November 2020 |
| Mr M Barnes <sup>1,2,7,8,9</sup>               |                                                           |
| Mr A McClafferty                               |                                                           |
| Mrs A Stephens                                 |                                                           |
| Major General A Fay CB                         |                                                           |
| Mrs D McKenzie                                 | Appointed 18 January 2020                                 |
| Mrs S Hounsham <sup>6</sup>                    | Appointed 18 June 2020                                    |
| Mr P Jones <sup>1,2</sup>                      | Appointed 18 June 2020                                    |
| Mr S Azeem                                     | Appointed 23 January 2021                                 |
| Mr J Tamsitt                                   | Resigned 1 January 2020                                   |
| Mrs P A Lea <sup>1,2</sup>                     | Resigned 23 January 2021                                  |

### Head Teacher

Mr A Moss

### Foundation and Company Secretary

Mrs S M Meikle

### Committee Membership

Member of the Foundation Development Committee = 1  
Member of the Joint Finance & Estates Committee = 2  
Member of the Investment Panel = 3  
Member of the Awards Panel = 4  
Member of the Nominations Committee = 5  
Member of the Fundraising & Enterprises Committee = 6  
Governor of Gordon's School = 7  
Member of the Risk & Audit Committee = 8  
Member of the Performance Management & Salaries Committee = 9

## THE GORDON FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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#### ADVISERS

|                             |                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------|
| <b>Bankers:</b>             | Bank of Scotland<br>38 Threadneedle Street<br>London EC2P 2HL                    |
| <b>Auditors:</b>            | Alliotts LLP<br>Friary Court<br>13-21 High Street<br>Guildford<br>Surrey GU1 3DL |
| <b>Investment Managers:</b> | Quilter Cheviot<br>Senator House<br>85 Queen Victoria Street<br>London EC4V 4AB  |
| <b>Legal Advisers:</b>      | Moore Barlow LLP<br>The Oriel<br>Guildford<br>Surrey GU1 3SR                     |

#### STATUS AND ADMINISTRATION

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| <b>Registered Office:</b> | The Gordon Foundation<br>Gordon's School<br>West End<br>Woking<br>Surrey GU24 9PT |
|---------------------------|-----------------------------------------------------------------------------------|

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### **Constitution**

The Gordon Foundation is a company limited by guarantee (Company No 27272), its registered office being at Gordon's School, West End, Woking, Surrey, GU24 9PT. The company is a charity for educational purposes (registered charity No 312092).

Management of the charity is vested in the Foundation Committee, who are directors and members for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP (Statement of Recommended Practice) 2015 (FRS 102). Foundation Committee members are required to retire from office every third year from the date of election but are eligible for re-election. The Foundation Committee has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Foundation Secretary.

The charity was founded at the express wish of Queen Victoria as the national memorial to General Gordon who was killed in Khartoum in 1885. The Gordon Foundation owns, freehold, the land and buildings formerly known as the Gordon Boys' Home which was changed to The Gordon's Boys' Home in 1943, started to accept girls and day boarders from 1990 and is now known as Gordon's School.

The majority of the Governors of Gordon's School, a State Boarding School with Academy status, are either trustees of or are appointed by The Gordon Foundation.

Following the decision made in 2019 to increase the number of (ex-officio) Vice Presidents, a recommendation to introduce the position of Ambassador was also approved. Ambassadors, a seven-year appointment, are former trustees of seniority or long service who have continued interest in supporting the Foundation's work. Paul Talbot, Gordonian and former trustee of over 30 years' service, and Mark Hawkesworth, former Treasurer, accepted the invitation to be the first Ambassadors for The Gordon Foundation; Peter Wynter Bee who retired at the 2021 AGM after 21 years' service to Gordon's as trustee and for two separate terms a School Governor, has also accepted the Committee's invitation to continue his links as a Gordon's Ambassador.

##### **Governance**

The Wider Leadership Team controls the running of the Foundation and School at an executive level and implements the policies and decisions of the trustees and governors through agreed schemes of delegation. Key management personnel are defined as the Head Teacher, Deputy Heads (Curriculum and Pastoral), Bursar, Assistant Heads and senior Foundation support services managers.

##### **Arrangements for setting pay and remuneration of key management personnel**

The Wider Leadership Team is paid on the Leadership pay scale which broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Leaders must demonstrate sustained performance in respect to their performance objectives; non-teaching leadership salaries are benchmarked against local market conditions. The Performance Management and Salaries Committee awards one incremental point on the Gordon's Pay Scale where performance objectives are met and where there is a sustained high quality of overall performance.

##### **Policies and Procedures adopted for the Induction and Training of Trustees**

Prospective trustees are invited to Gordon's School prior to their appointment to meet with the Foundation Secretary, Head Teacher and at least two trustees who make their report to the next meeting of the Nominations Committee. A schedule of trustees with their qualifications and experience is maintained, cross-referenced against the business requirements of the Foundation, which assists in the selection of new trustees.

Once appointed, new trustees follow an induction which includes an explanation of their role as trustee, the company and the relationship between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All trustees are encouraged to attend professional training courses, take online courses for trustees and are provided with joint briefings at least once each year.

## THE GORDON FOUNDATION

### REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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#### AIMS AND OBJECTIVES

##### General

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for 880 residential and day boarding students aged 11-18 years. The School changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education and Skills Funding Agency pays the cost of teaching and learning, delivery of the national curriculum and some classroom facilities. In addition to managing the estate and buildings, the Gordon Foundation provides support services to the School and in particular runs the boarding operation of the day, weekly and full boarding students. For families who require financial assistance with boarding charges, The Gordon Foundation is able to provide means-tested bursaries.

The Gordon Enterprises UK Ltd, a subsidiary of The Gordon Foundation, lets the school facilities when not required by the School, the proceeds of which are gift-aided to The Gordon Foundation, designated to the bursary funds.

##### Vision

Our long-term vision is a family of Gordon Foundation schools where students, particularly those from disadvantaged backgrounds, benefit from a Gordon's education. An education recognised as amongst the finest in the world for the calibre of young people we develop, the progress they make and the difference they make to the lives of others.

##### Object

The object of The Gordon Foundation is to educate or contribute to the education of boys and girls having particular regard to those with a specific boarding or educational need, with a view to preparing them for education or for earning their livelihood, such object being in continuation of the work of the unincorporated institution known as the Gordon Boys' Home, established in July 1885 as the National Memorial to General Gordon.

##### Objectives

Whilst the main objective of The Gordon Foundation is support for Gordon's School, trustees appreciate its wider objects of encouraging and supporting residential boarding for 'necessitous' young people, improving the public's awareness of the value and benefits of residential boarding and increasing funds available to support residential boarding. In setting these objectives and planning activities, trustees give careful consideration to the Charity Commission's guidance on Public Benefit.

#### Key objectives include:

| OBJECTIVE                                        | ACTIVITIES TO FULFIL THE OBJECTIVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintain the National Memorial to General Gordon | The Whitehall Parade and memorial service in Embankment Gardens was again held in January, on a date close to the anniversaries of General Gordon's birth and death. The Gordon Memorial Sermon was preached the following day in Guildford Cathedral, attended by the majority of students. Y7 History classes continue to include a short course on the history of Gordon's, the Home and School, and the life of General Charles Gordon. Links continue to be nurtured with Khartoum International Community School but regrettably, a visit in February planned for a group of Gordon's students and staff was cancelled due to political unrest in Khartoum and then the Covid-19 pandemic. Artefacts from the former School Museum relating to General Gordon were removed from storage and are now displayed in the School. We were pleased to assist an Oxford University undergraduate with research for his dissertation, 'The heroic myth of General Gordon statuary'. |

|                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Be alert to and take advantage of opportunities to extend the influence of Gordon's at home and overseas</p>                       | <p>Three senior staff travelled to China in late September to continue partnership discussions with the Basic Education Group of Shandong Normal University and to attend their first international education conference of their partner schools from Canada, Australia and UK. An MoU has been signed with Harlequins RFC for Gordon's to be their education partner in the DiCE Programme; from September 2020 there will be up to eight Harlequins' selected players attending Gordon's Sixth Form for which the school receives DfE payments and access to higher level coaching. Cooperation with Woking High School continues under the Arete Partnership, particularly for student leadership training and inter-school competitions, although many planned activities were cancelled due to Covid-19. Opportunities to create a Gordon's feeder school will be explored.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Ensure that support services provided by The Gordon Foundation are fit for purpose and commensurate with outstanding provision</p> | <p>Taking opportunities to review for improvement is embedded within the Support teams. Day House cleaning moved to evenings, allowing students to arrive to a better presented House and releasing housekeeping staff for residential areas. The standard of the Catering Team is such that chefs competing in the London Salon Culinare were awarded two Silver and two Bronze medals. The introduction of the role of Marketing and Admissions Manager improves coordination of an important function; with increased events and external hire, particularly of the Sports Hub. The Bursar's Assistant role changed to Commercial and Development Manager, with a Sports Hub Supervisor to be appointed in the Autumn term.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>Increase the Foundation's financial stability and support for financially necessitous students</p>                                 | <p>Maintaining cashflow through the Summer was a key focus, explaining the reasons for the 50% boarding charges and responding to parents who were experiencing difficulties with this. Regular communication was maintained with our Bank. Trustees were pleased to end the year with a positive cash balance and no recourse to any further Bank facilities apart from the existing capital loans. By the end of the year, 64 students were in receipt of a means-tested bursary with total spend £283,098 (reduced with the 50% reduction of charges for the Summer term), with 14 of those students also supported by nine different external educational trusts (£75,690).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Deliver world-class pastoral care, curriculum, and co-curriculum provision</p>                                                     | <p>A curriculum review was carried out from which various recommendations will be implemented from September 2020, including a two-week timetable allowing classes in Maths and English daily for KS3 and 4, the introduction of a KS5 Liberal Arts Programme and Mandarin included within the Y8 choice of languages. The Summer term's remote learning highlighted a need for IT investment and all teaching staff were provided with Tablets for the start of the Autumn term 2020. All Y7-11 students now have school-issued IT devices. Also for September, accommodation changes have allowed the creation of a dedicated Student Support Centre with a dedicated manager, to provide students serving an internal exclusion with an appropriate learning environment. The School completed the first year of the 'Thinking Schools' accreditation process. The Gold Healthy Schools Award was retained, the Surrey Sports Platinum Award received and the school is on-track to receive the Platinum Arts Mark in 2021. Opening of the new Sports Hall during the Autumn term has significantly enhanced student facilities and broadened the range of sports and activities offered. Discussions will start for future conversion of the gym and swimming pool buildings to a facility dedicated performing arts.</p> |



## ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

### The Plan for Gordon's

The informal collaboration with Woking High School, Arete Partnership, launched in September 2015 provides opportunities for joint student and staff activities, training and sharing best practice. The schools-specific Institute of Leadership Management (ILM) leadership training programme for students and staff is developing with students taking Level 2, staff (academic and support) taking Levels 3 and 5 while the Level 7 course has been commissioned and should be available in 2021.

Work continues on updating the strategic plan for Gordon's to 2030, focusing especially on how Gordon's can best prepare young people in an increasingly fast-changing world.

### Capital Developments at West End

Woolwich House, a new residential boarding house created from the former Head Teacher's House and adjoining Chapel House opened for 32 Y7 students in September 2019 and provides appropriate introduction to residential boarding within their own accommodation, while linking with their senior House to which they move in Year 8. This is proving a great success and trustees are grateful to Woolwich's first House Parents, Sam and Daisy Cooper, for their care and commitment to these new students.

Planning permission for the new sports hall and 3G all-weather pitch was received in January 2019. After a delayed start on site until October, work continued throughout the Covid-19 lockdown and the sports hall was completed with hand-over in October 2020. A contractual disagreement with the main contractor means that handover of the 3G pitch is delayed. A £6m long-term bank loan facility was taken out in December 2019 to finance this project.

Discussions have started for converting the gymnasium into a dedicated performing arts facility, also taking in the adjoining swimming pool building. Closing the swimming pool in March on lockdown, provided an opportunity to review its use by Gordon's students; this was agreed as minimal while the benefits gained for the whole school community in using the pool hall as an atrium to the performance space would be immense. Another project under consideration is the replacement and enlargement of the classroom building 'India'. The Academy successfully applied for Conditional Improvement Fund (CIF) grants for repair works from the ESFA for £689,885, of which £211,337 has been spent.

### Academic Results for the School

During the last twelve-month period the Academy educated 880 students of whom 250 were residential boarders and 268 students were in the Sixth Form. Waiting lists for Key Stages 3 and 4 remain strong.

Compared to many state schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects. Gordon's School's A Level and GCSE results are in the top 100 schools in the country for academic progress. The number of Y13 Leavers obtaining places at Russell Group and first preference destinations remains high and above national average. Gordon's School is ranked as the top state boarding school amongst the top 20 in England for academic progress. Three students gained places at Cambridge or Oxford, three embarked on courses in Medicine, Veterinary or Dentistry and two have taken up Sports Scholarships at US Universities. Of the Y11 Leavers, a record high of 80% entered Gordon's Sixth Form in September 2020.

Detailed below is a table of the results for Gordon's students at KS4 and KS5:

| A Level results 2020             | GCSE results 2020              |
|----------------------------------|--------------------------------|
| 48% of entries were graded A* -A | 45% of entries were graded 9-7 |
| 80% of entries were graded A* -B | 87% of entries were graded 9-5 |
| 97% entries were graded A*-C     | 96% of entries were graded 9-4 |

Detailed information on student activities and the co-curricular programme can be found on the School website [www.gordons.school](http://www.gordons.school) as well as the Annual Report of the Gordon's School Academy Trust.

## **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

The Development team is responsible for activities focusing on support for the school community as well as strengthening local and wider community links, ranging from regular talks, all larger school internal and external event management and seeking opportunities to let facilities when not required by the school, and fundraising. Development Prefects assist the department with appropriate administration and hosting of events, providing them with some insight into a different area of the school as well as useful experience. Working in partnership with the GSPA (Gordon's School Parents' Association) continues to strengthen and clearly benefits the school and the parent community.

Following the dissolution of the Gordonian Association, responsibility for all alumni-focused activity is now incorporated within the Development Office. A key focus for our new Gordonian Officer has been developing a strategy for appropriate communication and engagement activity with different age groups. Interest in the Gordonian Sports Clubs is growing, with further opportunities once the new Sports Hall is available. A gathering after the Whitehall Parade was well supported while local reunions in Exeter and Glasgow were not; Gordonians enjoy coming back to Gordon's. The enforced summer lockdown prevented the school hosting the usual events such as Annual Parade but virtual alternatives were made available through social media. Mindful that many older Gordonians may be socially isolated, members of the Development team telephoned every Gordonian over the age of 80 years for whom contact details were available, which was wonderfully received. This was extended during the second lockdown with further calls and a 'care package' of chocolate treats was mailed to them. These have also been sent to recent leavers experiencing Covid-related lockdown in their first term of university.

Support is provided to the Careers team to assist with finding work placements and speakers as well as organising the annual Careers Fair. Opportunities for parents and members of the local community to network continues to grow with monthly Business Breakfasts held at the School. It has been disappointing that these have been cancelled since February. Opportunities to convert to online events are taken but people tire of the over-use of virtual technology. Through the Business Networking we were pleased to obtain sponsorship towards the costs for the Pipe Band to participate in the Scottish Schools' Pipe Band Championships.

Active fundraising for the Sports Hub equipment fund continued until March, initially aiming to raise £150k. On review this target was reduced to £100k and then, taking into account the effects of lockdown locally and nationally, at the end of the year was closed to active fundraising at £82k. A planning condition for the sports Hall and 3G pitch is community use; a Community Use Agreement between Gordon's and Surrey Heath Council has been signed and most of the slots available for hire of both artificial pitches, the netball courts and the indoor Sports Hall, have been allocated.

Applications to trusts and foundations continue for bursary funding as well as specific projects. The support for Gordon's students from a range of educational trusts is valued and in particular the continued generosity of the Girdlers' Company. Support for Gordon's students by Reedham Children's Trust, ButtleUK, ABF, the Masonic Charitable Foundation and Tak Turton Trust continues to be welcomed by student families and the School.

Gordon's is proud to have signed up to the Forces Covenant and to display the Bronze Award of the Employers' Recognition Scheme, recognising the School's role in supporting our Forces families as well as being a major employer in the area. The link with the Corps of Royal Engineers continues to be valued, in particular CCF students participating in Field Days organised at Gibraltar Barracks. Members of the Pipes and Drums have played regularly for the Last Post Association at Brookwood Cemeteries and training staff from Pirbright assist with ceremonial drill.

### **Fundraising**

The trustees recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The Foundation keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The Foundation only raises funds from those individuals and organisations known to it and the Foundation does not undertake fundraising campaigns to members of the public.

## **MANAGEMENT AND EFFECTS OF COVID-19**

The School closed as directed on 20 March when teaching moved online for the remainder of the term. As the country remained in lockdown for the Summer term, all schools continued with remote learning, opening only for children of Key Workers or with an EHCP (Education, Health and Care Plan). A limited amount of face-to-face teaching was available for students in Years 11 and 13. Pastoral support continued to be provided through the Houses, ensuring regular contact with students to check for their wellbeing, and a programme of online co-curricular activities was also supplied.

While the School's Senior Leadership met regularly to focus on student management and planning for re-opening, the FDC and JF&E Committees also met regularly through this initial period, working to agree a level of boarding charge that would ensure the Foundation's short-term financial continuity as well as providing due consideration of the reduced boarding offering and for parents' own financial concerns. It was agreed to reduce all boarding charges by 50% which the majority of parents accepted while some required individual consideration. As a result, income from fees reduced for the Summer term by circa £1.4m, however costs such as catering and transport were reduced. The furlough grants were claimed for all but 25 eligible Foundation employees. Close communication was maintained with Bank of Scotland throughout, particularly with regard to cashflow and monthly payments were maintained for the Sports Hub construction project.

It was agreed to charge the normal full fee for the Autumn term and to delay the annual fee increase until January 2021. This, together with the inability to raise additional income through lettings, hire of the swimming pool and events, reduced budgeted income, although looking forward, with a higher student roll starting in September 2020, this potential loss has been mitigated.

Although the school re-opened fully in September, a measure taken to improve the quality of remote teaching in the event of a further school closure, was the purchase of a Surface Pro tablet for every teacher, matching the devices supplied to all students. Managing the School within the many Covid-related guidelines such as social distancing, increased cleaning, and provision of hygiene equipment, has increased operational costs. Costs have also increased as a result of the need to provide extra teaching and social accommodation, such as the purchase of two temporary classrooms and hire of two marquees. Supporting students, the cost for additional evening staffing was agreed for the Autumn and Spring terms.

With the necessity to cancel some significant fundraising events and the focus of many external trusts and foundations on relieving the effects of Covid-19 within the community, fundraising for the Sports Hub Equipment Fund reduced and active fundraising ceased on 31 August. The total raised, £82k, while less than the targeted £100k, still provides a significant contribution to the equipment purchased for the new Sports Hall and 3G pitch, and surrounding landscaping. Due to the ongoing restrictions during the Autumn term 2020, projected sports hire income is reduced but as soon as is able, the full schedule of lets will be operational.

An unforeseen outcome of the past six months has been the strengthening of the Gordon's community and greater transparency of the Foundation's role in supporting the enhanced curriculum and learning provision provided by Gordon's School, as well as the boarding facilities and co-curricular programme.

## **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The main sources of funding for the Foundation are through boarding charges and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a waiting list. The fee income received by the Foundation was £7,092,768 (2019: £7,968,229).

Investments performed as well as could be expected during a year of upheaval. The investment portfolio has decreased by £85,598 over the year to £2,885,598 (2019: £2,971,196).

On 1 January 2013, Gordon's School converted to Academy Trust status under the Academies Act 2010 with all operations, assets and liabilities transferred over to the Gordon's School Academy Trust. This transfer was accounted for using the acquisition method resulting in a £389,000 deficit on the Local Government Pension Scheme transferring into the Trust. Most years since there has been an additional deficit on the scheme with the current overall scheme deficit of £1,545,000 at 31 August 2020 (2019: £854,000)

Further information on the pension schemes is given in note 21.

## RESERVES

Funds comprise unrestricted funds of £14,664,624 (2019: £14,437,142) and restricted funds- specific of £1,526,317 (2019: £2,273,833). The restricted funds -pension deficit reserve stands at £1,545,000 (2019: £854,000 deficit).

Unrestricted funds are primarily represented by the Foundation's property and other tangible fixed assets, investments and net working capital. Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are negative, as is common within the education sector, and the Foundation Committee have set a policy to restore and build free reserves in order to maintain the site and fund the modernisation and future development of Gordon's School.

## Risk

The trustees have assessed the major risks to which The Gordon Foundation is exposed and have taken steps to reduce and manage these risks. Trustees approved a formal Risk Register which is updated regularly and reviewed formally by the Joint Audit and Risk Committee at least annually. The most significant risks identified are noted below together with the means by which to manage the risk:

| RISK                                                                                                     | CONTROL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Worsening economic climate</b>                                                                        | Regular consideration given to economic factors which may affect parents' ability to pay charges and reduce ESFA funding. Effect of economic downturn mitigated by reducing costs where possible and holding back on plans as well as ensuring frequent reporting of student roll and finances. Maintain a schedule of pre-agreed changes in the event of significantly reduced income. Focus on developing alternative income streams.                                                                                                   |
| <b>Loss of charitable status</b>                                                                         | Compliance with requirement of public benefit; the availability of means-tested bursaries                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Breach of Health &amp; Safety issues; major incident resulting in loss of life or school closure.</b> | Crisis Management Plan in place and reviewed at least termly. Risks mitigated by identifying them, setting out procedures to reduce and monitoring that all procedures are operating effectively. H&S external advice, staff trained on specific procedures and are reviewed annual by external experts. H&S policy reviewed annually. H&S Committee meets termly or as required; membership includes a trustee / governor. H&S part of staff induction. Property Services Manager is H&S and Fire Officer, and is trained appropriately. |
| <b>Compromised site security, buildings and personnel</b>                                                | All staff know to challenge strangers on site; wear emergency contact information; security contractor employed evenings, overnight and 24 hours over weekends; resident staff. Restricted access to all buildings. Perimeter fencing and gates improved but some weakness end of Front Field and should review north side access controls. Lockdown procedures in place.                                                                                                                                                                 |
| <b>Fire that results in the school being unable to operate</b>                                           | Fire risk assessments carried out by specialist subcontractor on a triennial basis (or sooner where there is an alteration to premises) and reviewed annually. Procedures and evacuation plans reviewed annually. Procedures in place for dealing with arson, smoking, kitchen, heating, lightening conductors, fire evacuation, alarm installation. Routine alarm checks, hydrants, appliances. Adequate insurance in place + disaster recovery plan which is tested.                                                                    |
| <b>Difficulty in staff retention; poor staff morale and wellbeing</b>                                    | Staff turnover data maintained. Exit interviews with Assistant Bursar for all posts and report made to SLT. Pay rates reviewed regularly against appropriate market, benchmark. Effective communications maintained between staff, line and senior managers. Open Door for Head and Chair of Governors. Appropriate benefits provided + PRP (teaching) and termly bonus scheme (support). Positive encouragement to use non-contact time for wellbeing activity if wish to. Availability of school facilities for staff.                  |
| <b>Loss of Internet connectivity for a prolonged period</b>                                              | Service is provided by contracted IT managed service provider with high SLAs and 24/7 remote monitoring. Depending on where the failure has occurred, a restricted network provision could be restored. Backup second internet feed being considered (less speed but adequate for priority purposes). School website can be updated to inform parents if prolonged loss of service or SchoolComms messaging. Termly check of disaster recovery plan with IT managed Services.                                                             |

## **THE GORDON FOUNDATION**

### **REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)**

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#### **INVESTMENT POLICY**

The charity aims to manage the investment portfolio such that investment income is maintained and capital growth is achieved, in real terms. The performance of investments and the investment policy is reviewed regularly by the Investment Panel. The Investment Panel does not impose any constraints that might limit selection of individual investments for social, environmental or ethical reasons.

#### **PLANS FOR FUTURE YEARS**

##### **3-year Strategic Priorities:**

- i) Develop a working and learning environment for Gordon's School that moves beyond outstanding
- ii) Develop the School's Digital Strategy across both learning and administrative processes
- iii) Progress the Estates Master Plan
- iv) Reduce the School's Carbon Footprint
- v) Further develop 'Gordon's Connected' platform, boosting parent, student and staff engagement by creating partnerships between Gordon's Careers department, Business Network, alumni and parents
- vi) Further develop Gordon's International Schools' Partnership, boosting collaborative opportunities for students and staff
- vii) Build pre-eminent Sports and Arts Programmes providing opportunities for students to perform at their highest level in their chosen field
- viii) Agreement of the new Strategic Plan to 2030.

#### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

In the case of each person who was a trustee at the time this report was approved:

- So far as that trustee was aware there was no relevant available information of which the Group's auditor was unaware and
- That trustee had taken all the steps that the trustee ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

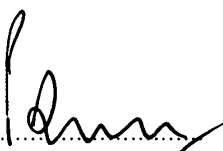
The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

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

The trustees 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, incorporating the Strategic Report was approved by the trustees of The Gordon Foundation on 23 January 2021 and signed on its behalf by:



.....

**General Sir Peter Wall GCB CBE**  
**Chairman**

### Opinion

We have audited the consolidated financial statements of The Gordon Foundation for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's and parent charitable company's net movement in funds, including the 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.

### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

**Opinions 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 Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Use of this 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. 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of Alliotts LLP**

Friary Court  
13-21 High Street  
Guildford  
Surrey GU1 3DL

23 January 2021



**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 AUGUST 2020**

|                                                             | Note   | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Total 2020<br>£    | Total 2019<br>£   |
|-------------------------------------------------------------|--------|-------------------------|-----------------------|--------------------|-------------------|
| <b>Income from:</b>                                         |        |                         |                       |                    |                   |
| Donations and legacies                                      | 1      | 12,896                  | 79,404                | 92,300             | 126,762           |
| Grants                                                      | 2      | 462,520                 |                       | 462,520            | -                 |
| <b>Charitable activity:</b>                                 |        |                         |                       |                    |                   |
| Income from fees                                            | 3      | 7,056,600               | 36,168                | 7,092,768          | 7,968,229         |
| Other operating income                                      | 3      | 215,851                 |                       | 215,851            | 548,643           |
| Funding for the Academy's educational operations            | 3      | -                       | 5,186,906             | 5,186,906          | 4,373,405         |
| <b>Trading activities:</b>                                  |        |                         |                       |                    |                   |
| Trading income                                              | 4      | 21,901                  | -                     | 21,901             | 44,058            |
| <b>Investment income</b>                                    | 5      | 66,731                  | 11,344                | 78,075             | 91,883            |
| <b>Total income</b>                                         |        | <b>7,836,499</b>        | <b>5,313,822</b>      | <b>13,150,321</b>  | <b>13,152,980</b> |
| <b>Expenditure on:</b>                                      | 6      |                         |                       |                    |                   |
| <b>Charitable activity:</b>                                 |        |                         |                       |                    |                   |
| Staff costs                                                 |        | 5,285,457               | 3,393,326             | 8,678,783          | 7,780,797         |
| Educational costs                                           |        | -                       | 534,952               | 534,952            | 570,151           |
| Welfare costs                                               |        | 1,219,412               | 240                   | 1,219,652          | 1,114,130         |
| Premises costs                                              |        | 1,827,056               | 776,455               | 2,603,511          | 2,522,805         |
| Support costs                                               |        | 371,147                 | 222,974               | 594,121            | 1,340,216         |
| <b>Raising funds:</b>                                       |        |                         |                       |                    |                   |
| Finance costs                                               |        | 105,680                 | -                     | 105,680            | 123,573           |
| Investment management                                       |        | 54,714                  | -                     | 54,714             | 6,527             |
| <b>Trading activities:</b>                                  |        |                         |                       |                    |                   |
| Trading costs                                               |        | -                       | -                     | -                  | 147               |
| <b>Total expenditure</b>                                    | 6      | <b>8,863,466</b>        | <b>4,927,947</b>      | <b>13,791,413</b>  | <b>13,458,346</b> |
| <b>Net income/(expenditure)</b>                             |        | <b>(1,026,967)</b>      | <b>385,875</b>        | <b>(641,092)</b>   | <b>(305,366)</b>  |
| Gross transfers between funds                               | 17     | 1,256,380               | (1,256,380)           | -                  | -                 |
|                                                             |        | <b>229,413</b>          | <b>(870,505)</b>      | <b>(641,092)</b>   | <b>(305,366)</b>  |
| <b>Other recognised gains and losses</b>                    |        |                         |                       |                    |                   |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                       | (541,000)             | (541,000)          | (258,000)         |
| Net gains/(losses) on investments                           | 9      | (1,931)                 | (27,011)              | (28,942)           | 21,595            |
| <b>Net movement in funds for the year</b>                   |        | <b>227,482</b>          | <b>(1,438,516)</b>    | <b>(1,211,034)</b> | <b>(541,771)</b>  |
| <b>Fund balances brought forward at 1 September 2019</b>    | 16, 17 | <b>14,437,142</b>       | <b>1,419,833</b>      | <b>15,856,975</b>  | <b>16,398,746</b> |
| <b>Fund balances carried forward at 31 August 2020</b>      | 16, 17 | <b>14,664,624</b>       | <b>(18,683)</b>       | <b>14,645,941</b>  | <b>15,856,975</b> |

All of the charitable group's activities are continuing.  
All recognised gains and losses are included in the Statement of Financial Activities.  
The accompanying notes form part of these financial statements.  
Details of comparative figures by fund are disclosed in note 23.

## GROUP BALANCE SHEET

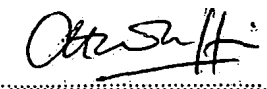
AS AT 31 AUGUST 2020

|                                                                | Notes | £                | 2020               | £ | £                | 2019               | £ |
|----------------------------------------------------------------|-------|------------------|--------------------|---|------------------|--------------------|---|
| <b>FIXED ASSETS</b>                                            |       |                  |                    |   |                  |                    |   |
| Tangible                                                       | 8     |                  | 21,047,763         |   |                  | 16,830,823         |   |
| Investments                                                    | 9,10  |                  | 2,885,598          |   |                  | 2,971,196          |   |
|                                                                |       |                  | <b>23,933,361</b>  |   |                  | <b>19,802,019</b>  |   |
| <b>CURRENT ASSETS</b>                                          |       |                  |                    |   |                  |                    |   |
| Stocks                                                         |       |                  | -                  |   | 8,565            |                    |   |
| Debtors                                                        | 12    | 3,190,710        |                    |   | 2,427,613        |                    |   |
| Cash at bank and in hand                                       |       | 371,554          |                    |   | 105,681          |                    |   |
|                                                                |       | <b>3,562,264</b> |                    |   | <b>2,541,859</b> |                    |   |
| <b>CREDITORS: Amounts falling due within one year</b>          | 13    | (4,850,228)      |                    |   | (3,686,237)      |                    |   |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                  | <b>(1,287,964)</b> |   |                  | <b>(1,144,379)</b> |   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  | <b>22,645,397</b>  |   |                  | <b>18,657,642</b>  |   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 14    |                  | (6,454,456)        |   |                  | (1,946,667)        |   |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |       |                  | <b>16,190,941</b>  |   |                  | <b>16,710,975</b>  |   |
| <b>PENSION SCHEME LIABILITY</b>                                | 21    |                  | (1,545,000)        |   |                  | (854,000)          |   |
| <b>NET ASSETS</b>                                              |       |                  | <b>14,645,941</b>  |   |                  | <b>15,856,975</b>  |   |
| <b>FUNDS</b>                                                   |       |                  |                    |   |                  |                    |   |
| Unrestricted funds                                             | 16    |                  | 14,664,624         |   |                  | 14,437,143         |   |
| Restricted – Specific Funds                                    | 17    |                  | 1,526,317          |   |                  | 2,273,833          |   |
| Restricted - Pension Reserve                                   | 17    |                  | (1,545,000)        |   |                  | (854,000)          |   |
|                                                                |       |                  | <b>14,645,941</b>  |   |                  | <b>15,856,975</b>  |   |

The financial statements were approved and authorised for issue by the Board of Trustees on 23 January 2021 and were signed below on its behalf by:



General Sir Peter Wall GCB CBE  
Chairman



Mr C Whiffin  
Treasurer

The accompanying notes form part of these financial statements.

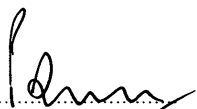
## CHARITY BALANCE SHEET

AS AT 31 AUGUST 2020

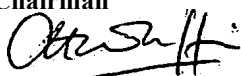
|                                                                | Notes | £                | 2020<br>£          | £                | 2019<br>£          |
|----------------------------------------------------------------|-------|------------------|--------------------|------------------|--------------------|
| <b>FIXED ASSETS</b>                                            |       |                  |                    |                  |                    |
| Tangible                                                       | 8     |                  | 20,861,549         |                  | 16,547,200         |
| Investments                                                    | 9     |                  | 2,885,598          |                  | 2,971,196          |
| Investment in subsidiary company                               | 10    |                  | 2                  |                  | 2                  |
|                                                                |       |                  | <b>23,747,149</b>  |                  | <b>19,518,398</b>  |
| <b>CURRENT ASSETS</b>                                          |       |                  |                    |                  |                    |
| Stocks                                                         |       | -                |                    | 8,565            |                    |
| Debtors                                                        | 12    | 2,434,271        |                    | 2,194,362        |                    |
| Cash at bank and in hand                                       |       | 295,382          |                    | 103,345          |                    |
|                                                                |       | <b>2,729,653</b> |                    | <b>2,306,272</b> |                    |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | (5,418,590)      |                    | (4,053,779)      |                    |
| <b>NET CURRENT LIABILITIES</b>                                 |       |                  | <b>(2,688,937)</b> |                  | <b>(1,747,507)</b> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  | <b>21,058,212</b>  |                  | <b>17,770,891</b>  |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    |                  | (6,454,456)        |                  | (1,946,667)        |
| <b>NET ASSETS</b>                                              |       |                  | <b>14,603,756</b>  |                  | <b>15,824,224</b>  |
| <b>FUNDS</b>                                                   |       |                  |                    |                  |                    |
| Unrestricted funds                                             | 19    |                  | 13,780,983         |                  | 13,884,568         |
| Restricted funds                                               | 20    |                  | 822,773            |                  | 1,939,656          |
|                                                                |       |                  | <b>14,603,756</b>  |                  | <b>15,824,224</b>  |

The charitable company has taken exemption from presenting the charity statement of financial activities under section 408 of the Companies Act 2006. The net expenditure of the charitable company for the year was £1,220,468 (2019: net expenditure £504,721).

The financial statements were approved and authorised for issue by the Board of Trustees on 23 January 2021 and were signed below on its behalf by:



General Sir Peter Wall GCB CBE  
Chairman



Mr C Whiffin  
Treasurer

The accompanying notes form part of these financial statements.

**THE GORDON FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

|                                                                                          |          | 2020               | 2019               |
|------------------------------------------------------------------------------------------|----------|--------------------|--------------------|
|                                                                                          | Note     | £                  | £                  |
| <b>Net cash inflow from operating activities</b>                                         | <b>A</b> | <b>966,455</b>     | <b>569,038</b>     |
| <b>Cash flows from investing activities</b>                                              |          |                    |                    |
| Investment income received                                                               |          | 78,075             | 91,883             |
| Capital grants from DFE/ESFA                                                             |          | 23,114             |                    |
| Purchase of fixed assets                                                                 |          | (5,255,480)        | (1,387,425)        |
| Purchase of investments                                                                  |          | (2,606,101)        | (149,033)          |
| Sale of investments                                                                      |          | 2,662,757          | 206,945            |
| Increase/(decrease) in cash invested with Investment Managers                            |          | -                  | (45,798)           |
| <b>Net cash outflow from investing activities</b>                                        |          | <b>(5,097,635)</b> | <b>(1,283,428)</b> |
| <b>Cash flow from financing activities</b>                                               |          |                    |                    |
| Loan repayments                                                                          |          | (11,847)           | (910,097)          |
| New loan finance                                                                         |          | 4,587,789          | 2,000,000          |
| Interest paid                                                                            |          | (105,680)          | (123,573)          |
| <b>Net cash inflow from financing activities</b>                                         |          | <b>4,470,262</b>   | <b>933,330</b>     |
| <b>Change in cash and cash equivalents in the year</b>                                   |          | <b>339,082</b>     | <b>251,940</b>     |
| Cash and cash equivalents at the beginning of the year                                   |          | 32,472             | (219,468)          |
| Cash and cash equivalents at the end of the year                                         |          | <b>371,554</b>     | <b>32,472</b>      |
| <b>A. RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |          | <b>2020</b>        | <b>2019</b>        |
|                                                                                          |          | <b>£</b>           | <b>£</b>           |
| Net income/(expenditure)                                                                 |          | (1,211,034)        | (541,771)          |
| Depreciation                                                                             |          | 1,038,540          | 987,636            |
| ESFA capital grants                                                                      |          | (689,885)          | -                  |
| Losses/(Gains) on investments                                                            |          | 28,942             | (20,908)           |
| Movement in stock                                                                        |          | 8,565              | 5,696              |
| Decrease/(increase) in debtors                                                           |          | (491,998)          | 218,045            |
| (Decrease)/increase in creditors                                                         |          | 1,564,720          | (475,350)          |
| Investment income receivable                                                             |          | (78,075)           | (91,883)           |
| Finance Costs                                                                            |          | 105,680            | 123,573            |
| Pension adjustment                                                                       |          | 691,000            | 364,000            |
| <b>Net cash inflow from operating activities</b>                                         |          | <b>966,455</b>     | <b>569,038</b>     |
| <b>B. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                          |          | <b>2020</b>        | <b>2019</b>        |
|                                                                                          |          | <b>£</b>           | <b>£</b>           |
| Cash at bank                                                                             |          | 371,554            | 105,681            |
| Overdraft                                                                                |          | -                  | (73,209)           |
|                                                                                          |          | <b>371,554</b>     | <b>32,472</b>      |

**THE GORDON FOUNDATION**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Gordon Foundation is a charitable company limited by guarantee, incorporated in England and Wales (company number: 00027272) and a charity registered in England and Wales (charity number: 312092). The Charity's registered office address is: The Gordon Foundation, Gordon's School, West End, Woking, Surrey, GU24 9PT.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (the FRS 102 Charities SORP) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

**Basis of Consolidation**

The consolidated financial statements incorporate those of The Gordon Foundation and all its subsidiaries. All financial statements are made up to 31 August 2020.

All subsidiary undertakings have been included within the financial statements.

The entities are consolidated on a line by line basis and all intra-group transactions and balances between group companies are eliminated on consolidation.

**b) Going concern**

The financial statements are prepared under the going concern basis which assumes the Group will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The trustees have considered the potential impact of the emergence and spread of the Covid-19 virus, which occurred before these financial statements were approved, and the various measures taken as a result, on the operations of the Group in the near future. The trustees have reviewed regularly revised budgets and cash flow forecasts based on various scenarios including the requirements of the bank loan covenants and are keeping the situation under constant review, meeting regularly with senior management.

Based on the information available on the date of signing these financial statements, the trustees cannot make a reliable estimate as to the ultimate financial impact, however they believe the actions taken have ensured the Group's ability to continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

**c) Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Judgment 1** – the present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- **Judgement 2** - a bad debt provision against potential future uncollectible boarding charges.

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2020

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**d) Income**

All income included in the Statement of Financial Activities (SOFA) when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, and receipt is probable.

*Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

*Donations*

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of raising funds.

*Investment Income*

Investment income is accounted for when receivable and includes the related tax recoverable.

**e) Expenditure:**

Expenditure is accounted for on an accruals basis.

*Costs of raising funds*

Costs of raising funds comprise finance charges associated with interest payable on the Group's borrowings and costs associated with lettings.

*Charitable activities*

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs. Charitable activity costs represent costs directly associated with the provision of education and related support costs.

*Governance costs*

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Trading activities*

Costs of trading activities include costs directly associated with providing the services provided through trading.

**f) Leased Assets**

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

**g) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets, other than freehold land, on the following methods at rates calculated to write off the assets over their estimated useful lives. The methods and rates are

|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| Freehold land and buildings | - | 2% - 4% per annum straight line |
| Machinery and equipment     | - | 20% per annum straight line     |
| Fixtures and fittings       | - | 20% per annum straight line     |
| Motor vehicles              | - | 20% per annum straight line     |

Buildings erected before the year 2000 are depreciated over 50 years, and newer buildings over 25 years.

Included within tangible fixed asset is an amount for assets under construction, this relates to the building of a Sports Hall for the school. Costs relating to the construction of the sports hall have been capitalised, however, no depreciation has been charged on this asset as it is not yet available for use. Once the asset is complete it will be transferred to Freehold land and buildings and will begin depreciating over its useful economic life.

**THE GORDON FOUNDATION**

**STATEMENT OF ACCOUNTING POLICIES (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**h) Investments**

Listed investments are stated at market value at the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**j) Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**k) Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**l) Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see notes 17 and 20).

## THE GORDON FOUNDATION

### STATEMENT OF ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2020

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##### **m) Pension Costs**

Retirement benefit to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS' are funded schemes and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Foundation employees are part of a defined contribution workplace pension scheme with Salvus Master. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

|                                                     | Unrestricted<br>Funds<br>£ | 2020<br>Restricted<br>Funds<br>£ | Total<br>£        | 2019<br>Total<br>£ |
|-----------------------------------------------------|----------------------------|----------------------------------|-------------------|--------------------|
| <b>1. DONATIONS AND LEGACIES</b>                    |                            |                                  |                   |                    |
| Donations and gifts                                 | 12,896                     | 79,404                           | 92,300            | 123,363            |
| Legacies                                            | -                          | -                                | -                 | 3,399              |
|                                                     | <u>12,896</u>              | <u>79,404</u>                    | <u>92,300</u>     | <u>126,762</u>     |
| <b>2. GRANTS</b>                                    |                            |                                  |                   |                    |
| Government grant - Coronavirus Job Retention Scheme | 462,520                    | -                                | 462,520           | -                  |
|                                                     | <u>462,520</u>             | <u>-</u>                         | <u>462,520</u>    | <u>-</u>           |
| <b>3. INCOME FROM CHARITABLE ACTIVITIES</b>         |                            |                                  |                   |                    |
| Gross income from fees                              | 7,387,052                  | 36,168                           | 7,423,220         | 8,291,348          |
| <b>Less:</b>                                        |                            |                                  |                   |                    |
| Bursaries                                           | (289,085)                  | -                                | (289,085)         | (309,504)          |
| Staff discounts                                     | (4,313)                    | -                                | (4,313)           | (13,036)           |
| Sibling discounts                                   | -                          | -                                | -                 | (579)              |
| Other discounts                                     | (37,054)                   | -                                | (37,054)          | -                  |
|                                                     | <u>7,056,600</u>           | <u>36,168</u>                    | <u>7,092,768</u>  | <u>7,968,229</u>   |
| Net income from fees                                |                            |                                  |                   |                    |
| Other operating income                              | 215,851                    |                                  | 215,851           | 548,643            |
| Funding for the Academy's educational operations    | -                          | 5,186,906                        | 5,186,906         | 4,373,405          |
|                                                     | <u>7,272,451</u>           | <u>5,223,074</u>                 | <u>12,495,525</u> | <u>12,890,277</u>  |
| <b>4. TRADING ACTIVITIES</b>                        |                            |                                  |                   |                    |
| Trading income                                      | 21,901                     | -                                | 21,901            | 44,058             |
|                                                     | <u>21,901</u>              | <u>-</u>                         | <u>21,901</u>     | <u>44,058</u>      |
| <b>5. INVESTMENT INCOME</b>                         |                            |                                  |                   |                    |
| Interest received                                   | 17                         | -                                | 17                | 117                |
| Dividends received                                  | 66,714                     | 11,344                           | 78,058            | 91,766             |
|                                                     | <u>66,731</u>              | <u>11,344</u>                    | <u>78,075</u>     | <u>91,883</u>      |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2020

6. EXPENDITURE

|                             | Staff Costs<br>£ | Other<br>£       | Depreciation<br>£ | 2020<br>Total<br>£ |
|-----------------------------|------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                  |                  |                   |                    |
| Staff costs                 | 8,678,783        | -                | -                 | 8,678,783          |
| Teaching costs              | -                | 534,952          | -                 | 534,952            |
| Welfare costs               | -                | 1,219,652        | -                 | 1,219,652          |
| Premises costs              | -                | 1,564,971        | 1,038,540         | 2,603,511          |
| Support costs               | -                | 594,121          | -                 | 594,121            |
|                             | <b>8,678,783</b> | <b>3,913,696</b> | <b>1,038,540</b>  | <b>13,631,019</b>  |
| <b>Raising funds:</b>       |                  |                  |                   |                    |
| Finance costs               | -                | 105,680          | -                 | 105,680            |
| Other costs                 | -                | 54,714           | -                 | 54,714             |
| Trading costs               | -                | -                | -                 | -                  |
|                             | <b>8,678,783</b> | <b>4,074,090</b> | <b>1,038,540</b>  | <b>13,791,413</b>  |

EXPENDITURE (PRIOR YEAR)

|                             | Staff Costs<br>£ | Other<br>£       | Depreciation<br>£ | 2019<br>Total<br>£ |
|-----------------------------|------------------|------------------|-------------------|--------------------|
| <b>Charitable activity:</b> |                  |                  |                   |                    |
| Staff costs                 | 7,780,797        | -                | -                 | 7,780,797          |
| Teaching costs              | -                | 570,151          | -                 | 570,151            |
| Welfare costs               | -                | 1,114,130        | -                 | 1,114,130          |
| Premises costs              | -                | 1,535,169        | 987,636           | 2,522,805          |
| Support costs               | -                | 1,340,216        | -                 | 1,340,216          |
|                             | <b>7,780,797</b> | <b>4,559,666</b> | <b>987,636</b>    | <b>13,328,099</b>  |
| <b>Raising funds:</b>       |                  |                  |                   |                    |
| Finance costs               | -                | 123,573          | -                 | 123,573            |
| Other costs                 | -                | 6,527            | -                 | 6,527              |
| Trading costs               | -                | 147              | -                 | 147                |
|                             | <b>7,780,797</b> | <b>4,689,913</b> | <b>987,636</b>    | <b>13,458,346</b>  |

|                                                   | 2020<br>£ | 2019<br>£ |
|---------------------------------------------------|-----------|-----------|
| <b>Total expenditure includes:</b>                |           |           |
| Depreciation                                      | 1,038,540 | 987,636   |
| Operating lease payments recognised as an expense | 279,386   | 227,051   |
| Auditor's remuneration: - Audit fees              | 19,815    | 24,155    |
| - Other services                                  | 7,465     | 2,250     |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**7. STAFF COSTS**

|                       | <b>2020</b>             | <b>2019</b>             |
|-----------------------|-------------------------|-------------------------|
|                       | <b>£</b>                | <b>£</b>                |
| Wages and salaries    | 6,822,802               | 6,402,537               |
| Social security costs | 648,289                 | 630,620                 |
| Other pension costs   | 1,207,692               | 747,640                 |
|                       | <u><b>8,678,783</b></u> | <u><b>7,780,797</b></u> |

|                                                           | <b>2020</b>       | <b>2019</b>       |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | <b>No</b>         | <b>No</b>         |
| The average number of employees in the year was:          |                   |                   |
| Teachers                                                  | 68                | 67                |
| Administration (including academic support & maintenance) | 157               | 149               |
|                                                           | <u><b>225</b></u> | <u><b>216</b></u> |

The number of higher paid staff during the year was as follows:

|                      |                  |                 |
|----------------------|------------------|-----------------|
| £60,001 to £70,000   | 9                | 4               |
| £70,001 to £80,000   | 1                | 1               |
| £80,001 to £90,000   | 1                | 1               |
| £90,001 to £100,000  | 1                | 1               |
| £120,001 to £130,000 | 1                | 1               |
|                      | <u><b>13</b></u> | <u><b>8</b></u> |

No trustees received any remuneration or benefits-in-kind during the year (2019: £nil). One trustee received reimbursement of expenses in respect of travel and subsistence during the year totalling £129 (2019: Four trustees received reimbursement of expenses totalling £1,065).

Pension contributions of £86,130 (2019: £89,298) were made to personal pension plans in respect of higher paid staff during the year.

Remuneration of key management personnel was £722,391 (2019: £618,531).

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2020

8. FIXED ASSETS – GROUP AND CHARITY

|                          | Freehold<br>Land &<br>Buildings<br>£ | Machinery &<br>Equipment<br>£ | Fixtures<br>&<br>Fittings<br>£ | Assets under<br>Construction<br>£ | Total<br>Charity<br>£ | Academy<br>Trust<br>£ | Total<br>Group<br>£ |
|--------------------------|--------------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------|-----------------------|---------------------|
| <b>COST</b>              |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2019      | 18,974,334                           | 1,006,960                     | 1,251,422                      | 417,909                           | 21,650,625            | 900,750               | 22,551,375          |
| Additions                | 69,578                               | 10,120                        | 48,796                         | 5,106,982                         | 5,235,476             | 20,004                | 5,255,480           |
| Reclassification         | 499,075                              |                               | (499,075)                      |                                   |                       |                       |                     |
| <b>At 31 August 2020</b> | <b>19,542,987</b>                    | <b>1,017,080</b>              | <b>801,143</b>                 | <b>5,524,891</b>                  | <b>26,886,101</b>     | <b>920,754</b>        | <b>27,806,855</b>   |
| <b>DEPRECIATION</b>      |                                      |                               |                                |                                   |                       |                       |                     |
| At 1 September 2019      | 3,778,320                            | 631,015                       | 694,089                        | -                                 | 5,103,424             | 617,128               | 5,720,552           |
| Charge for the year      | 776,830                              | 104,585                       | 39,712                         | -                                 | 921,127               | 117,413               | 1,038,540           |
| Reclassification         | 95,863                               |                               | (95,863)                       |                                   |                       |                       |                     |
| <b>At 31 August 2020</b> | <b>4,651,013</b>                     | <b>735,600</b>                | <b>637,938</b>                 | <b>-</b>                          | <b>6,024,551</b>      | <b>734,541</b>        | <b>6,759,092</b>    |
| <b>NET BOOK VALUE</b>    |                                      |                               |                                |                                   |                       |                       |                     |
| <b>At 31 August 2020</b> | <b>14,891,974</b>                    | <b>281,480</b>                | <b>163,205</b>                 | <b>5,524,891</b>                  | <b>20,861,550</b>     | <b>186,213</b>        | <b>21,047,763</b>   |
| <b>At 31 August 2019</b> | <b>15,196,014</b>                    | <b>375,945</b>                | <b>557,333</b>                 | <b>417,909</b>                    | <b>16,547,200</b>     | <b>283,622</b>        | <b>16,830,822</b>   |

9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY

|                                                            | 2020<br>£        | 2019<br>£        |
|------------------------------------------------------------|------------------|------------------|
| Balance at 1 September 2019 (excluding cash deposits)      | 2,665,350        | 2,702,354        |
| Additions                                                  | 2,606,101        | 149,033          |
| Disposals at opening market value                          | (2,389,710)      | (206,945)        |
| Realised and unrealised (losses)/gains                     | (28,942)         | 20,908           |
| <b>Balance at 31 August 2020 (excluding cash deposits)</b> | <b>2,852,799</b> | <b>2,665,350</b> |
| Cash deposits                                              | 32,799           | 305,846          |
| <b>Balance at 31 August 2020</b>                           | <b>2,885,598</b> | <b>2,971,196</b> |

Class of investments is split as follow:

|                                  | 2020<br>£        |
|----------------------------------|------------------|
| Cash or cash equivalents         | 32,799           |
| Equities                         | 2,744,891        |
| Alternative investments          | 56,089           |
| Fixed interest                   | 51,819           |
| <b>Balance at 31 August 2020</b> | <b>2,885,598</b> |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2020

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY

Shares in  
group  
undertakings  
£  
**2**

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Balance at 1 September 2019 and 31 August 2020

Details of the charitable company's subsidiaries at 31 August are as follows:

(i) **Gordon's School Academy Trust** is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT. On the basis that The Gordon Foundation is member of the Gordon's School Academy Trust and has significant influence over the entity, Gordon's School Academy Trust has been included within the consolidated financial statements.

**Academy results:**

|                                                        | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| <b><u>SOFA</u></b>                                     |                             |                             |
| <b>Total Income</b>                                    | 7,493,852                   | 6,505,107                   |
| <b>Total Expenditure</b>                               | (6,951,900)                 | (6,239,778)                 |
| <b>Net income/(expenditure)</b>                        | <b>541,952</b>              | <b>265,329</b>              |
| <b>Other recognised gains and losses</b>               |                             |                             |
| Actuarial(losses) on defined benefit pension scheme    | (541,000)                   | (258,000)                   |
| <b>Net movement in funds</b>                           | <b>952</b>                  | <b>7,329</b>                |
| <b>Total funds brought forward at 1 September 2019</b> | <b>19,164</b>               | <b>11,835</b>               |
| <b>Total funds carried forward at 31 August 2020</b>   | <b>20,116</b>               | <b>19,164</b>               |
| <b><u>Balance Sheet</u></b>                            |                             |                             |
| <b>Fixed Assets</b>                                    | 186,213                     | 283,622                     |
| <b>Current Assets</b>                                  | 1,976,866                   | 992,599                     |
| <b>Current Liabilities</b>                             | (597,963)                   | (403,057)                   |
| <b>Creditors falling due after more than one year</b>  | -                           | -                           |
| <b>LGPS Pension Scheme Liabilities</b>                 | (1,545,000)                 | (854,000)                   |
| <b>Total Funds</b>                                     | <b>20,116</b>               | <b>19,164</b>               |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)**

(ii) The Foundation holds 100% of the share capital of **The Gordon Enterprises UK Limited** (company number: 04104254, registered in England and Wales, registered office: Bagshot Road, West End, Surrey, G24 9PT), whose principal activities are letting the buildings and grounds of Gordon's School and selling memorabilia. A summary of the balance sheet and profit and loss account from the audited financial statements is set out below:

| <b><u>Results for the year</u></b>        | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|-------------------------------------------|-------------------|-------------------|
| Turnover                                  | 11,285            | 28,348            |
| Costs                                     | (2,803)           | (4,728)           |
| <b>Profit for the year</b>                | <b>8,482</b>      | <b>23,620</b>     |
| Profit and loss account at 31 August 2019 | 13,585            | 57,965            |
| Donation to The Gordon Foundation         | (8,482)           | (68,000)          |
| Share capital                             | 2                 | 2                 |
| <b>Net assets at 31 August 2020</b>       | <b>13,587</b>     | <b>13,587</b>     |

**12. DEBTORS**

|                              | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> | <b>Charity<br/>2020<br/>£</b> | <b>Charity<br/>2019<br/>£</b> |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Fee debtors                  | 1,808,596                   | 1,853,450                   | 1,808,596                     | 1,853,450                     |
| Sundry debtors               | 73,125                      | 15,265                      | 64,964                        | -                             |
| Amount owing to subsidiaries | -                           | -                           | 4,500                         | -                             |
| Prepayments                  | 170,813                     | 183,657                     | 160,894                       | 21,561                        |
| VAT reclaim                  | 471,405                     | 375,241                     | 395,317                       | 319,351                       |
| Accrued income               | 666,771                     | -                           | -                             | -                             |
|                              | <b>3,190,710</b>            | <b>2,427,613</b>            | <b>2,434,271</b>              | <b>2,194,362</b>              |

**13. CREDITORS: amounts falling due within one year**

|                                    | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> | <b>Charity<br/>2020<br/>£</b> | <b>Charity<br/>2019<br/>£</b> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Loans and overdraft                | 133,333                     | 138,389                     | 133,333                       | 53,333                        |
| Trade creditors                    | 465,296                     | 401,303                     | 139,114                       | 295,230                       |
| Fees in advance and pupil deposits | 2,692,370                   | 2,703,677                   | 2,692,370                     | 2,703,677                     |
| Taxation and social security       | 159,274                     | 233,898                     | 43,307                        | 41,949                        |
| Other creditors                    | 329,676                     | 56,452                      | 223,096                       | 56,452                        |
| Amount owing to subsidiaries       | -                           | -                           | 1,168,646                     | 777,473                       |
| Accruals and deferred income       | 1,070,279                   | 152,518                     | 1,018,724                     | 125,665                       |
|                                    | <b>4,850,228</b>            | <b>3,686,237</b>            | <b>5,418,590</b>              | <b>4,053,779</b>              |

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2020

|                                                                       |                             |
|-----------------------------------------------------------------------|-----------------------------|
| <b>13. CREDITORS: amounts falling due within one year (continued)</b> | <b>Group<br/>2020<br/>£</b> |
| <b>Deferred income</b>                                                |                             |
| Brought forward                                                       | 147,528                     |
| Released during the year                                              | (147,528)                   |
| Deferred income incurred during the year                              | 6,356                       |
| Carried forward                                                       | <b>6,356</b>                |

Deferred income relates to money received in advance for trips and events taking place in the following year.

|                                                                    |                             |                             |                               |                               |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>14. CREDITORS: amounts falling due after more than one year</b> | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> | <b>Charity<br/>2020<br/>£</b> | <b>Charity<br/>2019<br/>£</b> |
| Bank loan                                                          | 6,454,456                   | 1,946,667                   | 6,454,456                     | 1,946,667                     |
| Other loan                                                         | -                           | -                           | -                             | -                             |
|                                                                    | <b>6,454,456</b>            | <b>1,946,667</b>            | <b>6,454,456</b>              | <b>1,946,667</b>              |
| <b>Analysis of loans:</b>                                          |                             |                             |                               |                               |
| Between one and two years                                          | 320,000                     | 80,000                      | 320,000                       | 80,000                        |
| Between two and five years                                         | 960,000                     | 213,333                     | 960,000                       | 213,333                       |
| After five years                                                   | 5,174,456                   | 1,653,334                   | 5,174,456                     | 1,653,334                     |
|                                                                    | <b>6,454,456</b>            | <b>1,946,667</b>            | <b>6,454,456</b>              | <b>1,946,667</b>              |
| <br>Due within one year                                            | <br>133,333                 | <br>65,180                  | <br>133,333                   | <br>53,333                    |
|                                                                    | <b>6,587,789</b>            | <b>2,011,847</b>            | <b>6,587,789</b>              | <b>2,000,000</b>              |

At the year end, The Gordon Foundation had two long term loans. Both loans are secured by legal first charges over freehold land and buildings of The Gordon Foundation.

The first bank loan of £2,000,000 was taken out in December 2018 and is due for repayment by instalments by January 2044. Interest accrues on this loan at 3.8%. and interest payments are made quarterly. Capital repayments commenced in January 2020.

The second bank loan facility of up to £6,000,000 was put in place in December 2019 to fund construction of a new sports facility and all weather pitch. A sum of £4,587,789 was drawn down in the year and the capital will be repaid by instalments until January 2046. Interest accrues on this loan at a rate of 2.1% plus the Bank of England base interest rate. Interest payments are made monthly and capital repayments will commence in April 2021.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**15. LEASE COMMITMENTS**

At 31 August 2020 the total of future minimum lease payments under non-cancellable operating leases were:

|                            | <b>2020</b>           | <b>2019</b>           |
|----------------------------|-----------------------|-----------------------|
|                            | <b>£</b>              | <b>£</b>              |
| <b>Leases expiring:</b>    |                       |                       |
| Within one year            | 293,219               | 158,654               |
| Between two and five years | 346,616               | 286,290               |
| More than five years       | -                     | -                     |
|                            | <u><b>639,835</b></u> | <u><b>444,944</b></u> |

**16. UNRESTRICTED FUNDS**

|                           | <b>1 September<br/>2019</b> | <b>Income</b>           | <b>Expenditure</b>        | <b>Investment<br/>(Losses)</b> | <b>Transfers</b>        | <b>31 August<br/>2020</b> |
|---------------------------|-----------------------------|-------------------------|---------------------------|--------------------------------|-------------------------|---------------------------|
|                           | <b>£</b>                    | <b>£</b>                | <b>£</b>                  | <b>£</b>                       | <b>£</b>                | <b>£</b>                  |
| Designated -<br>Eyre Fund | 53,055                      | -                       | (1,312)                   | -                              | -                       | 51,743                    |
| General Fund              | 14,384,087                  | 7,836,499               | (8,862,154)               | (1,931)                        | 1,256,380               | 14,612,881                |
|                           | <u><b>14,437,142</b></u>    | <u><b>7,836,499</b></u> | <u><b>(8,863,466)</b></u> | <u><b>(1,931)</b></u>          | <u><b>1,256,380</b></u> | <u><b>14,664,624</b></u>  |

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                           | <b>1 September<br/>2018</b> | <b>Income</b>           | <b>Expenditure</b>        | <b>Investment<br/>Gains</b> | <b>Transfers</b>        | <b>31 August<br/>2019</b> |
|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|
|                           | <b>£</b>                    | <b>£</b>                | <b>£</b>                  | <b>£</b>                    | <b>£</b>                | <b>£</b>                  |
| Designated -<br>Eyre Fund | 53,055                      | -                       | -                         | -                           | -                       | 53,055                    |
| General Fund              | 14,437,474                  | 8,666,285               | (8,396,972)               | 21,595                      | (344,295)               | 14,384,087                |
|                           | <u><b>14,490,529</b></u>    | <u><b>8,666,285</b></u> | <u><b>(8,396,971)</b></u> | <u><b>21,595</b></u>        | <u><b>(344,295)</b></u> | <u><b>14,437,142</b></u>  |

The Designated Eyre Fund represents the balance on an unrestricted donation which is used to help finance music lessons.

The transfer is explained in note 17.



**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**17. RESTRICTED FUNDS**

|                         | Balance at<br>1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>(Losses)<br>£ | Transfers<br>£     | Balance at<br>31 August<br>2020<br>£ |
|-------------------------|----------------------------------------|------------------|--------------------|-----------------------------|--------------------|--------------------------------------|
| <b>Specific funds:</b>  |                                        |                  |                    |                             |                    |                                      |
| Gordon Foundation       | 403,273                                | 11,344           | -                  | (27,011)                    | -                  | 387,606                              |
| Special fund            |                                        |                  |                    |                             |                    |                                      |
| Stepping Forward Appeal | 300,686                                | -                | -                  | -                           | -                  | 300,686                              |
| Camel fund              | 1,000                                  | -                | (1,000)            | -                           | -                  | -                                    |
| Piano fund              | 2,400                                  | -                | (240)              | -                           | -                  | 2,160                                |
| Bursaries               | 16,749                                 | 36,168           | -                  | -                           | -                  | 52,917                               |
| DfCSF (DfE) fund        | 1,266,103                              | 5,166,902        | (4,659,294)        | -                           | (1,256,380)        | 517,331                              |
| Other restricted funds  | -                                      | 79,404           | -                  | -                           | -                  | 79,404                               |
| DfE Fixed Asset fund    | 283,622                                | 20,004           | (117,413)          | -                           | -                  | 186,213                              |
|                         | <b>2,273,833</b>                       | <b>5,313,822</b> | <b>(4,777,947)</b> | <b>(27,011)</b>             | <b>(1,256,380)</b> | <b>1,526,317</b>                     |
| <b>Pension reserve</b>  | <b>(854,000)</b>                       | <b>-</b>         | <b>(150,000)</b>   | <b>(541,000)</b>            | <b>-</b>           | <b>(1,545,000)</b>                   |

**RESTRICTED FUNDS  
(PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Investment<br>(Losses)<br>£ | Transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
|------------------------|----------------------------------------|------------------|--------------------|-----------------------------|----------------|--------------------------------------|
| <b>Specific funds</b>  |                                        |                  |                    |                             |                |                                      |
| Gordon Foundation      |                                        |                  |                    |                             |                |                                      |
| Special fund           | 393,049                                | 10,224           | -                  | -                           | -              | 403,273                              |
| Stepping Forward       |                                        |                  |                    |                             |                |                                      |
| Appeal fund            | 300,686                                | -                | -                  | -                           | -              | 300,686                              |
| Camel fund             | 1,000                                  | -                | -                  | -                           | -              | 1,000                                |
| Piano fund             | 2,400                                  | -                | -                  | -                           | -              | 2,400                                |
| Bursaries              | 10,320                                 | 6,429            | -                  | -                           | -              | 16,749                               |
| DfCSF (DfE) fund       | 1,278,364                              | 4,470,042        | (4,802,663)        |                             | 320,360        | 1,266,103                            |
| DfE Fixed Asset fund   | 412,398                                | -                | (152,711)          |                             | 23,935         | 283,622                              |
|                        | <b>2,398,217</b>                       | <b>4,486,695</b> | <b>(4,955,374)</b> | <b>-</b>                    | <b>344,295</b> | <b>2,273,833</b>                     |
| <b>Pension reserve</b> | <b>(490,000)</b>                       | <b>-</b>         | <b>(106,000)</b>   | <b>(258,000)</b>            | <b>-</b>       | <b>(854,000)</b>                     |

**Gordon Foundation Special Fund** – this fund represents the balance of assets transferred by several connected charities on 1 April 1996.

**Stepping Forward Appeal Fund** - this fund reflects an appeal to enhance performing arts facilities at Gordon's School.

# THE GORDON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17. RESTRICTED FUNDS (Continued)

**DfCSF (DfE) Fund & DfE Fixed Asset fund** – these funds reflect monies received from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of assisting with the general academy running costs and building projects.

A £1,256,380 transfer was made in the current year of accumulated income which had been spent as the restrictions on the funds had been satisfied, apart from monies still reflected in the restricted funds of the subsidiary, Gordon's School Academy Trust, at the year end.

**Other restricted funds** represent other specific donations to fund activities of the Foundation.

**Pension Reserve** – this fund represents the share of the pension deficit borne by the subsidiary, Gordon's School Academy Trust, in the Local Government Pension Scheme. Further detail is given in note 21 below.

#### 18. ALLOCATION OF THE GROUP NET ASSETS

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total                    |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|--------------------------|
|                              | £                | £                 | £                                | £                              | £                        |
| Restricted – Specific        | 229,172          | 186,213           | 1,110,932                        | -                              | <b>1,526,317</b>         |
| Restricted – Pension reserve | -                | -                 | -                                | (1,545,000)                    | <b>(1,545,000)</b>       |
| Unrestricted                 | 2,656,426        | 20,861,550        | (2,398,896)                      | (6,454,456)                    | <b>14,664,624</b>        |
|                              | <u>2,885,598</u> | <u>21,047,763</u> | <u>(1,287,964)</u>               | <u>(7,999,456)</u>             | <u><b>14,645,941</b></u> |

#### ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)

|                              | Investments      | Fixed Assets      | Net Current Assets (Liabilities) | Long Term Liabilities/ Pension | Total                    |
|------------------------------|------------------|-------------------|----------------------------------|--------------------------------|--------------------------|
|                              | £                | £                 | £                                | £                              | £                        |
| Restricted – Specific        | 248,491          | 283,622           | 1,741,720                        | -                              | <b>2,273,833</b>         |
| Restricted – Pension reserve | -                | -                 | -                                | (854,000)                      | <b>(854,000)</b>         |
| Unrestricted                 | 2,722,705        | 16,547,201        | (2,886,097)                      | (1,946,667)                    | <b>14,437,142</b>        |
|                              | <u>2,971,196</u> | <u>16,830,823</u> | <u>(1,144,377)</u>               | <u>(2,800,667)</u>             | <u><b>15,856,975</b></u> |

#### 19. CHARITY UNRESTRICTED FUNDS

##### UNRESTRICTED FUNDS

|                        | Balance at 1 September 2019 | Income           | Expenditure        | Investment Gains/losses | Transfers        | Balance at 31 August 2020 |
|------------------------|-----------------------------|------------------|--------------------|-------------------------|------------------|---------------------------|
|                        | £                           | £                | £                  | £                       | £                | £                         |
| Designated - Eyre Fund | 53,055                      | -                | (1,312)            | -                       | -                | 51,743                    |
| General Fund           | 13,831,513                  | 7,806,115        | (9,122,005)        | (1,931)                 | 1,215,548        | 13,729,240                |
|                        | <u>13,884,568</u>           | <u>7,806,115</u> | <u>(9,123,317)</u> | <u>(1,931)</u>          | <u>1,215,548</u> | <u><b>13,780,983</b></u>  |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**19. CHARITY UNRESTRICTED FUNDS (Continued)**

**UNRESTRICTED FUNDS (PRIOR YEAR)**

|                        | Balance at<br>1 September<br>2018 | Income           | Expenditure        | Investment<br>Gains/losses | Transfers | Balance at<br>31 August<br>2019 |
|------------------------|-----------------------------------|------------------|--------------------|----------------------------|-----------|---------------------------------|
|                        | £                                 | £                | £                  | £                          | £         | £                               |
| Designated - Eyre Fund | 53,055                            | -                | -                  | -                          | -         | 53,055                          |
| General Fund           | 14,344,851                        | 8,696,825        | (9,231,756)        | 21,595                     | -         | 13,831,513                      |
|                        | <b>14,397,906</b>                 | <b>8,696,825</b> | <b>(9,231,756)</b> | <b>21,595</b>              | <b>-</b>  | <b>13,884,568</b>               |

**20. CHARITY RESTRICTED FUNDS**

|                         | Balance at<br>1 September<br>2019 | Income         | Expenditure    | Investment<br>Gains/losses | Transfers          | Balance at<br>31 August<br>2020 |
|-------------------------|-----------------------------------|----------------|----------------|----------------------------|--------------------|---------------------------------|
|                         | £                                 | £              | £              | £                          | £                  | £                               |
| Gordon Foundation       | 403,273                           | 11,344         | -              | (27,011)                   | -                  | 387,606                         |
| Special fund            |                                   |                |                |                            |                    |                                 |
| Stepping Forward Appeal | 300,686                           | -              | -              | -                          | -                  | 300,686                         |
| Camel fund              | 1,000                             | -              | (1,000)        | -                          | -                  | -                               |
| Piano fund              | 2,400                             | -              | (240)          | -                          | -                  | 2,160                           |
| Bursaries               | 16,749                            | 36,168         | -              | -                          | -                  | 52,917                          |
| DfCSF (DfE) funds       | 1,215,548                         | -              | -              | -                          | (1,215,548)        | -                               |
| Other restricted funds  | -                                 | 79,404         | -              | -                          | -                  | 79,404                          |
|                         | <b>1,939,656</b>                  | <b>126,916</b> | <b>(1,240)</b> | <b>(27,011)</b>            | <b>(1,215,548)</b> | <b>822,773</b>                  |

The transfer in the current year represents accumulated funding from the Department of Education (DfE), previously the Department for Children, Schools and Families (DfCSF), for the purpose of assisting with academy running costs and building projects, that has been spent so meeting the restrictions imposed; this amount of £1,215,548 has been moved to unrestricted funds.

**CHARITY RESTRICTED FUNDS (PRIOR YEAR)**

|                   | Balance at<br>1 September<br>2018 | Income        | Expenditure | Investment<br>Gains/losses | Transfers | Balance at<br>31 August<br>2019 |
|-------------------|-----------------------------------|---------------|-------------|----------------------------|-----------|---------------------------------|
|                   | £                                 | £             | £           | £                          | £         | £                               |
| Gordon Foundation |                                   |               |             |                            |           |                                 |
| Special fund      | 393,049                           | 10,224        | -           | -                          | -         | 403,273                         |
| Stepping Forward  |                                   |               |             |                            |           |                                 |
| Appeal            | 300,686                           | -             | -           | -                          | -         | 300,686                         |
| Camel fund        | 1,000                             | -             | -           | -                          | -         | 1,000                           |
| Piano fund        | 2,400                             | -             | -           | -                          | -         | 2,400                           |
| Bursaries         | 10,320                            | 6,429         | -           | -                          | -         | 16,749                          |
| DfCSF (DfE) funds | 1,215,548                         | -             | -           | -                          | -         | 1,215,548                       |
|                   | <b>1,923,003</b>                  | <b>16,653</b> | <b>-</b>    | <b>-</b>                   | <b>-</b>  | <b>1,939,656</b>                |

## 21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £106,579 were payable to the schemes at 31 August 2020 (2019: £80,840) and are included within creditors.

### Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £813,689 (2019: £524,480).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5 to 6.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Total contributions made**

|                          | <b>2020</b> | <b>2019</b> |
|--------------------------|-------------|-------------|
|                          | <b>£</b>    | <b>£</b>    |
| Employer's contributions | 124,000     | 117,000     |
| Employees' contributions | 32,000      | 31,000      |
|                          | <hr/>       | <hr/>       |
| Total contributions      | 156,000     | 148,000     |
|                          | <hr/>       | <hr/>       |

**Principal actuarial assumptions**

|                                                    | <b>2020</b> | <b>2019</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 3.2         | 2.6         |
| Rate of increase for pensions in payment/inflation | 2.3         | 2.3         |
| Discount rate for scheme liabilities               | 1.7         | 1.8         |
|                                                    | <hr/>       | <hr/>       |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                      | <b>2020</b>  | <b>2019</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| - Males              | 22.1         | 21.6         |
| - Females            | 24.3         | 23.6         |
| Retiring in 20 years |              |              |
| - Males              | 22.9         | 22.5         |
| - Females            | 25.7         | 25.0         |
|                      | <hr/>        | <hr/>        |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | <b>2020</b> | <b>2019</b> |
|-------------------------------|-------------|-------------|
|                               | <b>£</b>    | <b>£</b>    |
| Discount rate + 0.1%          | (67,000)    | (53,000)    |
| Discount rate - 0.1%          | 67,000      | 53,000      |
| Mortality assumption + 1 year | 120,000     | 28,000      |
| Mortality assumption - 1 year | (120,000)   | (28,000)    |
| CPI rate + 0.1%               | 64,000      | 46,000      |
| CPI rate - 0.1%               | (64,000)    | (46,000)    |

**Defined benefit pension scheme net liability**

|                    | <b>2020</b>        | <b>2019</b>    |
|--------------------|--------------------|----------------|
|                    | <b>£</b>           | <b>£</b>       |
| Scheme assets      | 1,448,000          | 1,331,000      |
| Scheme obligations | (2,993,000)        | (2,185,000)    |
| Net liability      | <u>(1,545,000)</u> | <u>854,000</u> |

**The academy trust's share of the assets in the scheme**

|          | <b>2020</b>       | <b>2019</b>       |
|----------|-------------------|-------------------|
|          | <b>Fair value</b> | <b>Fair value</b> |
|          | <b>£</b>          | <b>£</b>          |
| Equities | 1,043,000         | 946,000           |
| Bonds    | 246,000           | 240,000           |
| Cash     | 43,000            | 40,000            |
| Property | 116,000           | 105,000           |
|          | <u>1,448,000</u>  | <u>1,331,000</u>  |

The actual return on scheme assets was £(13,000) (2019: £76,000).

**Amount recognised in the Statement of Financial Activities**

|                                                               | <b>2020</b>    | <b>2019</b>    |
|---------------------------------------------------------------|----------------|----------------|
|                                                               | <b>£</b>       | <b>£</b>       |
| Current service cost                                          | 257,000        | 200,000        |
| Interest income                                               | (25,000)       | (33,000)       |
| Interest cost                                                 | 42,000         | 48,000         |
| Benefit changes, curtailments and settlements gains or losses | -              | 8,000          |
| Total operating charge                                        | <u>274,000</u> | <u>223,000</u> |

**THE GORDON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. PENSION AND SIMILAR OBLIGATIONS (continued)**

| <b>Changes in the present value of defined benefit obligations</b>             | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|--------------------------------------------------------------------------------|-------------------|-------------------|
| At 1 September 2019                                                            | 2,185,000         | 1,615,000         |
| Current service cost                                                           | 257,000           | 208,000           |
| Interest cost                                                                  | 42,000            | 48,000            |
| Employee contributions                                                         | 32,000            | 31,000            |
| Actuarial loss                                                                 | 503,000           | 301,000           |
| Benefits paid                                                                  | (26,000)          | (18,000)          |
|                                                                                | <u>2,993,000</u>  | <u>2,185,000</u>  |
| At 31 August 2020                                                              |                   |                   |
|                                                                                | <u>2,993,000</u>  | <u>2,185,000</u>  |
| <b>Changes in the fair value of the academy trust's share of scheme assets</b> |                   |                   |
|                                                                                | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
| At 1 September 2019                                                            | 1,331,000         | 1,125,000         |
| Interest income                                                                | 25,000            | 33,000            |
| Actuarial loss/(gain)                                                          | (38,000)          | 43,000            |
| Employer contributions                                                         | 124,000           | 117,000           |
| Employee contributions                                                         | 32,000            | 31,000            |
| Benefits paid                                                                  | (26,000)          | (18,000)          |
|                                                                                | <u>1,448,000</u>  | <u>1,331,000</u>  |
| At 31 August 2020                                                              |                   |                   |
|                                                                                | <u>1,448,000</u>  | <u>1,331,000</u>  |

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £137,453 (2019: £129,653), with no contributions payable to the scheme at 31 August 2020.

**22. RELATED PARTY TRANSACTIONS**

During the year, The Gordon Foundation received donations amounting to £580 from its trustees (2019: £1,050).

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2020

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2019

|                                                             | Note   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2019<br>£ | Restated<br>Total<br>2018<br>£ |
|-------------------------------------------------------------|--------|----------------------------|--------------------------|--------------------|--------------------------------|
| <b>Income From:</b>                                         |        |                            |                          |                    |                                |
| Donations and legacies                                      | 1      | 23,696                     | 103,066                  | 126,762            | 24,516                         |
| <b>Charitable activity:</b>                                 |        |                            |                          |                    |                                |
| Income from fees                                            | 3      | 7,968,229                  | -                        | 7,968,229          | 7,719,318                      |
| Other operating income                                      | 3      |                            |                          |                    |                                |
| Funding for the Academy's educational operations            | 3      | -                          | 4,373,405                | 4,373,405          | 4,397,491                      |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                                |
| Other income:                                               |        | 548,643                    | -                        | 548,643            | 840,253                        |
| Trading income                                              | 4      | 44,058                     | -                        | 44,058             | 69,334                         |
| <b>Investment income</b>                                    | 5      | 81,659                     | 10,224                   | 91,883             | 83,028                         |
| <b>Total income</b>                                         |        | <b>8,666,285</b>           | <b>4,486,695</b>         | <b>13,152,980</b>  | <b>13,133,940</b>              |
| <b>Expenditure on:</b>                                      |        |                            |                          |                    |                                |
| <b>Charitable activity:</b>                                 | 6      |                            |                          |                    |                                |
| Staff costs                                                 |        | 3,836,383                  | 3,944,414                | 7,780,797          | 7,338,089                      |
| Educational costs                                           |        | 2,771                      | 567,380                  | 570,151            | 569,966                        |
| Welfare costs                                               |        | 1,114,130                  | -                        | 1,114,130          | 1,474,376                      |
| Premises costs                                              |        | 2,096,123                  | 426,682                  | 2,522,805          | 2,682,687                      |
| Support costs                                               |        | 839,535                    | 121,266                  | 960,801            | 927,963                        |
| <b>Raising funds:</b>                                       |        |                            |                          |                    |                                |
| Finance costs                                               |        | 121,941                    | 1,632                    | 123,573            | 45,566                         |
| Investment management                                       |        |                            |                          |                    |                                |
| <b>Trading activities:</b>                                  |        |                            |                          |                    |                                |
| Other costs                                                 |        | 385,942                    | -                        | 385,942            | 431,403                        |
| Trading costs                                               |        | 147                        | -                        | 147                | -                              |
| <b>Total expenditure</b>                                    | 6      | <b>8,396,972</b>           | <b>5,061,374</b>         | <b>13,458,346</b>  | <b>13,044,391</b>              |
| <b>Net income/(expenditure)</b>                             |        | <b>269,313</b>             | <b>(574,679)</b>         | <b>(305,366)</b>   | <b>89,549</b>                  |
| Gross transfers between funds                               |        | (344,295)                  | 344,295                  | -                  | -                              |
|                                                             |        | <b>(74,982)</b>            | <b>(230,384)</b>         | <b>(305,365)</b>   | <b>89,549</b>                  |
| <b>Other recognised gains and losses</b>                    |        |                            |                          |                    |                                |
| Actuarial (losses)/gains on defined benefit pension schemes | 21     | -                          | (258,000)                | (258,000)          | 140,000                        |
| Net gains/losses on investments                             |        | 21,595                     | -                        | 21,595             | 131,460                        |
| <b>Net movement in funds for the year</b>                   |        | <b>(53,387)</b>            | <b>(488,384)</b>         | <b>(541,771)</b>   | <b>361,009</b>                 |
| <b>Fund balances brought forward at 31 August 2018</b>      | 16, 17 | <b>14,490,529</b>          | <b>1,908,217</b>         | <b>16,398,746</b>  | <b>16,037,737</b>              |
| <b>Fund balances carried forward at 31 August 2019</b>      | 16, 17 | <b>14,437,142</b>          | <b>1,419,833</b>         | <b>15,856,975</b>  | <b>16,398,746</b>              |