

THE GORDON FOUNDATION
ANNUAL REPORT AND CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED
31 AUGUST 2020

Company Number 00027272
Charity Number 312092

THE GORDON FOUNDATION

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THE GORDON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	HM The Queen
Vice Presidents	The Lord Mayor of London The Lord Lieutenant of Surrey The Bishop of Guildford
Ambassadors	Mr P Talbot Mr M Hawkesworth Mr P Wynter Bee

Foundation Committee (The Board)

General Sir Peter Wall GCB CBE	Chairman
Mr P F Wynter Bee TD ^{1,2,5,6,7}	Vice Chairman, retired 23 January 2021
Mr C Whiffin ^{1,2,8}	Treasurer
Mr R Whittington DL ^{1,2,4,5,8}	Chair of Governors, Gordon's School, to 26 November 2020
Lord Lingfield	
Mr W Eason ^{1,2,3,4,8}	
Ms A MacLennan ⁶	
Dr J Higgs ^{3,6}	
Mr T Gordon	
Mrs L Bannister ^{3,7}	
Mr C Lomas ^{6,7,9}	
Major General J Russell-Jones OBE ⁴	
Mrs J Valner ^{1,2,3,4,5,7,9}	Chair of Governors, Gordon's School from 26 November 2020
Mr M Barnes ^{1,2,7,8,9}	
Mr A McClafferty	
Mrs A Stephens	
Major General A Fay CB	
Mrs D McKenzie	Appointed 18 January 2020
Mrs S Hounsham ⁶	Appointed 18 June 2020
Mr P Jones ^{1,2}	Appointed 18 June 2020
Mr S Azeem	Appointed 23 January 2021
Mr J Tamsitt	Resigned 1 January 2020
Mrs P A Lea ^{1,2}	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)

ADVISERS

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

STATUS AND ADMINISTRATION

Registered Office:	The Gordon Foundation Gordon's School West End Woking Surrey GU24 9PT
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THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT

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)

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'.

THE GORDON FOUNDATION

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

<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 Culinaire 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 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.

THE GORDON FOUNDATION

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

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
Worsening economic climate	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.
Loss of charitable status	Compliance with requirement of public benefit; the availability of means-tested bursaries
Breach of Health & Safety issues; major incident resulting in loss of life or school closure.	Crisis Management Plan in place and reviewed at least termly. 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.
Compromised site security, buildings and personnel	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.
Fire that results in the school being unable to operate	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.
Difficulty in staff retention; poor staff morale and wellbeing	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.
Loss of Internet connectivity for a prolonged period	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)

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

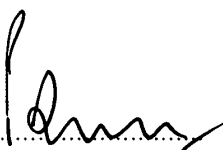
The trustees (who are also the directors of the charitable company) are responsible for preparing the Report of the Foundation trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law regulations.

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:



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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 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. 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 £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	1	12,896	79,404	92,300	126,762
Grants	2	462,520		462,520	-
Charitable activity:					
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
Trading activities:					
Trading income	4	21,901	-	21,901	44,058
Investment income	5	66,731	11,344	78,075	91,883
Total income		7,836,499	5,313,822	13,150,321	13,152,980
Expenditure on:					
Charitable activity:					
Staff costs	6	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
Raising funds:					
Finance costs		105,680	-	105,680	123,573
Investment management		54,714	-	54,714	6,527
Trading activities:					
Trading costs		-	-	-	147
Total expenditure	6	8,863,466	4,927,947	13,791,413	13,458,346
Net income/(expenditure)		(1,026,967)	385,875	(641,092)	(305,366)
Gross transfers between funds	17	1,256,380	(1,256,380)	-	-
		229,413	(870,505)	(641,092)	(305,366)
Other recognised gains and losses					
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
Net movement in funds for the year		227,482	(1,438,516)	(1,211,034)	(541,771)
Fund balances brought forward at 1 September 2019	16, 17	14,437,142	1,419,833	15,856,975	16,398,746
Fund balances carried forward at 31 August 2020	16, 17	14,664,624	(18,683)	14,645,941	15,856,975

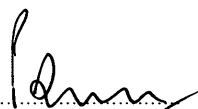
All of the charitable group's activities are continuing.
All recognised gains and losses are included in the Statement of Financial Activities.
The accompanying notes form part of these financial statements.
Details of comparative figures by fund are disclosed in note 23.

GROUP BALANCE SHEET

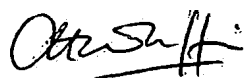
AS AT 31 AUGUST 2020

	Notes	£	2020	£	£	2019	£
FIXED ASSETS							
Tangible	8			21,047,763			16,830,823
Investments	9,10			2,885,598			2,971,196
				<u>23,933,361</u>			<u>19,802,019</u>
CURRENT ASSETS							
Stocks			-			8,565	
Debtors	12	3,190,710				2,427,613	
Cash at bank and in hand		371,554				105,681	
				<u>3,562,264</u>		<u>2,541,859</u>	
CREDITORS: Amounts falling due within one year	13	(4,850,228)				(3,686,237)	
NET CURRENT LIABILITIES				<u>(1,287,964)</u>			<u>(1,144,379)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>22,645,397</u>			<u>18,657,642</u>
CREDITORS: Amounts falling due after more than one year	14			(6,454,456)			(1,946,667)
NET ASSETS BEFORE PENSION LIABILITY				<u>16,190,941</u>			<u>16,710,975</u>
PENSION SCHEME LIABILITY	21			(1,545,000)			(854,000)
NET ASSETS				<u>14,645,941</u>			<u>15,856,975</u>
FUNDS							
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)
				<u>14,645,941</u>			<u>15,856,975</u>

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.

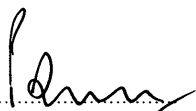
CHARITY BALANCE SHEET

AS AT 31 AUGUST 2020

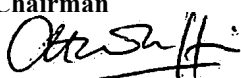
	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible	8		20,861,549		16,547,200
Investments	9		2,885,598		2,971,196
Investment in subsidiary company	10		2		2
			<u>23,747,149</u>		<u>19,518,398</u>
CURRENT ASSETS					
Stocks		-		8,565	
Debtors	12	2,434,271		2,194,362	
Cash at bank and in hand		295,382		103,345	
			<u>2,729,653</u>	<u>2,306,272</u>	
CREDITORS: Amounts falling due within one year	13	(5,418,590)		(4,053,779)	
NET CURRENT LIABILITIES			<u>(2,688,937)</u>		<u>(1,747,507)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,058,212</u>		<u>17,770,891</u>
CREDITORS: Amounts falling due after more than one year	14		(6,454,456)		(1,946,667)
NET ASSETS			<u>14,603,756</u>		<u>15,824,224</u>
FUNDS					
Unrestricted funds	19		13,780,983		13,884,568
Restricted funds	20		822,773		1,939,656
			<u>14,603,756</u>		<u>15,824,224</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 £1,220,468 (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

	Note	2020		2019	
		£	£	£	£
Net cash inflow from operating activities	A		966,455		569,038
Cash flows from investing activities					
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)	
Net cash outflow from investing activities			(5,097,635)		(1,283,428)
Cash flow from financing activities					
Loan repayments		(11,847)		(910,097)	
New loan finance		4,587,789		2,000,000	
Interest paid		(105,680)		(123,573)	
Net cash inflow from financing activities			4,470,262		933,330
Change in cash and cash equivalents in the year			339,082		251,940
Cash and cash equivalents at the beginning of the year			32,472		(219,468)
Cash and cash equivalents at the end of the year			371,554		32,472
A. RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES			2020		2019
			£		£
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
Net cash inflow from operating activities			966,455		569,038
B. ANALYSIS OF CASH AND CASH EQUIVALENTS			2020		2019
			£		£
Cash at bank			371,554		105,681
Overdraft			-		(73,209)
			371,554		32,472

THE GORDON FOUNDATION
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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 Funds £	2020 Restricted Funds £	Total £	2019 Total £
1. DONATIONS AND LEGACIES				
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>
2. GRANTS				
Government grant - Coronavirus Job Retention Scheme	462,520	-	462,520	-
	<u>462,520</u>	<u>-</u>	<u>462,520</u>	<u>-</u>
3. INCOME FROM CHARITABLE ACTIVITIES				
Gross income from fees	7,387,052	36,168	7,423,220	8,291,348
Less:				
Bursaries	(289,085)	-	(289,085)	(309,504)
Staff discounts	(4,313)	-	(4,313)	(13,036)
Sibling discounts	-	-	-	(579)
Other discounts	(37,054)	-	(37,054)	-
Net income from fees	<u>7,056,600</u>	<u>36,168</u>	<u>7,092,768</u>	<u>7,968,229</u>
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>
4. TRADING ACTIVITIES				
Trading income	21,901	-	21,901	44,058
	<u>21,901</u>	<u>-</u>	<u>21,901</u>	<u>44,058</u>
5. INVESTMENT INCOME				
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 £	Other £	Depreciation £	2020 Total £
Charitable activity:				
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
	8,678,783	3,913,696	1,038,540	13,631,019
Raising funds:				
Finance costs	-	105,680	-	105,680
Other costs	-	54,714	-	54,714
Trading costs	-	-	-	-
	8,678,783	4,074,090	1,038,540	13,791,413

EXPENDITURE (PRIOR YEAR)

	Staff Costs £	Other £	Depreciation £	2019 Total £
Charitable activity:				
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
	7,780,797	4,559,666	987,636	13,328,099
Raising funds:				
Finance costs	-	123,573	-	123,573
Other costs	-	6,527	-	6,527
Trading costs	-	147	-	147
	7,780,797	4,689,913	987,636	13,458,346

	2020 £	2019 £
Total expenditure includes:		
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	2020	2019
	£	£
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>8,678,783</u>	<u>7,780,797</u>

	2020	2019
	No	No
The average number of employees in the year was:		
Teachers	68	67
Administration (including academic support & maintenance)	157	149
	<u>225</u>	<u>216</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>13</u>	<u>8</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 Land & Buildings £	Machinery & Equipment £	Fixtures & Fittings £	Assets under Construction £	Total Charity £	Academy Trust £	Total Group £
COST							
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)				
At 31 August 2020	19,542,987	1,017,080	801,143	5,524,891	26,886,101	920,754	27,806,855
DEPRECIATION							
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)				
At 31 August 2020	4,651,013	735,600	637,938	-	6,024,551	734,541	6,759,092
NET BOOK VALUE							
At 31 August 2020	14,891,974	281,480	163,205	5,524,891	20,861,550	186,213	21,047,763
At 31 August 2019	15,196,014	375,945	557,333	417,909	16,547,200	283,622	16,830,822

9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY

	2020 £	2019 £
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
Balance at 31 August 2020 (excluding cash deposits)	2,852,799	2,665,350
Cash deposits	32,799	305,846
Balance at 31 August 2020	2,885,598	2,971,196

Class of investments is split as follow:

	2020 £
Cash or cash equivalents	32,799
Equities	2,744,891
Alternative investments	56,089
Fixed interest	51,819
Balance at 31 August 2020	2,885,598

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

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:

	Total 2020 £	Total 2019 £
<u>SOFA</u>		
Total Income	7,493,852	6,505,107
Total Expenditure	(6,951,900)	(6,239,778)
Net income/(expenditure)	541,952	265,329
Other recognised gains and losses		
Actuarial(losses) on defined benefit pension scheme	(541,000)	(258,000)
Net movement in funds	952	7,329
Total funds brought forward at 1 September 2019	19,164	11,835
Total funds carried forward at 31 August 2020	20,116	19,164
<u>Balance Sheet</u>		
Fixed Assets	186,213	283,622
Current Assets	1,976,866	992,599
Current Liabilities	(597,963)	(403,057)
Creditors falling due after more than one year	-	-
LGPS Pension Scheme Liabilities	(1,545,000)	(854,000)
Total Funds	20,116	19,164

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:

<u>Results for the year</u>	2020 £	2019 £
Turnover	11,285	28,348
Costs	(2,803)	(4,728)
Profit for the year	8,482	23,620
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
Net assets at 31 August 2020	13,587	13,587

12. DEBTORS	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
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	-	-	-
	<u>3,190,710</u>	<u>2,427,613</u>	<u>2,434,271</u>	<u>2,194,362</u>

13. CREDITORS: amounts falling due within one year	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
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
	<u>4,850,228</u>	<u>3,686,237</u>	<u>5,418,590</u>	<u>4,053,779</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2020

13. CREDITORS: amounts falling due within one year (continued)	Group 2020 £
Deferred income	
Brought forward	147,528
Released during the year	(147,528)
Deferred income incurred during the year	6,356
	<u>6,356</u>
Carried forward	<u><u>6,356</u></u>

Deferred income relates to money received in advance for trips and events taking place in the following year.

14. CREDITORS: amounts falling due after more than one year	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loan	6,454,456	1,946,667	6,454,456	1,946,667
Other loan	-	-	-	-
	<u>6,454,456</u>	<u>1,946,667</u>	<u>6,454,456</u>	<u>1,946,667</u>
Analysis of loans:				
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
	<u>6,454,456</u>	<u>1,946,667</u>	<u>6,454,456</u>	<u>1,946,667</u>
Due within one year	133,333	65,180	133,333	53,333
	<u>6,587,789</u>	<u>2,011,847</u>	<u>6,587,789</u>	<u>2,000,000</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 £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:

	2020	2019
	£	£
Leases expiring:		
Within one year	293,219	158,654
Between two and five years	346,616	286,290
More than five years	-	-
	<u>639,835</u>	<u>444,944</u>

16. UNRESTRICTED FUNDS

	1 September 2019	Income	Expenditure	Investment (Losses)	Transfers	31 August 2020
	£	£	£	£	£	£
Designated - 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>

UNRESTRICTED FUNDS (PRIOR YEAR)

	1 September 2018	Income	Expenditure	Investment Gains	Transfers	31 August 2019
	£	£	£	£	£	£
Designated - 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>14,490,529</u>	<u>8,666,285</u>	<u>(8,396,971)</u>	<u>21,595</u>	<u>(344,295)</u>	<u>14,437,142</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 1 September 2019 £	Income £	Expenditure £	Investment (Losses) £	Transfers £	Balance at 31 August 2020 £
Specific funds:						
Gordon Foundation Special fund	403,273	11,344	-	(27,011)	-	387,606
Stepping Forward Appeal Camel fund	300,686	-	-	-	-	300,686
Piano fund	1,000	-	(1,000)	-	-	-
Bursaries	2,400	-	(240)	-	-	2,160
DfCSF (DfE) fund	16,749	36,168	-	-	-	52,917
Other restricted funds	1,266,103	5,166,902	(4,659,294)	-	(1,256,380)	517,331
DfE Fixed Asset fund	-	79,404	-	-	-	79,404
	283,622	20,004	(117,413)	-	-	186,213
	2,273,833	5,313,822	(4,777,947)	(27,011)	(1,256,380)	1,526,317
Pension reserve	(854,000)	-	(150,000)	(541,000)	-	(1,545,000)

RESTRICTED FUNDS
(PRIOR YEAR)

	Balance at 1 September 2018 £	Income £	Expenditure £	Investment (Losses) £	Transfers £	Balance at 31 August 2019 £
Specific funds						
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
	2,398,217	4,486,695	(4,955,374)	-	344,295	2,273,833
Pension reserve	(490,000)	-	(106,000)	(258,000)	-	(854,000)

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	-	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>

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	-	2,273,833
Restricted – Pension reserve	-	-	-	(854,000)	(854,000)
Unrestricted	2,722,705	16,547,201	(2,886,097)	(1,946,667)	14,437,142
	<u>2,971,196</u>	<u>16,830,823</u>	<u>(1,144,377)</u>	<u>(2,800,667)</u>	<u>15,856,975</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>13,780,983</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 1 September 2018	Income	Expenditure	Investment Gains/losses	Transfers	Balance at 31 August 2019
	£	£	£	£	£	£
Designated - Eyre Fund	53,055	-	-	-	-	53,055
General Fund	14,344,851	8,696,825	(9,231,756)	21,595	-	13,831,513
	<u>14,397,906</u>	<u>8,696,825</u>	<u>(9,231,756)</u>	<u>21,595</u>	<u>-</u>	<u>13,884,568</u>

20. CHARITY RESTRICTED FUNDS

	Balance at 1 September 2019	Income	Expenditure	Investment Gains/losses	Transfers	Balance at 31 August 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 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 1 September 2018	Income	Expenditure	Investment Gains/losses	Transfers	Balance at 31 August 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
	<u>1,923,003</u>	<u>16,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,939,656</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020	2019
	£	£
Employer's contributions	124,000	117,000
Employees' contributions	32,000	31,000
	<u>156,000</u>	<u>148,000</u>

Principal actuarial assumptions

	2020	2019
	%	%
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

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

	2020	2019
	Years	Years
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

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:

	2020	2019
	£	£
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

	2020	2019
	£	£
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

	2020	2019
	Fair value	Fair value
	£	£
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

	2020	2019
	£	£
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)

Changes in the present value of defined benefit obligations	2020	2019
	£	£
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>
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
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 Funds £	Restricted Funds £	Total 2019 £	Restated Total 2018 £
Income From:					
Donations and legacies	1	23,696	103,066	126,762	24,516
Charitable activity:					
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
Trading activities:					
Other income:		548,643	-	548,643	840,253
Trading income	4	44,058	-	44,058	69,334
Investment income	5	81,659	10,224	91,883	83,028
Total income		8,666,285	4,486,695	13,152,980	13,133,940
Expenditure on:					
Charitable activity:					
Staff costs	6	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
Raising funds:					
Finance costs		121,941	1,632	123,573	45,566
Investment management					
Trading activities:					
Other costs		385,942	-	385,942	431,403
Trading costs		147	-	147	-
Total expenditure	6	8,396,972	5,061,374	13,458,346	13,044,391
Net income/(expenditure)		269,313	(574,679)	(305,366)	89,549
Gross transfers between funds		(344,295)	344,295	-	-
		(74,982)	(230,384)	(305,365)	89,549
Other recognised gains and losses					
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
Net movement in funds for the year		(53,387)	(488,384)	(541,771)	361,009
Fund balances brought forward at 31 August 2018	16, 17	14,490,529	1,908,217	16,398,746	16,037,737
Fund balances carried forward at 31 August 2019	16, 17	14,437,142	1,419,833	15,856,975	16,398,746