

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

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 R Whittington DL ^{1,2,4,5,8}	Vice Chairman
Mr C Whiffin ^{1,2,8}	Treasurer
Mrs J Valner ^{1,2,3,4,5,7}	Chair of Governors, Gordon's School from 26 November 2020
Lord Lingfield	
Mr W Eason ^{1,2,3,4,5,8}	
Ms A MacLennan ⁶	
Mr T Gordon	
Mrs L Bannister ^{3,7}	
Mr C Lomas ^{6,7,9}	Resigned 22 January 2022
Mr M Barnes ^{1,2,7,8,9}	
Mrs A Stephens ¹	
Major General A Fay CB	
Mrs D McKenzie	
Mrs S Hounsham ⁶	
Mr P Jones ^{1,2}	Appointed 29 September 2020
Mr S Azeem	Appointed 23 January 2021
Brigadier J Mullin	Appointed 22 January 2022
Mrs P A Lea ^{1,2}	Resigned 23 January 2021
Mr P F Wynter Bee TD ^{1,2,5,6,7}	Resigned 23 January 2021
Dr J Higgs ^{3,6}	Resigned 23 July 2021
Major General J Russell-Jones OBE ⁴	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)

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 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 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. 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)

<p>Be alert to and take advantage of opportunities to extend the influence of Gordon's at home and overseas</p>	<p>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.</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. 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.</p>
<p>Increase the Foundation's financial stability and support for financially necessitous students</p>	<p>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.</p>
<p>Deliver world-class pastoral care, curriculum, and co-curriculum provision</p>	<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.

A Level results 2021 55% of entries were graded A* -A 84% of entries were graded A* -B 97% entries were graded A*-C	GCSE results 2021 37% of entries were graded 9-7 80% of entries were graded 9-5 94% of entries were graded 9-4
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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 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)

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)

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:

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) 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)

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:

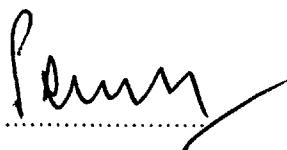
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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:



.....
General Sir Peter Wall GCB CBE
Chairman

THE GORDON FOUNDATION

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

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)

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. 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**

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 Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	1	13,136	-	13,136	92,300
Grants	2	159,157	-	159,157	462,520
Charitable activity:					
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
Trading activities:					
Trading income	4	41,822	-	41,822	21,901
Investment income	5	95,723	10,806	106,529	78,075
Total income		8,965,620	5,156,291	14,121,911	13,150,321
Expenditure on:					
Charitable activity:					
Staff costs	6	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
Raising funds:					
Finance costs		244,926	-	244,926	105,680
Investment management		762	-	762	54,714
Trading activities:					
Trading costs		12,683	-	12,683	2,803
Total expenditure	6	10,107,665	5,635,630	15,743,295	13,791,413
Net income/(expenditure)		(1,142,045)	(479,339)	(1,621,384)	(641,092)
Gross transfers between funds	17	-	-	-	-
		(1,142,045)	(479,339)	(1,621,384)	(641,092)
Other recognised gains and losses					
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)
Net movement in funds for the year		(748,026)	(616,936)	(1,364,962)	(1,211,034)
Fund balances brought forward at 1 September 2020	16, 17	14,664,624	(18,683)	14,645,941	15,856,975
Fund balances carried forward at 31 August 2021	16, 17	13,916,598	(635,619)	13,280,979	14,645,941

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

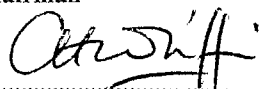
AS AT 31 AUGUST 2021

	Notes	2021		2020 As restated	
		£	£	£	£
FIXED ASSETS					
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>
CURRENT ASSETS					
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>	
CREDITORS: Amounts falling due within one year	13	(3,714,563)		(3,159,094)	
NET CURRENT LIABILITIES			(2,195,379)		(1,287,964)
TOTAL ASSETS LESS CURRENT LIABILITIES			22,396,406		22,645,397
CREDITORS: Amounts falling due after more than one year	14		(7,212,427)		(6,454,456)
NET ASSETS BEFORE PENSION LIABILITY			15,183,979		16,190,941
PENSION SCHEME LIABILITY	21		(1,903,000)		(1,545,000)
NET ASSETS			<u>13,280,979</u>		<u>14,645,941</u>
FUNDS					
Unrestricted funds	16		13,916,598		14,664,624
Restricted – Specific Funds	17		1,267,381		1,526,317
Restricted - Pension Reserve	17		(1,903,000)		(1,545,000)
			<u>13,280,979</u>		<u>14,645,941</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.

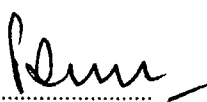
CHARITY BALANCE SHEET

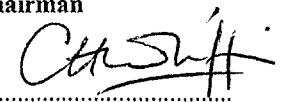
AS AT 31 AUGUST 2021

	Notes	2021		2020 As restated	
		£	£	£	£
FIXED ASSETS					
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>
CURRENT ASSETS					
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>	
CREDITORS: Amounts falling due within one year	13	<u>(5,166,632)</u>		<u>(3,727,456)</u>	
NET CURRENT LIABILITIES			<u>(4,055,565)</u>		<u>(2,680,455)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			20,378,238		21,066,694
CREDITORS: Amounts falling due after more than one year	14		<u>(7,131,954)</u>		<u>(6,454,456)</u>
NET ASSETS			<u><u>13,246,284</u></u>		<u><u>14,612,238</u></u>
FUNDS					
Unrestricted funds	19		12,340,241		13,789,465
Restricted funds	20		906,043		822,773
			<u>13,246,284</u>		<u>14,612,238</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		2020	
		£	£	£	£
Net cash inflow from operating activities	A		574,590		966,455
Cash flows from investing activities					
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	
Net cash outflow from investing activities			(915,098)		(5,097,635)
Cash flow from financing activities					
Loan repayments		(133,333)		(11,847)	
New loan finance		1,090,351		4,587,789	
Interest paid		(244,926)		(105,680)	
Net cash inflow from financing activities			712,092		4,470,262
Change in cash and cash equivalents in the year			371,584		339,082
Cash and cash equivalents at the beginning of the year			371,554		32,472
Cash and cash equivalents at the end of the year			743,138		371,554
A. RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES			2021		2020
			£		£
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
Net cash inflow from operating activities			574,590		966,455
B. ANALYSIS OF CASH AND CASH EQUIVALENTS			2021		2020
			£		£
Cash at bank			743,138		371,554
Overdraft			-		-
			743,138		371,554

THE GORDON FOUNDATION
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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 Funds £	2021 Restricted Funds £	Total £	2020 Total £
1. DONATIONS AND LEGACIES				
Donations and gifts	13,136	-	13,136	92,300
Legacies	-	-	-	-
	<u>13,136</u>	<u>-</u>	<u>13,136</u>	<u>92,300</u>
2. GRANTS				
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>
3. INCOME FROM CHARITABLE ACTIVITIES				
Gross income from boarding charges	8,875,707	36,481	8,912,188	7,423,220
Less:				
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	8,415,478	36,481	8,451,959	7,092,768
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>
4. TRADING ACTIVITIES				
Trading income	41,822	-	41,822	21,901
	<u>41,822</u>	<u>-</u>	<u>41,822</u>	<u>21,901</u>
5. INVESTMENT INCOME				
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 £	Other £	Depreciation £	2021 Total £
Charitable activity:				
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>
Raising funds:				
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 £	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	-	591,318	-	591,318
	<u>8,678,783</u>	<u>3,910,893</u>	<u>1,038,540</u>	<u>13,628,216</u>
Raising funds:				
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 £	2020 £
Total expenditure includes:		
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	2021	2020
	£	£
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>9,372,237</u>	<u>8,678,783</u>

	2021	2020
	No	No
The average number of employees in the year was:		
Teachers	70	68
Administration (including academic support & maintenance)	176	157
	<u>246</u>	<u>225</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>12</u>	<u>13</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 Land & Buildings £	Machinery & Equipment £	Fixtures & Fittings £	Assets under Construction £	Total Charity £	Academy Trust £	Total Group £
COST							
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)			
At 31 August 2021	26,175,265	1,022,155	817,218	154,822	28,169,460	1,071,402	29,240,862
DEPRECIATION							
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	-						
At 31 August 2021	5,671,885	815,952	719,595	-	7,207,432	863,418	8,070,850
NET BOOK VALUE							
At 31 August 2021	20,503,380	206,203	97,623	154,822	20,962,028	207,984	21,170,012
At 31 August 2020	14,891,974	281,480	163,205	5,524,891	20,861,550	186,213	21,047,763

9. FIXED ASSETS INVESTMENTS – GROUP AND CHARITY

	2021 £	2020 £
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)
Balance at 31 August 2021 (excluding cash deposits)	3,367,891	2,852,799
Cash deposits	53,882	32,799
Balance at 31 August 2021	3,421,773	2,885,598

Class of investments is split as follow:

	2021 £
Cash or cash equivalents	53,882
Equities	3,241,188
Alternative investments	67,243
Fixed interest	59,460
Balance at 31 August 2021	3,421,773

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:

	Total 2021 £	Total 2020 £
<u>SOFA</u>		
Total Income	7,789,953	7,493,852
Total Expenditure	(7,614,961)	(6,951,900)
Net income/(expenditure)	<u>174,992</u>	<u>541,952</u>
Other recognised gains and losses		
Actuarial(losses) on defined benefit pension scheme	(174,000)	(541,000)
Net movement in funds	<u>992</u>	<u>952</u>
Total funds brought forward at 1 September 2020	<u>20,116</u>	<u>19,164</u>
Total funds carried forward at 31 August 2021	<u>21,108</u>	<u>20,116</u>
<u>Balance Sheet</u>		
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	<u>21,108</u>	<u>20,116</u>

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:

<u>Profit and Loss Account</u>	2021 £	2020 £
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	<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 2021 £	Group 2020 As restated £	Charity 2021 £	Charity 2020 As restated £
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 2021 £	Group 2020 As restated £	Charity 2021 £	Charity 2020 As restated £
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

14. CREDITORS: amounts falling due after more than one year	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
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>
Analysis of loans:				
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>
Due within one year	332,380	133,333	320,000	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 £	2020 £
Leases expiring:		
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 2020 £	Income £	Expenditure £	Investment Gains £	Transfers £	31 August 2021 £
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>

UNRESTRICTED FUNDS (PRIOR YEAR)

	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>

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 1 September 2020 £	Income £	Expenditure £	Investment Gains/(losses) £	Transfers £	Balance at 31 August 2021 £
Specific funds:						
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>
Pension reserve	<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 1 September 2019 £	Income £	Expenditure £	Investment Gains/(losses) £	Transfers £	Balance at 31 August 2020 £
Specific funds						
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>
Pension reserve	<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 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	7,814,597	(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 1 September 2020	Income	Expenditure	Investment Gains	Transfers	Balance at 31 August 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 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 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

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

	2021	2020
	£	£
Employer's contributions	141,000	124,000
Employees' contributions	37,000	32,000
	<u>178,000</u>	<u>156,000</u>

Principal actuarial assumptions

	2021	2020
	%	%
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:

	2021	2020
	Years	Years
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:

	2021	2020
	£	£
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

	2021	2020
	£	£
Scheme assets	1,942,000	1,448,000
Scheme obligations	(3,845,000)	(2,993,000)
Net liability	(1,903,000)	(1,545,000)

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

	2021	2020
	Fair value	Fair value
	£	£
Equities	1,456,000	1,043,000
Bonds	311,000	246,000
Cash	39,000	43,000
Property	136,000	116,000
	1,942,000	1,448,000

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

	2021	2020
	£	£
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	325,000	274,000

THE GORDON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2021****21. PENSION AND SIMILAR OBLIGATIONS (continued)**

Changes in the present value of defined benefit obligations	2021	2020
	£	£
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)
	<u>3,845,000</u>	<u>2,993,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2021	2020
	£	£
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)
	<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 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 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
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		368,344	222,974	591,318	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		2,803	-	2,803	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		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