

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



Company Number 00027272
Charity Number 312092



THE GORDON FOUNDATION

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THE GORDON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	Her Late Majesty 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)

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

Head Teacher

Mr A Moss

Foundation Company Secretary

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

Committee Membership

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

THE GORDON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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

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

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

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

THE GORDON FOUNDATION

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

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

OBJECT AND OBJECTIVES

General

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

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

Vision

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

Object

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

Objectives

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

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

THE GORDON FOUNDATION

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

Objectives (continued)

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

THE GORDON FOUNDATION

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

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Vision for Gordon's

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

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

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

Capital Developments

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

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

Academic Results for the School

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

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

THE GORDON FOUNDATION

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

Academic Results for the School (continued)

A Level results 2023

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

GCSE results 2023

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

Average performance per student - BBB

BTEC L3 2023

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

BTEC L2 2023

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

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

General

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

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

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

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

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

Commercial

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

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

THE GORDON FOUNDATION

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

Partnerships

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

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

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

External support

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

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

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

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

Fundraising

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

Patronage

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

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

THE GORDON FOUNDATION

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

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

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

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

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

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

RESERVES

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

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

RISK

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

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

THE GORDON FOUNDATION

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

Risk (continued)

INVESTMENT POLICY

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

PLANS FOR FUTURE YEARS

3-year Strategic Priorities:

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that year. In preparing these financial statements, the trustees are required to:

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

THE GORDON FOUNDATION

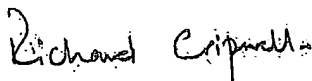
REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT (continued)

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

AUDITOR

Our auditor, 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 27 January 2024 and signed on its behalf by:



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

THE GORDON FOUNDATION

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

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

THE GORDON FOUNDATION

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

THE GORDON FOUNDATION

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

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

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

29 January 2024

THE GORDON FOUNDATION

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

FOR THE YEAR ENDED 31 AUGUST 2023

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

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

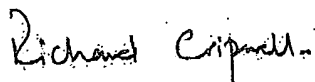
Details of comparative figures by fund are disclosed in note 23.

GROUP BALANCE SHEET

AS AT 31 AUGUST 2023

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

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



Lieutenant General Richard Cripwell CB, CBE
Chairman



Mr M Barnes
Treasurer

The accompanying notes form part of these financial statements.

CHARITY BALANCE SHEET

AS AT 31 AUGUST 2023

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

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

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

Richard Cripwell

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

Martin Barnes

.....
Mr M Barnes
Treasurer

The accompanying notes form part of these financial statements.

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

a) Basis of Accounting

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

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

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

Boarding Charge Debtor Policy

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

Basis of Consolidation

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

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

b) Going concern

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

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

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

d) **Income**

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

Grants receivable

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

Donations

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

Investment Income

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

e) **Expenditure:**

Expenditure is accounted for on an accruals basis.

Costs of raising funds

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

Charitable activities

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

Governance costs

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

Trading activities

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

f) **Leased Assets**

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

g) Tangible Fixed Assets

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

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

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

h) Investments

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

i) Stocks

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

j) Financial instruments

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

Cash and cash equivalents

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

Debtors and creditors

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

Bank borrowings

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

k) Employee Benefits

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

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

l) Funds

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

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

m) Pension Costs

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

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

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

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

THE GORDON FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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

EXPENDITURE (PRIOR YEAR)

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

8. FIXED ASSETS – GROUP AND CHARITY

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

9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY

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

Class of investments is split as follow:

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY

Shares in
group
undertakings
£
2

Balance at 1 September 2022 and 31 August 2023

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

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

Academy results:

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

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

<u>Profit and Loss Account</u>	2023 £	2022 £
Turnover	233,724	145,193
Costs	(230,425)	(142,892)
Profit for the year	3,299	2,301
Donation to The Gordon Foundation	<u>(3,299)</u>	<u>(2,301)</u>
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 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Boarding charge debtors	208,815	228,309	208,815	228,309
Sundry debtors	24,791	21,137	-	2
Amount owing to subsidiaries	-	-	-	8,656
Prepayments	524,644	206,979	88,051	32,284
VAT reclaim	290,463	225,624	160,531	135,488
Accrued income	-	98,007	-	-
	<u>1,048,713</u>	<u>780,056</u>	<u>457,397</u>	<u>404,739</u>

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

15. LEASE COMMITMENTS

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

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

16. UNRESTRICTED FUNDS

	1 September 2022 £	Income £	Expenditure £	Investment (Losses) £	Transfers £	31 August 2023 £
Designated - Eyre Fund	50,651	-	-	-	-	50,651
General Fund	13,535,465	11,987,578	(12,314,074)	(72,737)	-	13,136,232
	<u>13,586,116</u>	<u>11,978,578</u>	<u>(12,314,074)</u>	<u>(72,737)</u>	<u>-</u>	<u>13,186,883</u>

UNRESTRICTED FUNDS (PRIOR YEAR)

	1 September 2021 £	Income £	Expenditure £	Investment Losses £	Transfers £	31 August 2022 £
Designated - Eyre Fund	50,651	-	-	-	-	50,651
General Fund	13,865,947	10,726,938	(10,782,634)	(274,786)	-	13,535,465
	<u>13,916,598</u>	<u>10,726,938</u>	<u>(10,782,634)</u>	<u>(274,786)</u>	<u>-</u>	<u>13,586,116</u>

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

17. RESTRICTED FUNDS

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

RESTRICTED FUNDS
(PRIOR YEAR)

	Balance at 1 September 2021 £	Income £	Expenditure £	Investment Gains/(losses) £	Transfers £	Balance at 31 August 2022 £
Specific funds						
Gordon Foundation Special fund	434,815	12,866	-	(20,915)	-	426,766
Stepping Forward Appeal fund	300,686	-	-	-	-	300,686
Piano fund	1,740	-	-	-	-	1,740
Bursaries	89,398	6,496	-	-	-	95,894
DfCSF (DfE) fund	153,354	5,323,140	(5,354,217)	-	(150,649)	30,386
Other restricted funds	79,404	-	-	-	-	79,404
DfE Fixed Asset fund	207,984	238,513	(87,393)	-	150,649	450,995
	<u>1,267,381</u>	<u>5,581,015</u>	<u>(5,441,610)</u>	<u>(20,915)</u>	<u>-</u>	<u>1,385,871</u>
Pension reserve	<u>(1,903,000)</u>	<u>-</u>	<u>(318,000)</u>	<u>1,611,000</u>	<u>-</u>	<u>(610,000)</u>

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

17. RESTRICTED FUNDS (Continued)

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

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

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

18. ALLOCATION OF THE GROUP NET ASSETS

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

ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)

	Investments	Fixed Assets	Net Current Assets (Liabilities)	Long Term Liabilities/ Pension	Total
	£	£	£	£	£
Restricted – Specific	269,945	242,138	873,788	-	1,385,871
Restricted – Pension reserve	-	-	-	(610,000)	(610,000)
Unrestricted	2,960,028	21,514,516	(3,673,669)	(7,214,759)	13,586,116
	<u>3,229,973</u>	<u>21,756,654</u>	<u>(2,799,881)</u>	<u>(7,824,759)</u>	<u>14,361,987</u>

19. CHARITY UNRESTRICTED FUNDS

UNRESTRICTED FUNDS

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

19. CHARITY UNRESTRICTED FUNDS (Continued)

UNRESTRICTED FUNDS (PRIOR YEAR)

	Balance at 1 September 2021	Income	Expenditure	Investment Gains/(losses)	Transfers	Balance at 31 August 2022
	£	£	£	£	£	£
Designated - Eyre Fund	50,651	-	-	-	-	50,651
General Fund	12,289,590	10,575,961	(9,220,733)	(274,786)	-	13,370,032
	<u>12,340,241</u>	<u>10,575,961</u>	<u>(9,220,773)</u>	<u>(272,786)</u>	<u>-</u>	<u>13,420,683</u>

20. CHARITY RESTRICTED FUNDS

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

CHARITY RESTRICTED FUNDS (PRIOR YEAR)

	Balance at 1 September 2021	Income	Expenditure	Investment Gains	Transfers	Balance at 31 August 2022
	£	£	£	£	£	£
Gordon Foundation Special fund	434,815	12,866	-	(20,915)	-	426,766
Stepping Forward Appeal fund	300,686	-	-	-	-	300,686
Piano fund	1,740	-	-	-	-	1,740
Bursaries	89,398	6,496	-	-	-	95,894
Other restricted funds	79,404	-	-	-	-	79,404
	<u>906,043</u>	<u>19,362</u>	<u>-</u>	<u>(20,915)</u>	<u>-</u>	<u>904,490</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

21. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £789,456 were payable to the schemes at 31 August 2023 (2022: £356,527) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £976,587 (2022: £889,176).

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

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

THE GORDON FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

21. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

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

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

Total contributions made

	2023	2022
	£	£
Employer's contributions	165,000	158,000
Employees' contributions	48,000	42,000
	<u>213,000</u>	<u>200,000</u>

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.00	4.10
Rate of increase for pensions in payment/inflation	3.00	3.20
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
Retiring today		
- Males	21.9	22.1
- Females	25.4	24.5
Retiring in 20 years		
- Males	22.8	23.1
- Females	<u>25.9</u>	<u>26.2</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

21. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2023	2022
	£	£
Discount rate + 0.1%	(54,000)	(57,000)
Discount rate - 0.1%	54,000	57,000
Mortality assumption + 1 year	100,000	105,000
Mortality assumption - 1 year	(100,000)	(105,000)
CPI rate + 0.1%	53,000	56,000
CPI rate - 0.1%	(53,000)	(56,000)

Defined benefit pension scheme net liability

	2023	2022
	£	£
Scheme assets	2,297,000	2,004,000
Scheme obligations	(2,499,000)	(2,614,000)
Net liability	(202,000)	(610,000)

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

	2023	2022
	Fair value	Fair value
	£	£
Equities	1,769,000	1,523,000
Bonds	275,000	281,000
Cash	69,000	40,000
Property	184,000	160,000
	2,297,000	2,004,000

The actual return on scheme assets was £118,000 (2022: a loss of £100,000).

Amount recognised in the Statement of Financial Activities

	2023	2022
	£	£
Current service cost	230,000	442,000
Interest income	(89,000)	(33,000)
Interest cost	116,000	67,000
Total operating charge	257,000	476,000

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

21. PENSION AND SIMILAR OBLIGATIONS (continued)

Changes in the present value of defined benefit obligations	2023	2022
	£	£
At 1 September 2022	2,614,000	3,845,000
Current service cost	230,000	442,000
Interest cost	116,000	67,000
Employee contributions	48,000	42,000
Actuarial gain	(471,000)	(1,744,000)
Benefits paid	(38,000)	(38,000)
	<u>2,499,000</u>	<u>2,614,000</u>
At 31 August 2023		
	<u>2,499,000</u>	<u>2,614,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2023	2022
	£	£
At 1 September 2022	2,004,000	1,942,000
Interest income	89,000	33,000
Actuarial (gain)/loss	29,000	(133,000)
Employer contributions	165,000	158,000
Employee contributions	48,000	42,000
Benefits paid	(38,000)	(38,000)
	<u>2,297,000</u>	<u>2,004,000</u>
At 31 August 2023		
	<u>2,297,000</u>	<u>2,004,000</u>

The Foundation offers employees a workplace pension and uses the Salvus Master Trust. The employer contribution rate is 7% and the employee contribution rate is a minimum of 3.5%. The employer pension costs during the year were £187,619 (2022: £166,848) and there were no contributions payable to the scheme at 31 August 2023 (2022: £nil).

22. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period (2022: None).

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	1	91,975	-	91,975	13,136
Grants	2	-	238,513	238,513	159,157
Charitable activity:					
Income from boarding charges	3	10,186,586	6,496	10,193,082	8,451,959
Other operating income	3	206,276	-	206,276	240,304
Funding for the Academy's educational operations	3	-	5,323,140	5,323,140	5,109,004
Trading activities:					
Trading income	4	153,278	-	153,278	41,822
Investment income	5	88,823	12,866	101,689	106,529
Total income		10,726,938	5,581,015	16,307,953	14,121,911
Expenditure on:					
Charitable activity:					
Staff costs	6	5,965,615	4,155,884	10,121,499	9,372,237
Educational costs		-	529,173	529,173	481,604
Welfare costs		1,908,141	-	1,908,141	1,612,039
Premises costs		1,901,624	715,688	2,617,312	3,290,721
Support costs		570,592	358,865	929,457	728,323
Raising funds:					
Finance costs		291,509	-	291,509	244,926
Investment management		2,261	-	2,261	762
Trading activities:					
Trading costs		142,892	-	142,892	12,683
Total expenditure	6	10,782,634	5,759,610	16,542,244	15,743,295
Operating income/(expenditure)		(55,696)	(178,595)	(234,291)	(1,621,384)
Net gains/(losses) on investments	9	(274,786)	(20,915)	(295,701)	430,422
Net income/(expenditure)		(330,482)	(199,510)	(529,992)	(1,190,962)
Actuarial (losses)/gains on defined benefit pension schemes	21	-	1,611,000	1,611,000	(174,000)
Net movement in funds for the year		(330,482)	1,411,490	1,081,008	(1,364,962)
Fund balances brought forward at 16, September 2021	17	13,916,598	(635,619)	13,280,979	14,645,941
Fund balances carried forward at 31 August 2022	17	13,586,116	775,871	14,361,987	13,280,979

All of the charitable group's activities are continuing.
All recognised gains and losses are included in the Statement of Financial Activities.