

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



Company Number 00027272
Charity Number 312092



THE GORDON FOUNDATION

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THE GORDON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	His Majesty The King
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	Chairman
Mr R Whittington DL ^{1,2,4,5,8}	Vice Chairman
Mr C Whiffin ^{1,2,8}	Treasurer: resigned 27 January 2024
Mr M Barnes ^{1,2,5,8}	Treasurer: appointed 27 January 2024
Mrs J Valner ^{1,2,3,4,5,7,9}	Chair of Governors
Mr T Gordon	
Mrs L Bannister ^{3,7,9}	retired 27 January 2024
Mrs A Stephens ^{1,3}	
Major General A Fay CB	
Mrs D McKenzie ^{5,9}	
Mrs S Hounsham ^{4,6,7}	
Mr P Jones ^{1,2}	
Mr S Azeem	
Brigadier J Mullin ^{4,7}	
Ms J Kruger	
Lord Lancaster	
Lt Col J Fernandes MBE	elected 27 January 2024
Mrs S Rawal ^{1,7}	elected 27 January 2024

Head Teacher

Mr A Moss

Foundation and Company Secretary

Mrs J Taylor Appointed 1 September 2023

Clerk to the Foundation Committee

Mrs A Mitchley Appointed 1 September 2023

Committee Membership

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

THE GORDON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

ADVISERS

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

STATUS AND ADMINISTRATION

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

REPORT OF THE FOUNDATION TRUSTEES INCLUDING THE STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

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

THE GORDON FOUNDATION

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

OBJECT AND OBJECTIVES

General

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

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

Vision

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

Object

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

Objectives

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

The objectives for The Gordon Foundation are;

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

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Vision for Gordon's

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

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

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

Academic Results for the School

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

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

A Level results 2024

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

GCSE results 2024

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

Average performance per student – BBB

BTEC L3 2024

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

BTEC L2 2024

100% of entries were graded D* - P

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

Capital Developments

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

General

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

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

THE GORDON FOUNDATION

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

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

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

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

Commercial

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

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

Partnerships

The partnership launched with Aldershot Town Football Club in July 2021 whereby their 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 London Pulse (Premier Netball).

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

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

THE GORDON FOUNDATION

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

External support

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

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

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

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

Fundraising

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

Patronage

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

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

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

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

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

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

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

RESERVES

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

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

Risk

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

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

INVESTMENT POLICY

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

THE GORDON FOUNDATION

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

PLANS FOR FUTURE YEARS

3-year Strategic Priorities:

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

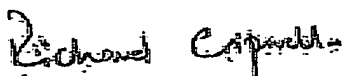
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

AUDITOR

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

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



Lieutenant General Richard Cripwell CB, CBE
Chairman

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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 Alliot's LLP**

Senior Statutory Auditor
Alliot's LLP
3 London Square,
Guildford, GU1 1UJ

28/1/25

THE GORDON FOUNDATION

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

FOR THE YEAR ENDED 31 AUGUST 2024

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

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.


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

GROUP BALANCE SHEET

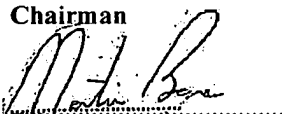
AS AT 31 AUGUST 2024

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

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



Lieutenant General Richard Cripwell CB, CBE
Chairman



Mr M Barnes
Treasurer

The accompanying notes form part of these financial statements.

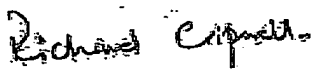
CHARITY BALANCE SHEET

AS AT 31 AUGUST 2024

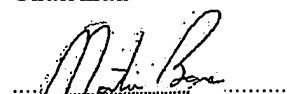
		2024		2023	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible	8		21,408,359		21,342,616
Investments	9		3,497,081		3,046,691
Investment in subsidiary company	10		2		2
			<u>24,905,442</u>		<u>24,389,309</u>
CURRENT ASSETS					
Debtors	12	675,918		457,397	
Cash at bank and in hand		80,277		538,531	
		<u>756,195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

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

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



Lieutenant General Richard Cripwell CB, CBE
Chairman



Mr M Barnes
Treasurer

The accompanying notes form part of these financial statements.

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2024

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

a) **Basis of Accounting**

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

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

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

Boarding Charge Debtor Policy

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

Basis of Consolidation

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

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

b) **Going concern**

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

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

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

c) Significant judgments and sources estimation uncertainty

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

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

d) Income

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

Grants receivable

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

Donations

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

Investment Income

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

e) Expenditure:

Expenditure is accounted for on an accruals basis.

Costs of raising funds

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

Charitable activities

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

Governance costs

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

Trading activities

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

f) Leased Assets

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

g) Tangible Fixed Assets

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

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

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

h) Investments

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

i) Stocks

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

j) Financial instruments

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

Cash and cash equivalents

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

Debtors and creditors

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

Bank borrowings

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

k) Employee Benefits

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

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

l) Funds

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

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

m) Pension Costs

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

6. EXPENDITURE

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

EXPENDITURE (PRIOR YEAR)

	Staff Costs £	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>

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

8. FIXED ASSETS – GROUP AND CHARITY

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

9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY

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

Class of investments is split as follow:

	2024 £
Cash or cash equivalents	43,926
Equities	3,351,387
Alternative investments	57,419
Fixed interest	44,349
Balance at 31 August 2024	3,497,081

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY

	Shares in group undertakings £
Balance at 1 September 2023 and 31 August 2024	<u><u>2</u></u>

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

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

Academy results:

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

15. LEASE COMMITMENTS

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

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

16. UNRESTRICTED FUNDS

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

UNRESTRICTED FUNDS (PRIOR YEAR)

	1 September 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>11,987,578</u>	<u>(12,314,074)</u>	<u>(72,737)</u>	<u>-</u>	<u>13,186,883</u>

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

17. RESTRICTED FUNDS

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

**RESTRICTED FUNDS
(PRIOR YEAR)**

	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>

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

17. RESTRICTED FUNDS (Continued)

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

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

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

18. ALLOCATION OF THE GROUP NET ASSETS

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

ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)

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

19. CHARITY UNRESTRICTED FUNDS

UNRESTRICTED FUNDS

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

19. CHARITY UNRESTRICTED FUNDS (Continued)

UNRESTRICTED FUNDS (PRIOR YEAR)

	Balance at 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>

20. CHARITY RESTRICTED FUNDS

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

CHARITY RESTRICTED FUNDS (PRIOR YEAR)

	Balance at 1 September 2022	Income	Expenditure	Investment Gains	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>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

21. PENSION AND SIMILAR OBLIGATIONS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

21. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

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

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

Total contributions made

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

Principal actuarial assumptions

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

21. PENSION AND SIMILAR OBLIGATIONS (continued)

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

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

Defined benefit pension scheme net liability

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

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

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

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

Amount recognised in the Statement of Financial Activities

	2024	2023
	£	£
Current service cost	195,000	230,000
Interest income	(125,000)	(89,000)
Interest cost	135,000	116,000
Total operating charge	<u>205,000</u>	<u>257,000</u>

THE GORDON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2024****21. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

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

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

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

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

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

22. RELATED PARTY TRANSACTIONS

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2023

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



Company Number 00027272
Charity Number 312092

SATURDAY



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THE GORDON FOUNDATION

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THE GORDON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	His Majesty The King
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	Chairman
Mr R Whittington DL ^{1,2,4,5,8,}	Vice Chairman
Mr C Whiffin ^{1,2,8}	Treasurer: resigned 27 January 2024
Mr M Barnes ^{1,2,5,8}	Treasurer: appointed 27 January 2024
Mrs J Valner ^{1,2,3,4,5,7,9}	Chair of Governors
Mr T Gordon	
Mrs L Bannister ^{3,7,9}	retired 27 January 2024
Mrs A Stephens ^{1,3}	
Major General A Fay CB	
Mrs D McKenzie ^{5,9}	
Mrs S Hounsham ^{4,6,7}	
Mr P Jones ^{1,2}	
Mr S Azeem	
Brigadier J Mullin ^{4,7}	
Ms J Kruger	
Lord Lancaster	
Lt Col J Fernandes MBE	elected 27 January 2024
Mrs S Rawal ^{1,7}	elected 27 January 2024

Head Teacher

Mr A Moss

Foundation and Company Secretary

Mrs J Taylor Appointed 1 September 2023

Clerk to the Foundation Committee

Mrs A Mitchley Appointed 1 September 2023

Committee Membership

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

THE GORDON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

ADVISERS

Bankers: Bank of Scotland
38 Threadneedle Street
London EC2P 2HL

Auditors: Alliotts LLP
3, London Square
Cross Lanes
Guildford
GU1 1UJ

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

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

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

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

THE GORDON FOUNDATION

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

OBJECT AND OBJECTIVES

General

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

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

Vision

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

Object

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

Objectives

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

The objectives for The Gordon Foundation are;

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

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Vision for Gordon's

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

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

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

Academic Results for the School

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

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

A Level results 2024

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

GCSE results 2024

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

Average performance per student – BBB

BTEC L3 2024

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

BTEC L2 2024

100% of entries were graded D* - P

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

Capital Developments

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

General

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

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

THE GORDON FOUNDATION

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

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

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

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

Commercial

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

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

Partnerships

The partnership launched with Aldershot Town Football Club in July 2021 whereby their 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 London Pulse (Premier Netball).

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

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

THE GORDON FOUNDATION

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

External support

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

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

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

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

Fundraising

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

Patronage

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

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

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

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

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

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

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

THE GORDON FOUNDATION

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

RESERVES

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

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

Risk

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

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

INVESTMENT POLICY

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

THE GORDON FOUNDATION

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

PLANS FOR FUTURE YEARS

3-year Strategic Priorities:

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

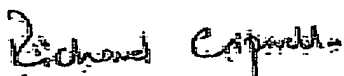
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

AUDITOR

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

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



Lieutenant General Richard Cripwell CB, CBE
Chairman

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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 Alliot's LLP**

Senior Statutory Auditor
Alliot's LLP
3 London Square,
Guildford, GU1 1UJ

28/1/25

THE GORDON FOUNDATION

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

FOR THE YEAR ENDED 31 AUGUST 2024

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

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these financial statements.

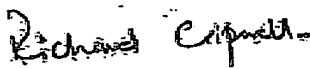
Details of comparative figures by fund are disclosed in note 23.

GROUP BALANCE SHEET

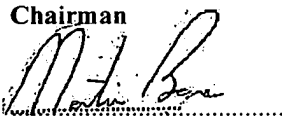
AS AT 31 AUGUST 2024

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

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



Lieutenant General Richard Cripwell CB, CBE
Chairman



Mr M Barnes
Treasurer

The accompanying notes form part of these financial statements.

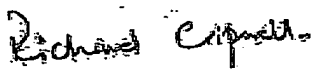
CHARITY BALANCE SHEET

AS AT 31 AUGUST 2024

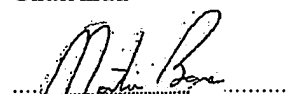
		2024		2023	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible	8		21,408,359		21,342,616
Investments	9		3,497,081		3,046,691
Investment in subsidiary company	10		2		2
			<u>24,905,442</u>		<u>24,389,309</u>
CURRENT ASSETS					
Debtors	12	675,918		457,397	
Cash at bank and in hand		80,277		538,531	
		<u>756,195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

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

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



Lieutenant General Richard Cripwell CB, CBE
Chairman



Mr M Barnes
Treasurer

The accompanying notes form part of these financial statements.

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2024

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

a) **Basis of Accounting**

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

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

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

Boarding Charge Debtor Policy

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

Basis of Consolidation

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

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

b) **Going concern**

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

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

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

c) Significant judgments and sources estimation uncertainty

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

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

d) Income

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

Grants receivable

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

Donations

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

Investment Income

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

e) Expenditure:

Expenditure is accounted for on an accruals basis.

Costs of raising funds

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

Charitable activities

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

Governance costs

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

Trading activities

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

f) Leased Assets

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

g) Tangible Fixed Assets

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

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

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

h) Investments

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

i) Stocks

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

j) Financial instruments

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

Cash and cash equivalents

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

Debtors and creditors

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

Bank borrowings

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

k) Employee Benefits

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

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

l) Funds

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

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

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

m) Pension Costs

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

6. EXPENDITURE

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

EXPENDITURE (PRIOR YEAR)

	Staff Costs £	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>

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

8. FIXED ASSETS – GROUP AND CHARITY

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

9. FIXED ASSETS INVESTMENTS –GROUP AND CHARITY

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

Class of investments is split as follow:

	2024 £
Cash or cash equivalents	43,926
Equities	3,351,387
Alternative investments	57,419
Fixed interest	44,349
Balance at 31 August 2024	3,497,081

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS - CHARITY

**Shares in
group
undertakings
£**
2

Balance at 1 September 2023 and 31 August 2024

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

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

Academy results:

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS – CHARITY (Continued)

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

15. LEASE COMMITMENTS

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

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

16. UNRESTRICTED FUNDS

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

UNRESTRICTED FUNDS (PRIOR YEAR)

	1 September 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>11,987,578</u>	<u>(12,314,074)</u>	<u>(72,737)</u>	<u>-</u>	<u>13,186,883</u>

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

17. RESTRICTED FUNDS

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

**RESTRICTED FUNDS
(PRIOR YEAR)**

	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>

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

17. RESTRICTED FUNDS (Continued)

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

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

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

18. ALLOCATION OF THE GROUP NET ASSETS

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

ALLOCATION OF THE GROUP NET ASSETS (PRIOR YEAR)

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

19. CHARITY UNRESTRICTED FUNDS

UNRESTRICTED FUNDS

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

19. CHARITY UNRESTRICTED FUNDS (Continued)

UNRESTRICTED FUNDS (PRIOR YEAR)

	Balance at 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>

20. CHARITY RESTRICTED FUNDS

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

CHARITY RESTRICTED FUNDS (PRIOR YEAR)

	Balance at 1 September 2022	Income	Expenditure	Investment Gains	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>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

21. PENSION AND SIMILAR OBLIGATIONS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

21. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

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

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

Total contributions made

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

Principal actuarial assumptions

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

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

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

21. PENSION AND SIMILAR OBLIGATIONS (continued)

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

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

Defined benefit pension scheme net liability

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

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

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

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

Amount recognised in the Statement of Financial Activities

	2024	2023
	£	£
Current service cost	195,000	230,000
Interest income	(125,000)	(89,000)
Interest cost	135,000	116,000
Total operating charge	<u>205,000</u>	<u>257,000</u>

THE GORDON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2024****21. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

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

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

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

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

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

22. RELATED PARTY TRANSACTIONS

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

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2024

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2023

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

Date of issue: January 25

Alliotts LLP

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

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

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

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

1. Purpose

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

2. Significant matters

The following significant matters were noted during the audit:

Bank covenants:

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

Results for the year:

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

Going concern:

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

Outstanding items:

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

3. Adjusted and unadjusted misstatements

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

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

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

3.1. Adjusted misstatements

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

3.1. Adjusted misstatements

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

3.2. Unadjusted misstatements

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

4. Accounting policies and practices

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

5. Audit risks

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

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

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

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

6. Control recommendations raised in previous audits

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

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

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

7. Control recommendations raised this audit

The recommendations raised during the audit were as follows:

7.1 Prepaid income – Girdler’s Company

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

8. Independence

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

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

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

9. Sector update

Charity Commission Updated Guidance

- Internal Financial Controls for Charities (CC8)

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

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

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

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

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

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

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

- Decision Making for Charity Trustees (CC27)

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

When making decisions, trustees must:

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

Economic Crime and Corporate Transparency Act 2023 Regulations

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

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

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

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

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

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

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

Charity SORP Update

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

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

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

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

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

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

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

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

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

ISA (UK) 315 Risk of Material Misstatement

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

ISA (UK) 570 on Going Concern

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

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

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

Changes to the 2023 Charity Commission Annual Return

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

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

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

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

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