

THE GORDON FOUNDATION

**ANNUAL REPORT
AND
ACCOUNTS**

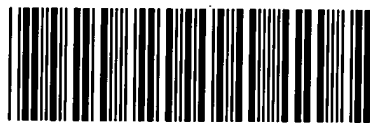
FOR THE YEAR ENDED

31 AUGUST 2015

Company Number 27272
Charity Number 312092

haysmacintyre
Chartered Accountants
Registered Auditors
London

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THE GORDON FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

INDEX	Page
Report of the Foundation Trustees	1-9
Report of the Auditors	10
Consolidated Statement of Financial Activities	11
Consolidated and Charity Balance Sheets	12-13
Consolidated Cashflow Statement	14
Notes to the Consolidated Cashflow Statement	15
Notes to the Financial Statements	16-25

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES

THE DIRECTORS AND GOVERNING BODY

Foundation Committee (The Board)

Lieutenant General Sir Anthony Pigott KCB CBE MA

General Sir Peter Wall GCB CBE

Mr P F Wynter Bee TD ^{1,2,5,6,7}

Mr M L Hawkesworth ^{1,2,5}

Lord Lingfield

Mr C R Delacombe FCIS APMI MIMgmt ³

Mrs S Gruselle

Mr W Kenrick BSc CEng MICE ^{1,2,3,5}

Mr M More-Molyneux

Lieutenant Colonel Sir John Smiley Bt ^{4,7}

Brigadier D H A Swinburn CBE MA FCMI FCIPD DL ⁷

Mr P D Talbot ^{1,2,3,5}

Mr R Whittington FCA ^{1,2,4,5,7}

Mr W Eason MA ASIP FCSI ³

Mr J Tamsitt ^{6,7}

Ms A MacLennan ⁶

Dr J Higgs BA(Hons) MA (Kingston) MA(Lond) PhD ⁶

Mr T Gordon

Mrs L Bannister MBCS CFIP CISMP ⁷

Mr C Lomas ⁶

Major General John Russell-Jones OBE ^{4,6}

Air Marshal J Thompson CB FRAeS

Mr D Munro

Mrs A Neighbour ⁶

Mrs J Valner ⁴

Chairman

Chairman

Vice Chairman

Treasurer

resigned 3 October 2014

appointed 17 January 2015

resigned 26 November 2015

resigned 25 November 2014

resigned 4 January 2016

appointed 11 June 2015

appointed 11 June 2015

appointed 11 June 2015

Head Teacher

Mr A Moss MEd

Foundation and Company Secretary:

Mrs S M Meikle BA

Committee Membership

Member of the Foundation Development Committee = 1

Member of the Joint Finance & General Purposes Committee = 2

Member of the Investment Panel = 3

Member of the Awards Panel = 4

Member of the Nominations Committee = 5

Member of the Fundraising & Enterprises Committee = 6

Governor of Gordon's School = 7

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

ADVISERS

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

Auditors: haysmacintyre
26 Red Lion Square
London WC1R 4AG

Investment Managers: Quilter Cheviot
One Kingsway
London WC2B 6AN

Legal Advisers: Brown Jacobson LLP
Castle Meadow Road
Nottingham NG2 1BJ

Barlow Robbins LLP
The Oriel
Guildford 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 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Gordon Foundation is a company limited by guarantee (Company No 27272), its registered office being at Gordon's School, West End, Woking, Surrey GU24 9PT. The company is a charity for educational purposes (registered charity No 312092).

Management of the charity is vested in the Board, who are directors and members for the purposes of the Companies Act and trustees for the purposes of charity law. In this regard they comply with the requirements of the Charities Act 2011, the Trust Deed and the Charities SORP 2005. Board members are required to retire from office by rotation every third year but are eligible for re-election. The Board has powers at any time to appoint additional members. The day to day running of the Foundation is the responsibility of the Foundation Secretary.

The charity was founded by Royal Charter 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 and now 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.

Governance

The Foundation Committee meets formerly two times each year, in January and in July. A third meeting has been introduced in October to provide an opportunity for strategic discussion and training. The Foundation Committee has a number of sub-committees that report to it, namely the Foundation Development Committee, the Nominations Committee, the Awards and the Investment Panels and, jointly with the Governors of Gordon's School, the Joint Finance & General Purposes Committee which all meet termly except for the Investment Panel that meets twice yearly. During this year the Fundraising & Enterprises Committee was re-established to support the work of the Development Office; ad-hoc committees are convened when required. Terms of reference for each Committee have been approved and are reviewed annually.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Once appointed new trustees follow an induction which includes an explanation of their role as Trustee, the company and the relation between The Gordon Foundation and Gordon's School. They are invited to meet staff members in order to familiarise themselves with the School as well as receiving copies of policies and procedures and other relevant documentation. All Trustees are encouraged to attend professional training courses, take online courses for Trustees and are provided with briefings at least once each year.

OBJECT AND OBJECTIVES

General

Currently, the main activity of The Gordon Foundation is the support of Gordon's School, a non-selective, co-educational State Boarding School for about 740 residential and day boarding pupils aged 11–18 years. The school changed from Voluntary Aided to Academy status on 1 January 2013. Funding from the Education 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 boarding, weekly and full boarding pupils. For families who require financial assistance with the boarding charges, The Gordon Foundation is able to provide bursaries on a means-tested basis.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

OBJECT AND OBJECTIVES (continued)

Gordon's Enterprises Ltd, a subsidiary of The Gordon Foundation, lets the school facilities when not required by the school, the proceeds of which are gift-aided to The Gordon Foundation, specifically to the bursary funds.

Object

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

Objectives

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

Key objectives for the year included:

OBJECTIVE	ACTIVITIES TO FULFIL THE OBJECTIVES
Reinforcing the Gordon's community	An increasing number of Gordonians are re-establishing contact with Gordon's through the new online community and website as well as attending events. Friends of Gordon's was launched in April as a vehicle by which former parents, trustees, governors and local community can keep in touch with Gordon's. A Reception at Girdlers' Hall in October 2015 provided an occasion for the Foundation to promote its work and celebrate its 130 th anniversary.
Uphold the National Memorial to General Gordon	At the start of the new school year all Year 7 pupils were introduced to the history of Gordon's. In September visitors were welcomed as part of the national Heritage Weekend. In October HRH The Earl of Wessex visited Gordon's to unveil a plaque commemorating the refurbishment of the Camel statue and to meet pupils. In July 6th form students and staff volunteered to host a week's residential holiday for disadvantaged children on behalf of CCHF <i>All about kids</i> .
Continue the provision of a first class boarding environment through high standards of pastoral care within appropriate accommodation	From 2015 residential boarding teams will be strengthened by the appointment of a resident Post Graduate to each House, with pastoral as well as academic duties. Planning Permission was gained to convert Louvain into the 5 th girls' House but once fully costed the project was not pursued. Instead, McQuillen will be converted to Victoria House opening September 2016. Further plans to create six new 6 th Form bed spaces for September 2016 in each of the four residential Houses were approved in October.
Be alert to and take advantage of opportunities to promote the Gordon ethos at home and overseas in support of educating disadvantaged children	Activity relating to the feasibility of opening a Gordon's 2 in the UK awaits an appropriate opportunity arising. Some initial discussion around establishing an overseas franchise will be progressed during the next year. The first pupil sponsored by SpringBoard joined as a residential boarder in September 2015 and two 6th formers will probably be recruited for 2016.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

Ensure that support services provided by The Gordon Foundation are fit for purpose	Support teams increasingly provide customer focused and effective services, which is monitored through the use of satisfaction surveys. A Domestic Services Manager was recruited for January 2015. The wireless network was upgraded and an EFA grant funded improvements to the fire alarm systems.
Maintain and if possible increase financial support to pupils at Gordon's School	The Fundraising & Enterprise Committee was re-established this year. Gordon's is grateful for the financial support provided by external educational trusts to specific pupils and to the Worshipful Company of Girdlers for their continued generous grant for a 6th form bursary. During the year the Royal British Legion's Women's Section, Buttle UK, MNDA Trust and Sir Thomas Carpenter Trust provided grants. The Development Director's focus is on fundraising for bursaries, particularly through launching the 1885 Bursary Campaign to the wider community and 'Our Gordon's Child' to current staff, governors and trustees. Income received through lettings has increased with Easter as well as summer camps and more holiday cricket camps.
Continue to provide, enhance and improve co-curricular activities for Gordon's pupils.	The importance attached to the school's sports and co-curricular programme was strengthened by the appointment of a new Assistant Head with responsibility for these areas. In the Duke of Edinburgh's Award Programme, 14 students achieved their Gold Award and in the Arts Award Programme, 9 students gained their Silver Award. Camberley Theatre was hired for two nights in February for a school production and for the first time a music tour was taken to Holland. Participation in Period 7 and Saturday morning activities remains high, with increasing staff commitment.

Trustees have agreed that the main focus for 2015/16 will be achieving 'Project 24' by September 2016 whereby Victoria House will be opened for day girls, the History classrooms will be replaced and two other departments relocated and 24 additional 6th form residential boarding places will be created. This will all be funded through the extra boarding revenue. Plans will be progressed for the Sports Hall in terms of exploring partnership opportunities and thereby access to external funding, as well as preparing the planning application. Opportunities for international development will be explored, mindful of the risks and their mitigation as well as potential benefit. Supporting and improving changes to educational practice, including continued investment in IT, and extracurricular activities remain a priority and at the same time strengthening the governance and risk management of the charity.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Plan for Gordon's

Discussions have continued exploring opportunities to develop a family of Gordon's Schools. Increasingly, state schools are encouraged to work collaboratively but Gordon's wishes to maintain its independence rather than join a multi-academy trust. In the summer term Governors, supported by Trustees, approved the creation of an informal collaborative partnership with Woking High School which will be formalised through a signed MoU in the autumn. The collaborative trust, Arete, will provide opportunities for joint student and staff activities, training and sharing best practice. Trustees have discussed and support exploratory discussions to develop a Gordon's franchise overseas. It is recognised that finding the right partner will take time and that reputation risks must be protected. The purpose for such a development is to secure another income stream that will help increase funds for bursaries as well as provide wider cultural and educational opportunities for staff and students.

Capital Developments at West End

Discussions on updating the Estates Master Plan for the school campus continued in consultation with Surrey Heath District Council. During the year notification was received that the Chapel, Statue, Library and Admin Building at Gordon's were added to the List of Buildings of Special Architectural or Historic Interest.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

A particular focus for development has been the creation of a 3rd girls' Day House. During the year planning permission was received to convert Louvain for this purpose but the eventual decision has been to convert the McQuillen Building and this will be achieved for September 2016. Mindful that expansion of residential boarding would be for 6th form, a study of existing accommodation was carried out to identify any opportunities. This was deemed too costly but an alternative scheme has been approved whereby 24 new 6th form residential boarding spaces can be created for September 2016. Recruitment for these new spaces will provide a useful test of the market and whether opening a new Year 13 residential House for 56 students would be viable.

Plan for a Sports Hall are progressing as well as improvements to the Library for September 2016.

Trustees were pleased that the school obtained further grants from the EFA, this year to upgrade fire alarm systems. A bid to refurbish the Technology building will be resubmitted in 2016. The conditions survey commissioned in 2014 to review maintenance needs for all buildings is being used for planned maintenance together with the regular environment checks.

Development Office

The Development Office has continued to engage with Gordonians and to explore links with Trusts and Foundations as well as the City Livery Companies that were initial Subscribers to help establish the original Home. In August representatives of the Foundation met with The Lord Mayor of London to explain the background to his ex-officio role as Vice-President of The Gordon Foundation and to seek his guidance on approaches to the City. The renewed and new support of several education trusts for specific pupil needs is most gratifying. The partnership with the SpringBoard Bursary Foundation is established and the first sponsored child joined Gordon's in September 2015.

Academic Results for the School

Remaining in The Daily Telegraph Top 100 non-selective state schools in England and 1st in Surrey, results at A2 and AS improved overall on the previous year. Gordon's was in the top 10% of schools nationally for progress at A level, in the top 2% for AS and in the top 5% for progress at GCSE. The number of 6th formers obtaining places at Russell Group or 1994 Group universities remains high and considerably above national average. Gordon's topped the table in Surrey for the 2015 Real School Guide receiving the highest grades in all four categories of attainment, teaching, attendance and outcomes. Detailed below is a table of the results of pupils at KS4 and KS5:

	2011	2012	2013	2014	2015
GCSE 5+ A*-C	90%	97%	97%	91%	93%
GCSE 5+ A*-C inc Eng. & Maths	89%	93%	86%	86%	89%
Ebacc	61%	60%	56%	65%	59%
A Level Average points per entry	233	243	221	226	B
A level Average points per student	944	903	797	791	BBB (C)

The school was inspected by Ofsted in November 2014 and was again awarded Outstanding for Teaching in all categories. Gordon's was awarded £5,000 in the Key Stage 4 category of the Pupil Premium Awards 2015 and received a letter of congratulations from the Minister of State for Schools.

School Activities

The importance that Gordon's places on the Co-Curricular programme which is supported by The Foundation is demonstrated by the introduction from September 2014 of the new post of Assistant Head as Director of Sport and the Co-curricular programme. Gordon's continues to offer an impressive range of activities. Regardless of ability or talent, pupils have opportunities to build on their confidence and to broaden their social, intellectual, physical and artistic horizons. The Honours Programme has been developed to assess, record and award students for taking part in any non-compulsory activities.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

In Music, Gordon's was well represented in the Woking Music Festival and for the first time entered the Godalming Music Festival, taking first prize for the Concert Band and for Pipes and Drums in their respective classes. For the first time the Music Department organised a tour to Holland as well as providing regular opportunities for students to attend concerts at local venues. Music and Drama came together in a most successful production of The Addams Family in February. This was staged in Camberley Theatre and involved over one hundred students. The Summer Arts Evening with music, drama and an exhibition of student art and photography is now well established in the summer term school calendar.

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 £5,909,266 (2014: £5,870,668).

Investments performed as well as could be expected reflecting some difficult market conditions. The investment portfolio has decreased by £93,737 to £2,748,863 (2014: £2,824,600). Overall, there was an increase in cash of £144,560 over the year (2014: £1,643,068 decrease). This was mainly due to all cash borrowed from the Foundation being paid back by the school.

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. Each year since there has been an additional deficit on the scheme with this year's deficit being £27,000 giving a £557,000 overall scheme deficit at the end of August 2015. The Foundation has supported the Academy in this deficit by increasing the donation for the year.

Further information on the pension schemes is given in note 12.

RESERVES

The total figure for Unrestricted Reserves as at 31 August 2015 was £7,234,222. Of this figure, £8,857,956 was represented by the Foundation's property and other tangible fixed assets giving negative reserves of £1,623,734. The Foundation Committee have set a policy to build reserves in order to maintain the site and fund the modernisation and future development of Gordon's School.

Risk

The major risks to which the charity is exposed have been identified in the Risk Register which is reviewed and systems are considered to mitigate them. These risks are reviewed by the Foundation Committee and by the school's Governing Body on an annual basis.

A framework of policies is also established to manage financial risk. These include the establishment and regular review of a Five Year Plan, and a system for approval and monitoring of Annual Budgets within that plan. Policies include a limit on commercial borrowings such that the total cost of interest and repayments shall not exceed 15% of boarding fee income in any one year.

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 (continued)

DISCLOSURE OF INFORMATION TO THE AUDITORS

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 auditors were 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 auditors were 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.

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

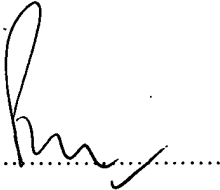
THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

AUDITORS

Our auditors, haysmacintyre, have indicated their willingness to continue in office. A resolution to re-appoint haysmacintyre will be proposed at the next Annual General Meeting.

The Trustees' Report, incorporating the Strategic Report was approved by the Trustees of The Gordon Foundation on 16 January 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'P. Wall', written over a horizontal dotted line.

General Sir Peter Wall GCB CBE
Chairman

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

We have audited the financial statements of The Gordon Foundation for the year ended 31 August 2015 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Consolidated Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out in the Report of the Foundation, the Trustees (who are also the directors of the charitable company) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Foundation Trustees, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Date: 16/1/16

Samantha Coutinho (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London WC1R 4AG

haysmacintyre is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

THE GORDON FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2015

Income and Expenditure Account		Unrestricted Funds £	Other Restricted Funds £	Foundation Special Fund £	Total 2015 £	Total 2014 £
	Note					
Incoming Resources						
<i>Income from charitable activity:</i>						
Income from Charges	1	5,909,266	-	-	5,909,266	5,870,668
Funding for the Academy's educational operations		-	4,104,459	-	4,104,459	4,229,568
<i>Income from generated funds:</i>						
Donations		29,553	7,222	-	36,775	26,174
Trading income		38,745	-	-	38,745	33,557
Other income		251,477	-	-	251,477	552,528
Investment income		82,300	-	11,587	93,887	102,220
Total Incoming Resources		6,311,341	4,111,681	11,587	10,434,609	10,814,715
Resources Expended						
<i>Charitable activity:</i>						
Staff costs		2,973,292	3,728,534	-	6,701,826	6,355,047
Teaching costs		-	556,198	-	556,198	485,409
Welfare costs		1,009,770	-	-	1,009,770	1,211,975
Premises costs		1,452,185	318,017	-	1,770,202	2,220,254
Support costs		840,571	20,588	-	861,159	1,084,137
Trading costs		8,440	-	-	8,440	2,098
<i>Governance costs</i>		24,796	5,000	-	29,796	44,344
<i>Finance costs</i>		57,464	-	-	57,464	46,432
Total Resources Expended	2	6,366,518	4,628,337	-	10,994,855	11,449,696
Net outgoing resources before transfers		(55,177)	(516,656)	11,587	(560,246)	(634,981)
Transfers between funds	9, 10	(517,878)	517,878	-	-	-
Net outgoing resources for the year before investment gains		(573,055)	1,222	11,587	(560,246)	(634,981)
Gains on investments:						
- Realised		(181,949)	-	(644)	(182,593)	46,890
- Unrealised		135,398	-	(8,262)	127,136	145,455
Actuarial losses on defined benefit pension schemes		-	(21,000)	-	(21,000)	(118,000)
Net outgoing resources for the year		(619,606)	(19,778)	2,681	(636,703)	(560,636)
Fund balances brought forward		7,853,828	1,019,477	375,774	9,249,079	9,809,715
Fund balances carried forward		7,234,222	999,699	378,455	8,612,376	9,249,079

All of the charitable company's activities are continuing.

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

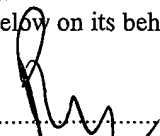
The accompanying notes form part of these financial statements.

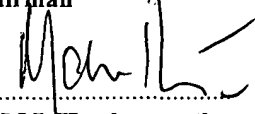
GROUP BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible	4	9,115,137	9,440,776
Investments	5	2,748,863	2,824,600
		<u>11,864,000</u>	<u>12,265,376</u>
CURRENT ASSETS			
Stocks		8,565	8,565
Debtors	6	1,840,913	2,324,537
Cash at bank and in hand		5,851	55,736
		<u>1,855,329</u>	<u>2,388,838</u>
CREDITORS: Amounts falling due within one year	7	<u>(3,270,899)</u>	<u>(3,524,360)</u>
NET CURRENT LIABILITIES		<u>(1,415,570)</u>	<u>(1,135,522)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,448,430</u>	<u>11,129,854</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(1,279,054)</u>	<u>(1,350,775)</u>
NET ASSETS BEFORE PENSION LIABILITY		<u>9,169,376</u>	<u>9,779,079</u>
PENSION SCHEME LIABILITY	12	<u>(557,000)</u>	<u>(530,000)</u>
NET ASSETS		<u><u>8,612,376</u></u>	<u><u>9,249,079</u></u>
FUNDS			
Unrestricted	9	7,234,222	7,853,828
Restricted	10	1,378,154	1,395,251
		<u>8,612,376</u>	<u>9,249,079</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 16 January 2016 and were signed below on its behalf by:


 General Sir Peter Wall GCB CBE
 Chairman


 Mr M L Hawkesworth
 Treasurer

Trustees

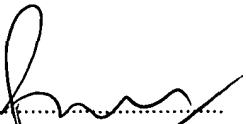
The accompanying notes form part of these financial statements.

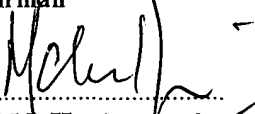
CHARITY BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible	4	8,857,956	9,212,100
Investments	5	2,748,863	2,824,600
Investment in subsidiary company		2	2
		<u>11,606,821</u>	<u>12,036,702</u>
CURRENT ASSETS			
Stocks		8,565	8,565
Debtors	6	1,776,008	1,755,069
Cash at bank and in hand		1,088	32,126
		<u>1,785,661</u>	<u>1,795,760</u>
CREDITORS: Amounts falling due within one year	7	<u>(3,586,426)</u>	<u>(3,237,660)</u>
NET CURRENT LIABILITIES		<u>(1,800,765)</u>	<u>(1,441,900)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,806,056</u>	<u>10,594,802</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(1,199,093)</u>	<u>(1,350,775)</u>
NET ASSETS		<u>8,606,963</u>	<u>9,244,027</u>
FUNDS			
Unrestricted		6,691,127	7,338,094
Restricted		1,915,836	1,905,933
		<u>8,606,963</u>	<u>9,244,027</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 16 January 2016 and were signed below on its behalf by:


 General Sir Peter Wall GCB CBE
 Chairman


 Mr M L Hawkesworth
 Treasurer

Trustees

The accompanying notes form part of these financial statements.

THE GORDON FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash inflow/(outflow) from operations	A	318,271	(956,001)
Returns on investments and servicing of finance			
Investment income received		93,870	102,220
Interest paid		(57,463)	(46,432)
Net cash inflow from returns on investments and servicing of finance		36,407	55,788
Capital expenditure			
Purchase of fixed assets		(182,371)	(1,282,698)
Net cash outflow from capital expenditure		(182,371)	(1,282,698)
Investing activities			
Purchase of investments		(559,040)	(351,036)
Sale of investments		449,502	507,728
Decrease in cash invested with investment managers		129,820	549,204
Net cash inflow from investing activities		20,282	705,896
Financing			
Loan repayments		(151,682)	(166,053)
New loan finance		103,653	-
Net cash outflow from financing		(48,029)	(166,053)
Increase/(decrease) in cash	B	144,560	(1,643,068)

THE GORDON FOUNDATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

A. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES		2015 £	2014 £		
Net outgoing resources before investment gains		(560,246)	(634,981)		
Depreciation		508,010	462,460		
Increase in stock		-	-		
Decrease/(increase) in debtors		483,621	(82,675)		
Decrease in creditors		(55,707)	(527,017)		
Investment income receivable		(93,870)	(102,220)		
Interest paid		57,463	46,432		
Loss on disposal of fixed assets		-	-		
FRS 17 pension adjustment		(21,000)	(118,000)		
		<u>318,271</u>	<u>(956,001)</u>		
Net cash inflow/(outflow) from operations					
B. ANALYSIS OF CHANGES IN NET DEBT		At 1 September 2014 £	Cashflows £	Other changes £	At 31 August 2015 £
Cash in hand and at bank including overdraft	(250,689)	144,560	-	(106,129)	
Debt due within 1 year	(151,683)	127,991	(151,683)	(175,375)	
Debt due after 1 year	(1,350,775)	(79,962)	151,683	(1,279,054)	
	<u>(1,502,458)</u>	<u>48,029</u>	<u>-</u>	<u>(1,454,429)</u>	
	<u>(1,753,147)</u>	<u>192,589</u>	<u>-</u>	<u>(1,560,558)</u>	

THE GORDON FOUNDATION
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2015

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" the Charities SORP 2005, with applicable accounting standards and the Companies Act 2006. The particular accounting policies adopted are described below:

a) Basis of Accounting

The financial statements have been prepared under the historical cost basis of accounting as modified by the revaluation of investments. The financial statements of the Group include the results and balances of the Foundation consolidated on a line by line basis with Gordon School Academy Trust and The Gordon Enterprises UK Limited.

The Gordon Foundation's result for the year was a loss of £637,064 (2014: £561,402). Exemption from presenting the unconsolidated statement of financial activities has been taken under section 408 of the Companies Act 2006.

b) 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.

c) Incoming Resources

All incoming resources are 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. For legacies, entitlement is the earlier of the group being notified of an impending distribution or the legacy being received.

d) Resources Expended:

Expenditure is accounted for on an accruals basis.

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

Charitable activity costs represent costs directly associated with the provision of education and related support costs. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the Group's Directors, 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.

e) Stocks

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

f) 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.

g) Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see Note 10).

h) Pension Costs

The school contributes to the Teacher's Pension Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. Contributions are charged to resources expended when they become payable.

The school also contributes to a defined contribution scheme for non-teaching staff. Contributions are charged to resources expended when they become payable.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1. INCOME FROM CHARGES				2015 £	2014 £
Gross income from charges				6,273,956	6,251,970
Less:					
Bursaries				(293,813)	(265,863)
Staff discounts				(27,248)	(40,704)
Sibling discounts				(43,629)	(74,735)
				<u>5,909,266</u>	<u>5,870,668</u>
2. RESOURCES EXPENDED				2015 Total £	2014 Total £
	Staff Costs £	Other £	Depreciation £		
Charitable activity:					
Staff costs	6,701,826	-	-	6,701,826	6,355,047
Teaching costs	-	556,198	-	556,198	485,409
Welfare costs	-	1,009,770	-	1,009,770	1,211,975
Premises costs	-	1,262,192	508,010	1,770,202	2,220,254
Support costs	-	861,159	-	861,159	1,084,137
Trading costs	-	8,440	-	8,440	2,098
	<u>6,701,826</u>	<u>3,697,759</u>	<u>508,010</u>	<u>10,907,595</u>	<u>11,358,920</u>
Governance costs	-	29,796	-	29,796	44,344
Finance costs	-	57,464	-	57,464	46,432
	<u>6,701,826</u>	<u>3,785,019</u>	<u>508,010</u>	<u>10,994,855</u>	<u>11,449,696</u>
Total resources expended includes:				2015 £	2014 £
Depreciation				508,010	462,460
Auditors remuneration: - Audit fees				<u>20,500</u>	<u>19,850</u>
3. STAFF COSTS				2015 £	2014 £
Wages and salaries				5,700,417	5,429,942
Social security costs				486,186	438,442
Other pension costs				515,223	486,663
				<u>6,701,826</u>	<u>6,355,047</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

3. STAFF COSTS (continued)

	2015 No	2014 No
The average number of employees in the year was:		
Teachers	57	55
Administration (including academic support & maintenance)	148	150
	<u>205</u>	<u>205</u>

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

£60,001 to £70,000	2	-
£70,001 to £80,000	2	2
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
£120,001 to £130,000	1	1
	<u>6</u>	<u>4</u>

No Trustees received any remuneration or benefits-in-kind during the year (2014: £nil). Four Trustees received reimbursement of expenses in respect of travel and subsistence during the year totalling £1,029 (2014: Three Trustees received reimbursement of expenses totalling £2,250).

Pension contributions of £56,783 (2014: £40,327) were made to personal pension plans in respect of higher paid staff during the year.

4. FIXED ASSETS – GROUP AND CHARITY

	Freehold Land & Buildings £	Machinery & Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total Charity £	Academy Trust £	Total Group £
COST							
At 31 August 2014	12,229,358	742,919	646,386	47,995	13,666,658	275,090	13,941,748
Additions	56,711	32,838	2,130	-	91,679	90,692	182,371
At 31 August 2015	12,286,069	775,757	648,516	47,995	13,758,337	365,782	14,124,119
DEPRECIATION							
At 31 August 2014	3,354,789	471,343	607,793	20,633	4,454,558	46,414	4,500,972
Charge for the year	408,248	37,575	-	-	445,823	62,187	508,010
At 31 August 2015	3,763,037	508,918	607,793	20,633	4,900,381	108,601	5,008,982
NET BOOK VALUE							
At 31 August 2015	8,523,032	266,839	40,723	27,362	8,857,956	257,181	9,115,137
At 31 August 2014	8,874,569	271,576	38,593	27,362	9,212,100	228,676	9,440,776

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

5. FIXED ASSETS INVESTMENTS – GROUP AND CHARITY	Total £
Balance at 31 August 2014	2,352,498
Additions	559,040
Disposals at opening market value	(632,094)
Unrealised gain during the year	127,136
Balance at 31 August 2015	<u>2,406,580</u>
Cash deposits	342,283
Balance at 31 August 2015	<u>2,748,863</u>

The cost of listed investments was £2,032,459 (2014: £1,858,990)

There were no individual investments which constituted more than 5% of the investment portfolio.

The Foundation holds 100% of the share capital of The Gordon Enterprises UK Limited, whose principal activities are letting the buildings and grounds of the Gordon's School and selling memorabilia. This investment is held at nil value in the financial statements. A summary of the balance sheet and profit and loss account from the audited financial statements is set out below:

	2015 £	2014 £
Turnover	34,279	30,753
Admin costs	(4,271)	(1,114)
Net profit before donation	<u>30,008</u>	<u>29,639</u>
Donation to The Gordon Foundation	(30,008)	(29,639)
Profit and loss account	<u>-</u>	<u>-</u>
Net assets represented by share capital	<u>2</u>	<u>2</u>

6. DEBTORS	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Fee debtors	1,711,642	1,682,366	1,711,642	1,682,366
Sundry debtors	61,606	213,068	48,397	40,912
Prepayments	5,541	7,328	2,242	2,152
Taxation and social security	62,124	421,775	-	-
Amounts owing from subsidiary	-	-	13,727	29,639
	<u>1,840,913</u>	<u>2,324,537</u>	<u>1,776,008</u>	<u>1,755,069</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

7. CREDITORS: amounts falling due within one year	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Loans and overdraft	287,354	458,109	231,577	151,683
Trade creditors	532,904	480,653	353,684	273,081
Fees in advance and pupil deposits	2,083,590	2,161,781	2,083,590	2,161,781
Taxation and social security	132,835	186,226	44,754	36,993
Other creditors	157,538	38,212	11,581	38,212
Amount owing to subsidiary	-	-	835,863	530,000
Accruals	76,678	199,379	25,377	45,910
	3,270,899	3,524,360	3,586,426	3,237,660
8. CREDITORS: amounts falling due after more than one year	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Bank loans	1,199,093	1,350,775	1,199,093	1,350,775
Other loans	79,961	-	-	-
	1,279,054	1,350,775	1,199,093	1,350,775
Analysis of loans:				
Between one and two years	175,375	151,683	151,683	151,683
Between two and five years	511,317	455,048	455,048	455,048
After five years	592,362	744,044	592,362	744,044
	1,279,054	1,350,775	1,199,093	1,350,775
Due within one year	175,375	151,683	151,683	151,683
	1,454,429	1,502,458	1,350,776	1,502,458

The loan and overdraft are secured by a legal first charge over freehold land and buildings.

The Foundation has two long term loans. One loan accrues interest at a fixed rate of 5.6%. The other loan attracts a variable interest rate which is dependent upon the LIBOR and is reset quarterly. Both loans are being repaid in annual instalments in the year to January 2024.

The Academy has an interest free Salix Loan from by the EFA which is for 5 years, the last payment due in September 2019. This loan funded improvements to heating systems with the savings generated being sufficient to fund the loan repayments.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

9. UNRESTRICTED FUNDS	Balance 1 September 2014 £	Incoming resources £	Resources expended £	Investment Gains/losses £	Transfers £	Balance 31 August 2015 £
Eyre Fund	56,432	-	(1,547)	-	-	54,885
General	7,797,396	6,311,341	(6,364,971)	(46,551)	(517,878)	7,179,337
	<u>7,853,828</u>	<u>6,311,341</u>	<u>(6,366,518)</u>	<u>(46,551)</u>	<u>(517,878)</u>	<u>7,234,222</u>
10. RESTRICTED FUNDS						
Gordon Foundation	375,774	11,587	-	(8,906)		378,455
Special fund						
Stepping Forward						
Appeal	300,686	-	-	-	-	300,686
Bursaries	-	7,222	-	-	-	7,222
DfCSF Funds	1,248,791	4,104,459	(4,622,337)	-	517,878	1,248,791
Pension reserve	(530,000)	-	(6,000)	(21,000)	-	(557,000)
	<u>1,395,251</u>	<u>4,123,268</u>	<u>(4,628,337)</u>	<u>(29,906)</u>	<u>517,878</u>	<u>1,378,154</u>

The Gordon Foundation Special Fund represents the balance of assets transferred by several connected charities on 1 April 1996. Income accruing to the Gordon Foundation Special Fund is transferred to the general reserve.

The Stepping Forward Appeal fund records the income and expenditure relating to an appeal to enhance performing arts facilities at Gordon's School.

The DfCSF fund records income, mostly grant income from the Department for Education (previously the Department for Children, Schools and Families), for the purpose of funding building projects, both capital and revenue, on the estate at West End, and to fund Academy operations.

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

The bursaries fund comprises money raised and then spent on means tested bursaries.

11. ALLOCATION OF THE GROUP NET ASSETS

	Investments £	Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	Total £
Restricted	242,508	1,692,646	-	(557,000)	1,378,154
Unrestricted	2,506,355	7,422,491	(1,415,570)	(1,279,054)	7,234,222
	<u>2,748,863</u>	<u>9,115,137</u>	<u>(1,415,570)</u>	<u>(1,836,054)</u>	<u>8,612,376</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

12. PENSION AND SIMILAR OBLIGATIONS

The Academy'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 cost for the LGPS is assessed in accordance with advice of independent qualified actuaries, Hymans Robertson LLP. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

No contributions were payable to the schemes at 31 August 2015.

Teachers' Pension Scheme Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2015 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

12. PENSION AND SIMILAR OBLIGATIONS (continued)

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2015-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative's bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2015. Communications have being rolled out and the reformatted scheme commenced on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £130,000, of which employer's contributions totalled £109,000 and employee's contributions totalled £21,000. The agreed contribution rates for future years are 31.7 per cent for employers and between 5.5 and 6.8 per cent for employees.

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year.

	At 31 August 2015	At 31 August 2014
Principal Actuarial Assumption		
Pension increase rate	2.6%	2.6%
Salary increase rate	4.0%	3.9%
Expected return on assets	3.7%	5.7%
Discount rate	3.7%	3.7%

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

12. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males		
Females	22.5	22.5
	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24.5	24.5
Females	26.9	26.9

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return At 31 August 2015 %	Fair value At 31 August 2015 £'000	Expected return At 31 August 2014 %	Fair value At 31 August 2014 £'000
Equities	3.7%	453	6.3%	371
Bonds	3.7%	104	3.2%	82
Property	3.7%	43	4.5%	24
Cash	3.7%	12	3.3%	5
Total market value of assets		612		482
Present value of scheme liabilities				
- Funded		(1,169)		(1,012)
Deficit in the scheme		(557)		(530)

The actual return on scheme assets was £16,000 (2014: £42,000).

Amounts recognised in the Statement of Financial Activities	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	106	76
Total operating charge	106	76
Analysis of pension finance income		
Expected return on pension scheme assets	(30)	(19)
Interest on pension liabilities	39	34
Pension finance income	9	15

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

12. PENSION AND SIMILAR OBLIGATIONS (continued)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £116,000 loss.

Movements in the present value of defined benefit obligations were as follows	2015 £'000	2014 £'000
Opening Defined Benefit Obligation	1,012	685
Current service cost	106	76
Interest cost	39	34
Employee contributions	21	17
Actuarial loss	8	201
Estimated Benefits Paid	(17)	(1)
At 31 August 2015	1,169	1,012
Movements in the fair value of academy's share of scheme assets		
Opening Fair Value of Employer Assets	482	273
Expected return on assets	30	19
Actuarial gain	(13)	85
Employer contributions	109	89
Employee contributions	21	17
Estimated Benefits Paid	(17)	(1)
At 31 August 2015	612	482

The estimated value of employer contributions for the year ending 31 August 2015 is £109,000.

The five-year history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000
Present value of defined benefit obligations	(1,169)	(1,012)	(685)
Fair value of share of scheme assets	612	482	273
Deficit in the scheme	(557)	(530)	(412)

	2015 £'000	2014 £'000	2013 £'000
Experience adjustments on share of scheme assets			
Amount	(13)	(85)	-
Experience adjustments on scheme liabilities			
Amount	1	85	-