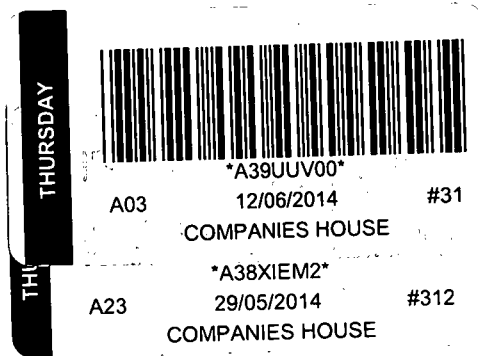


THE GORDON FOUNDATION

**ANNUAL REPORT
AND
ACCOUNTS**

FOR THE PERIOD ENDED

31 AUGUST 2013



Company Number 27272
Charity Number 312092

haysmacintyre
Chartered Accountants
Registered Auditors
London

THE GORDON FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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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

Lady Pearce ^

Mr M L Hawkesworth * #

Lord Lingfield

Mr N D Brown BA FCA +

Mrs M G Clarke MCIPD

Mrs P M Clark * # ^

Mr C R Delacombe FCIS APMI MIMgmt ++

Ms J W Gordon

Mrs S Gruselle

Captain G M A James RN

Mr W Kenrick BSc CEng MICE * # +

Air Marshal I D Macfadyen CB OBE

Mr M More-Molyneux DL

Mr R W Newman CertEd DMS

Lieutenant Colonel Sir John Smiley Bt

Brigadier D H A Swinburn CBE MA FCMI FCIPD DL #

Mr P D Talbot * # +

Mr J A Wilbourn LGSM FIoD ^

Mr R Whittington FCA * #

Mr P F Wynter Bee TD *

Chairman

Resigned October 2013

Treasurer

Deceased February 2013

Resigned July 2012

Resigned July 2013

Appointed January 2013

Head Teacher

Mr A Moss MEd

Company Secretary:

Colonel T R Bradwell OBE BSc (Eng)

Mrs S M Meikle BA

Retired August 2012

Appointed August 2012

Committee Membership

Member of the Foundation Management Committee = *

Member of the Joint Finance & General Purposes Committee = #

Member of the Investment Panel = +

Member of the Awards Panel = ^

CLERK TO THE GOVERNORS AND COMPANY SECRETARY

Mrs S M Meikle BA

HEADMASTER

Mr A Moss MEd

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
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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 32092).

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. The Foundation Committee has a number of sub-committees that report to it, namely the Foundation Management Committee and, jointly with the Governors of Gordon's School, the Joint Finance and General Purposes Committee which both meet termly. Also the Investment Panel and the Awards Panel which both meet twice yearly as well as ad-hoc committees convened when required. The introduction of a Nominations Committee has been approved.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are invited to Gordon's School prior to their appointment to meet with the Foundation Secretary, Head Teacher and two Trustees. Once appointed they 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 before at least one Meeting each year.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (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 about 750 day boarding and residential boarding pupils aged 11–18 years. The school changed from voluntary Aided to Academy status on 1 January 2013. Funding from Surrey County Council, and now 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 fees, The Gordon Foundation is able to provide bursaries on a means-tested basis.

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:

Gain Academy status for Gordon's School whilst maintaining its distinct boarding structure	Gordon's School converted to Academy status on 1 January 2013
Appoint a Development Director who would focus on 'fundraising' and then fundraising for bursaries and capital projects	Mrs Annie Hughes was appointed and started as Development Director in September 2013
Appoint a new Bursar in succession to Colonel Bradwell who retired in August 2012 after 14 years' loyal and distinguished service to Gordon's	Mrs Susan Meikle joined Gordon's in August 2012 as Bursar and Foundation Secretary
Continue the provision of a first class boarding environment through high standards of pastoral care within appropriate accommodation	In February 2013 Ofsted's triennial boarding inspection again rated Gordon's Outstanding in all categories with no recommendations for improvement
Be alert to and take advantage of opportunities to promote the Gordon ethos at home and overseas in support of educating disadvantaged children	New partnerships with a number of charitable trusts have been developed in support of specific Gordon's pupils, for which Trustees are most grateful. These include the Royal British Legion Women's Section and Buttle Trust. Gordon's continues to be grateful for the support of The Worshipful Company of Girdlers and their encouragement to allocate their donation to a specific 6 th form residential boarder. Discussions have started around partnership working with SpringBoard and with The Royal National Children's Foundation.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

OBJECT AND OBJECTIVES (continued)

Review the operation of Support Services to Gordon's with the purpose of ensuring that all teams provided appropriate and professional support to the school.	This was completed during the year; a number of significant changes were made including taking management of catering services in-house and out-sourcing grounds management.
Increase financial support to pupils at Gordon's School	Expenditure on bursary awards increased from £212.3k in 2012 to £323.0k in 2013.
Continue to provide, enhance and improve extra-curricular activities for Gordon's pupils.	The range of activities has increased and now includes a thriving gardening club, an increasing number of sports fixtures and Public Speaking for 6 th Form students.

The Trustees have agreed the main focus for 2013/14 will be to set the strategy, known as 'The Plan for Gordon's', which will include developing the West End site and ensuring opportunities for residential boarding are maximised. Supporting and improving changes to educational practice and extracurricular activities is always a priority along with continually strengthening the governance and risk management of the charity.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Plan for Gordon's

Following extensive discussions during this period and the previous year, regarding the feasibility of developing a 'family' of Gordon's Schools, Trustees decided to commission an independent consultant to explore possible opportunities within the current Government's Free Schools Programme. Mayforth Consultants were selected, based on their experience and strategy. They presented their final report to Trustees at an extraordinary meeting in November 2013 when it was agreed that Gordon's should explore possible partnerships with Surrey and/or Hampshire County Councils. The objective would be to establish a new non-selective state boarding school based on the Gordon's model with both day and residential boarding, in an area where Gordon's could make a difference for young people's opportunities and which could support boarding.

Capital Developments at West End

The Master Plan for developing the site at West End required a review and update, which was carried out following the appointment of architects Miller Bourne. Discussions have been held with both planning and planning policy officers for Surrey Heath with a view to having the Master Plan incorporated within the Local Plan. Subject to planning and obtaining funding, the projects which would benefit the school most were agreed to be a new Sports Hall and a Humanities Block to replace outdated temporary buildings. Meanwhile, plans for the Bordein site (former Bursar's house) to provide a new girls' Day House are being developed.

Capital works during the period included an extension to the English department, creation of an outdoor theatre space by the Chapel, refurbishment of the dining hall servery and dishwasher, conversion of the CCF office and store to a classroom and seminar room. Projects for completion during autumn 2013 include an extension to the Windsor Lodge girls' boarding, a new sports pavilion and new grounds depot.

Trustees were most grateful for the grants obtained by the school from the EFA for re-roofing the Chapel, technology and kitchens and a second grant for refurbishing the music school/band room, summer 2013.

Development Office

With the appointment of a new Development Director from September 2012, there has been a proper and successful focus on working with the Gordonians (former pupils' association), and seeking appropriate partnerships to help develop the effectiveness of The Gordon Foundation. A Development Assistant has also been appointed as this office takes responsibility for the school's new website, communications and marketing.

Academic Results for the School

For 2013 Gordon's continued to be in The Daily Telegraph Top 100 non-selective state schools in England and 5th in Surrey although results at A2 and AS were more modest than the previous year. At GCSE performance was generally strong. The number of 6th formers obtaining places at Russell Group or 1994 Group universities remains high and considerably above national average. Detailed below is a table of the results of pupils at KS4 and KS5.

Pupil Activities

Staff and pupils continue to commit considerable time to the wider educational experience offered out of the classroom at Gordon's School and which the Foundation is proud to support.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

Gordon's offers a comprehensive programme of extracurricular activities through the Period 7 programme, as well as the Duke of Edinburgh Award Scheme, CCF, music, drama and sports. Gordon's pupils achieved 7 Gold, 40 Silver and 52 Bronze Duke of Edinburgh Scheme Awards during the year and expeditions during the summer holidays extended from Ecuador to Norway and to Nepal.

Over 120 pupils were enrolled between the three sections of the CCF; Army, Navy and RAF. The Biennial Inspection was carried out in May when feedback was positive and over 40 cadets took part in the Army Summer Camp in Cornwall.

The Gordon's Pipes and Drums had a busy year and, in addition to School Parades represented the school at public events. This included playing with the Band of the Royal Logistical Corps when Gordon's hosted Beating the Retreat in support of the Army Benevolent Fund. In Music, the Showcase Choir reached the finals of the Surrey Show Choir competition, a successful Jazz Ensemble was started and, in conjunction with the Drama department, two highly successful performances of 'Grease' took place in March. The range of inter-House competitions has been extensive including sports, music and drama as well as the competitive Drill Competition.

Over 500 competitive fixtures were played across 12 sports and 100 colours were awarded to pupils

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

During the year, the Foundation changed its year end to match with Gordon's school conversion to an Academy. Academies are required to prepare annual accounts for each academic year ending 31 August. The Foundation's previous year end was 31 March. In order to complete this change, year end accounts for 17 months were required for this financial year. This should be noted when looking at the results, comparing to previous years (which are for a 12 month periods) and comparing to the Academy (which are for a 8 month period).

The funding for the Foundation is through Boarding fees and investments. Gordon's continues to be an oversubscribed school operating to maximum capacity with a full waiting list. The fee income received by the Foundation was £7,270,179 for the 17 month period (March 2012: £5,040,234).

Investments performed strongly over the period due to a forward-looking investment strategy further helped by the improving economic backdrop in the recent months. The investment portfolio has increased by £453,013 to £3,338,153 over the 17 month period (March 2012: £2,885,140).

Overall, there was a decrease in cash of £326,164 over the period (March 2012: £506,869 increase). This was mainly due to the spend on the continued investment plan in the school along with additional donations to support the school's activities.

Over the 17 month period the Foundation has invested heavily in the future of Gordon's school by improving the estate including a complete refit of the dining facilities, an extension to the English Block, improvements and extensions to Boarding and staff houses, installation of a sports pavilion and improvements to the grounds. This alongside an extensive maintenance programme has increased the spend over the 17 months. Included in the accounts is two years' worth of summer works.

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. During the year there was a additional deficit on the scheme of £23,000 giving a £412,000 deficit at the end of August 13. The Foundation has supported the Academy in this deficit by increasing the donation for the year. Further information on the Pension scheme is given in note 12.

RESERVES

The total figure for Unrestricted Reserves as at 31 August 2013 was £8,341,555. Of this figure, £7,483,061 was represented by the Foundation's property and other tangible fixed assets. It is the Foundation Committee's policy to maintain sufficient reserves for the prudent support of the charity's activities and for the future modernisation and development of Gordon's School.

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

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 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. And interest rates.

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.

DISCLOSURE OF INFORMATION TO THE AUDITORS

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

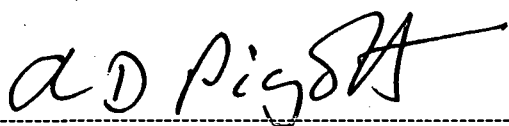
- So far as that Director was aware there was no relevant available information of which the Group's auditors were unaware; and
- That Director had taken all the steps that the Director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish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

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.

Signed on behalf of the Trustees



Chairman: Lieutenant General Sir Anthony Piggott KCB CBE MA

Dated: 18 January 2014

THE GORDON FOUNDATION

REPORT OF THE FOUNDATION TRUSTEES (continued)

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 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 period. 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.

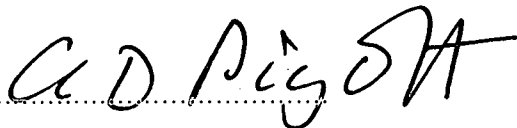
So far as each of the trustees is aware at the time the report is approved:

- 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.

AUDITORS

haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Approved by the Trustees of The Gordon Foundation on 18 January 2014 and signed on its behalf by:



Chairman

Lieutenant General Sir Anthony Pigott

KCB CBE MA

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

We have audited the financial statements of The Gordon Foundation for the period ended 31 August 2013 which comprises 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's and group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Foundation Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

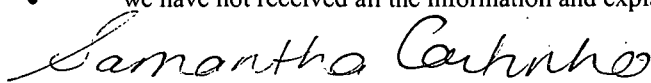
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Foundation Trustees for the financial period 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.


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

26 Red Lion Square
London WC1R 4AG

...13/1/2014.....

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 PERIOD ENDED 31 AUGUST 2013

Income and Expenditure Account		Unrestricted Funds £	Other Restricted Funds £	Foundation Special Fund £	Total 2013 £	Total 2012 £
	Note					
Incoming Resources						
<i>Income from charitable activity:</i>						
Fee income	2	7,270,179	-	-	7,270,179	5,040,234
Funding for the Academy's educational operations		-	2,994,505	-	2,994,505	-
Voluntary aided School contributions		689,336	-	-	689,336	457,263
<i>Income from generated funds:</i>						
Donations		1,680	-	45,807	47,487	24,343
Trading income		43,503	-	-	43,503	25,017
Other income		385,275	168,555	-	553,830	692,431
Investment income		131,939	-	18,932	150,871	99,269
Total Incoming Resources		8,521,912	3,163,060	64,739	11,749,711	6,338,557
Resources Expended						
<i>Charitable activity:</i>						
Staff costs		3,425,543	2,131,101	-	5,556,644	2,017,041
Support to Gordon's Voluntary Aided School		974,129	-	-	974,129	1,079,274
Teaching costs		30,343	260,561	-	290,904	-
Welfare costs		1,492,101	-	-	1,492,101	1,027,010
Premises costs		2,410,852	597,657	-	3,008,509	1,372,468
Support costs		1,004,885	(5,000)	-	999,885	186,437
Trading costs		3,211	-	-	3,211	3,511
Transfer from local authority on conversion – Pension Deficit		-	389,000	-	389,000	-
<i>Governance costs</i>		23,434	5,000	-	28,434	16,444
<i>Finance costs</i>		98,571	186	-	98,757	73,126
Total Resources Expended	1	9,463,069	3,378,505	-	12,841,574	5,775,311
Net (outgoing) / incoming resources before transfers		(941,157)	(215,445)	64,739	(1,091,863)	563,246
Transfers between funds	1	-	-	-	-	-
Net (outgoing) / incoming resources for the year before investment gains		(941,157)	(215,445)	64,739	(1,091,863)	563,246
Gains on investments:						
- Realised		52,153	-	4,975	57,128	16,337
- Unrealised		237,424	-	24,623	262,047	3,616
Actuarial losses on defined benefit pension schemes		-	(28,000)	-	(28,000)	-
Net (outgoing)/incoming resources for the year		(651,580)	(243,445)	94,337	(800,688)	583,199
Fund balances brought forward		8,993,135	1,380,922	236,346	10,610,403	10,027,204
Fund balances carried forward		£8,341,555	£1,137,477	£330,683	£9,809,715	£10,610,403

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 2013

	Notes	£	2013 £	£	2012 £	£
FIXED ASSETS						
Tangible	4		8,620,538		8,048,562	
Investments	5		3,338,153		2,885,140	
			<u>11,958,691</u>		<u>10,933,702</u>	
CURRENT ASSETS						
Stocks		8,565		8,555		
Debtors	6	2,241,859		192,745		
Cash at bank and in hand		1,392,379		1,718,543		
		<u>3,642,803</u>		<u>1,919,843</u>		
CREDITORS: Amounts falling due within one year	7	(3,862,951)		(572,731)		
NET CURRENT (LIABILITIES)/ASSETS			<u>(220,148)</u>		<u>1,347,112</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,738,543</u>		<u>12,280,814</u>	
CREDITORS: Amounts falling due after more than one year	8		<u>(1,516,828)</u>		<u>(1,670,411)</u>	
NET ASSETS BEFORE PENSION LIABILITY			<u>10,221,715</u>		<u>10,610,403</u>	
PENSION SCHEME LIABILITY	12		<u>(412,000)</u>		<u>-</u>	
NET ASSETS			<u><u>£9,809,715</u></u>		<u><u>£10,610,403</u></u>	
FUNDS						
Unrestricted	10		8,341,555		8,993,135	
Restricted	11		1,468,160		1,617,268	
			<u><u>£9,809,715</u></u>		<u><u>£10,610,403</u></u>	

The financial statements were approved and authorised for issue by the Board of Trustees on 18 January 2014 and were signed below on its behalf by:

A D Pigott

Chairman

M L Hawkesworth

Treasurer

Lieutenant General Sir Anthony Pigott

KCB CBE MA

) Directors

Mr M L Hawkesworth

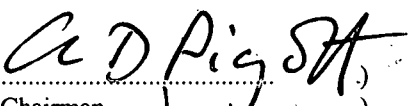
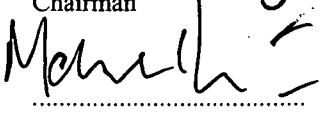
The accompanying notes form part of these financial statements.

CHARITY BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible	4		8,570,370		8,048,562
Investments	5		3,338,153		2,885,140
Investment in subsidiary company			2		2
			<u>11,908,525</u>		<u>10,933,704</u>
CURRENT ASSETS					
Stocks		8,565		8,555	
Debtors	6	1,850,444		207,126	
Cash at bank and in hand		1,053,477		1,700,860	
		<u>2,912,486</u>		<u>1,916,541</u>	
CREDITORS: Amounts falling due within one year	7	(3,498,755)		(569,431)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(586,269)</u>		<u>1,347,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,322,256		12,280,814
CREDITORS: Amounts falling due after more than one year	8		(1,516,828)		(1,670,411)
NET ASSETS			<u>£9,805,428</u>		<u>£10,610,403</u>
FUNDS					
Unrestricted			7,944,586		8,993,135
Restricted			1,860,842		1,617,268
			<u>£9,805,428</u>		<u>£10,610,403</u>

The financial statements were approved and authorised for issue by the Board of Directors on 18 January 2014 and were signed below on its behalf by:

	Lieutenant General Sir Anthony Pigott
Chairman	KCB CBE MA
	Mr M L Hawkesworth
Treasurer	

The accompanying notes form part of these financial statements.

THE GORDON FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

		2013		2012	
	Note	£	£	£	£
Net cash inflow from operations	A		1,055,601		1,121,161
Returns on investments and servicing of finance					
Investment income received		150,871		99,367	
Interest paid		(98,757)		(72,110)	
Net cash inflow from returns on investments and servicing of finance			52,114		27,257
Capital expenditure					
Purchase of fixed assets		(1,181,760)		(403,314)	
Proceeds from disposal of fixed assets		33,400		-	
Net cash outflow from capital expenditure			(1,148,360)		(403,314)
Investing activities					
Purchase of investments		(674,182)		(543,449)	
Sale of investments		663,207		579,796	
Increase in cash invested with investment managers		(122,861)		(122,899)	
Net cash outflow from investing activities			(133,836)		(86,552)
Financing					
Loan repayments		(151,683)		(151,683)	
Net cash outflow from financing			(151,683)		(151,683)
(Decrease)/increase in cash	B		£(326,164)		£506,869

THE GORDON FOUNDATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

A. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES		2013 £	2012 £
Net (outgoing)/incoming resources before investment gains		(1,091,863)	563,246
Depreciation		586,806	450,842
(Increase)/decrease in stock		(10)	192
(Increase)/decrease in debtors		(2,049,114)	49,581
Increase in creditors		3,700,319	84,557
Investment income receivable		(150,871)	(99,367)
Interest paid		98,757	72,110
Loss on disposal of fixed assets		(10,423)	-
FRS 17 pension adjustment		(28,000)	-
Net cash inflow from operations		<u>£1,055,601</u>	<u>£1,121,161</u>

B. ANALYSIS OF CHANGES IN NET DEBT		At 1 April 2012 £	Cashflows £	Other changes £	At 31 August 2013 £
Cash in hand and at bank		<u>1,718,543</u>	<u>(326,164)</u>	<u>-</u>	<u>1,392,379</u>
Debt due within 1 year		(151,683)	151,683	(151,683)	(151,683)
Debt due after 1 year		<u>(1,668,511)</u>	<u>-</u>	<u>151,683</u>	<u>(1,516,828)</u>
		(1,820,194)	151,683	-	(1,668,511)
		<u>£(101,651)</u>	<u>£(174,481)</u>	<u>£ -</u>	<u>£(276,132)</u>

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES

FOR THE PERIOD ENDED 31 AUGUST 2013

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 School consolidated on a line by line basis with Gordon School Academy Trust and The Gordon Enterprises UK Limited.

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 State 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 School'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 School'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.

THE GORDON FOUNDATION

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

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 PERIOD ENDED 31 AUGUST 2013

1. RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	2013 Total £	2012 Total £
Charitable activity:					
Staff costs	5,556,644	-	-	5,556,644	2,017,041
Support to Gordon's Voluntary Aided School	-	974,129	-	974,129	1,079,274
Teaching costs	-	290,904	-	290,904	-
Transfer pension deficit	-	389,000	-	389,000	-
Welfare costs	-	1,492,101	-	1,492,101	1,027,010
Premises costs	-	2,421,703	586,806	3,008,509	1,372,468
Support costs	-	999,885	-	999,885	186,437
Trading costs	-	3,211	-	3,211	3,511
	<u>5,556,644</u>	<u>6,570,933</u>	<u>586,806</u>	<u>12,714,383</u>	<u>5,685,741</u>
Governance costs	-	28,434	-	28,434	16,444
Finance costs	-	98,757	-	98,757	73,126
	<u>£5,556,644</u>	<u>£6,698,124</u>	<u>£586,806</u>	<u>£12,841,574</u>	<u>£5,775,311</u>

Total resources expended includes:

	2013 £	2012 £
Depreciation	586,806	450,842
Auditors remuneration: - Audit fees	<u>19,260</u>	<u>14,400</u>

2. FEE INCOME

	2013 £	2012 £
Gross fees	7,790,877	5,422,688
Less:		
Bursaries	(323,039)	(212,263)
Staff discounts	(68,212)	(57,058)
Sibling discounts	(129,447)	(111,672)
Sixth form awards	-	(1,461)
	<u>£7,270,179</u>	<u>£5,040,234</u>

3. STAFF COSTS

	2013 £	2012 £
Wages and salaries	4,757,843	1,786,883
Social security costs	402,277	150,854
Other pension costs	396,524	79,304
	<u>£5,556,644</u>	<u>£2,017,041</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

3. STAFF COSTS (continued)

	2013 No.	2012 No.
The average number of employees in the year was:		
Teachers	55	-
Administration (including academic support & maintenance)	108	58
	<u>163</u>	<u>58</u>

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

£60,001 to £70,000	2	-
£70,001 to £80,000	1	-
£80,001 to £90,000	1	1
£100,001 to £110,000	1	-
	<u>5</u>	<u>1</u>

No trustees received any remuneration or benefits-in-kind during the period (2012: £nil). 3 Trustees received reimbursement of expenses in respect of travel and subsistence during the period totalling £2,812 (2012: Three trustees received reimbursement of expenses totalling £699).

Pension contributions of £7,662 (2012: £8,294) 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 1 April 2012	10,375,731	463,688	646,386	49,301	11,535,106	-	11,535,106
Additions	1,038,662	36,420	-	56,510	1,131,592	50,168	1,181,760
Disposals	-	-	-	(57,816)	(57,816)	-	(57,816)
At 31 August 2013	<u>11,414,393</u>	<u>500,108</u>	<u>646,386</u>	<u>47,995</u>	<u>12,608,882</u>	<u>50,168</u>	<u>12,659,050</u>
DEPRECIATION							
At 1 April 2012	2,415,454	459,668	562,121	49,301	3,486,544	-	3,486,544
Charge for the year	533,129	1,835	45,672	6,170	586,806	-	586,806
Released on disposal	-	-	-	(34,838)	(34,838)	-	(34,838)
At 31 August 2013	<u>2,948,583</u>	<u>461,503</u>	<u>607,793</u>	<u>20,633</u>	<u>(4,038,512)</u>	<u>-</u>	<u>(4,038,512)</u>
NET BOOK VALUE							
At 31 August 2013	<u>£8,465,810</u>	<u>£38,605</u>	<u>£38,593</u>	<u>£27,362</u>	<u>£8,570,370</u>	<u>£50,168</u>	<u>£8,620,538</u>
At 1 April 2012	<u>£7,960,277</u>	<u>£4,020</u>	<u>£84,265</u>	<u>£-</u>	<u>£8,048,562</u>	<u>£-</u>	<u>£8,048,562</u>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

5. FIXED ASSETS INVESTMENTS – GROUP AND CHARITY

	Total £
Balance at 1 April 2012	1,986,698
Additions	674,182
Disposals at opening market value	(606,080)
Unrealised gain during the year	262,047
	<hr/>
Balance at 31 August 2013	£2,316,847
	<hr/>
Cash deposits	1,021,306
	<hr/>
Balance at 31 August 2013	£3,338,153
	<hr/>

The cost of listed investments was £1,896,012 (2012: £1,779,330)

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 School and also sells 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:

	31 August 2013 £	31 March 2012 £
Turnover	40,422	21,121
Admin costs	(4,273)	(3,745)
	<hr/>	<hr/>
Net profit before donation under Gift Aid	36,149	17,376
Donation under Gift Aid to Governors of The Gordon Foundation	(36,149)	(17,376)
	<hr/>	<hr/>
Profit and loss account	-	-
	<hr/>	<hr/>
Net assets represented by share capital	£2	£2
	<hr/>	<hr/>

6. DEBTORS

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Fee debtors	1,761,875	145,285	1,761,875	145,285
Sundry debtors	257,937	17,995	1,687	15,000
Prepayments	51,724	29,465	50,733	29,465
Taxation and social security	170,322	-	-	-
Amounts owing from subsidiary	-	-	36,149	17,376
	<hr/>	<hr/>	<hr/>	<hr/>
	£2,241,859	£192,745	£1,850,444	£207,126
	<hr/>	<hr/>	<hr/>	<hr/>

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

7. CREDITORS: amounts falling due within one year	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Bank loans	151,683	151,683	151,683	151,683
Trade creditors	814,780	82,398	284,081	82,398
Fees in advance and pupil deposits	2,107,298	-	2,107,298	-
Taxation and social security	188,164	-	37,056	-
Other creditors	53,275	25,588	50,406	25,588
Accruals	547,751	313,062	305,423	309,762
	<u>£3,862,951</u>	<u>£572,731</u>	<u>£3,086,755</u>	<u>£569,431</u>
8. CREDITORS: amounts falling due after more than one year			Group and Charity 2013 £	2012 £
Bank loans			1,516,828	1,668,511
Other creditors			-	1,900
			<u>£1,516,828</u>	<u>£1,670,411</u>
Analysis of bank loans:				
Between one and two years			151,683	151,683
Between two and five years			455,048	455,048
After five years			910,097	1,061,780
			<u>1,516,828</u>	<u>1,668,511</u>
Due within one year			151,683	151,683
			<u>£1,668,511</u>	<u>£1,820,194</u>

The loan and overdraft are secured by a legal first charge over freehold land and buildings which have a book value of £7,960,277. The loan is 22% of the book value of security.

The Foundation has two long term loans of £758,414 each. 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. The latest interest rate is 1.20856% as at 31 July 2013 per annum being the aggregate of GBP LIBOR for the specified period plus margin of 0.7%. Both loans are being repaid in annual instalments in the period to January 2024.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

9. UNRESTRICTED FUNDS	Balance 1 April 2012 £	Incoming resources £	Resources expended £	Investment Gains/losses £	Transfers £	Balance 31 August 2013 £
Eyre Fund	56,432	-	-	-	-	56,432
General	8,936,703	8,521,912	(9,463,069)	289,577	-	8,285,123
	<u>£8,993,135</u>	<u>£8,521,912</u>	<u>£(9,463,069)</u>	<u>£289,577</u>	<u>-</u>	<u>£8,341,555</u>
10. RESTRICTED FUNDS						
Gordon Foundation	236,346	64,739	-	29,598	-	330,683
Special fund						
Stepping Forward	300,686	-	-	-	-	300,686
Appeal						
DfCSF Funds	1,080,236	3,163,060	(2,994,505)	-	-	1,248,791
Pension reserve	-	-	(384,000)	(28,000)	-	(412,000)
	<u>£1,617,268</u>	<u>£3,227,799</u>	<u>£(3,378,505)</u>	<u>£1,598</u>	<u>£ -</u>	<u>£1,468,160</u>

The Gordon Foundation Special Fund represents the balance of assets transferred by four 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.

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

The Gordon Foundation's result for the year was a surplus of £583,199 (2011 £536,941). Exemption from presenting the unconsolidated statement of financial activities has been taken under section 408 of the Companies Act 2006.

11. ALLOCATION OF THE GROUP NET ASSETS

	Investments £	Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	Total £
Restricted	330,683	1,137,477	-	(412,000)	1,468,160
Unrestricted	3,007,470	7,483,061	(220,148)	(1,516,828)	8,341,555
	<u>£3,338,153</u>	<u>£8,620,538</u>	<u>£(220,148)</u>	<u>£(1,928,828)</u>	<u>£9,809,715</u>

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 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 2013.

Teachers' Pension Scheme Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers, and from 1 January 200, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

12. PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of $1/57^{\text{th}}$; 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. Importantly, 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 just 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 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

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 2013 was £68,000, of which employer's contributions totalled £57,000 and employee's contributions totalled £11,000. The agreed contribution rates for future years are 31.70 per cent for employers and between 5.5 and 7.5 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 2013
Principal Actuarial Assumption	
Pension increase rate	2.8%
Salary increase rate	5.1%
Expected return on assets	6.0%
Discount rate	4.6%

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

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 2013
<i>Retiring today</i>	
Males	
Females	21.9
	24.0
<i>Retiring in 20 years</i>	
Males	23.9
Females	25.9

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

	Expected return At 31 August 2013 %	Fair value At 31 August 2013 £'000
Equities	6.6%	208
Bonds	3.9%	46
Property	4.7%	14
Cash	3.6%	5
Total market value of assets		273
Present value of scheme liabilities		
- Funded		(685)
Deficit in the scheme		(412)

The actual return on scheme assets was (£21,000).

Amounts recognised in the Statement of Financial Activities	2013 £,000
Current service cost (net of employee contributions)	42
Total operating charge	42
Analysis of pension finance income	2013 £,000
Expected return on pension scheme assets	(8)
Interest on pension liabilities	18
Pension finance income	10

THE GORDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

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 £28,000 loss.

Movements in the present value of defined benefit obligations were as follows	2013 £'000
Transferred on conversion	573
Current service cost	42
Interest cost	18
Employee contributions	11
Actuarial loss	41
At 31 August 2013	685

Movements in the fair value of academy's share of scheme assets

Transferred on conversion	184
Expected return on assets	8
Actuarial gain	13
Employer contributions	57
Employee contributions	11
At 31 August 2013	273

The estimated value of employer contributions for the year ended 31 August 2014 is £92,000.

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

	2013 £'000
Present value of defined benefit obligations	(685)
Fair value of share of scheme assets	273
Deficit in the scheme	(412)
Experience adjustments on share of scheme assets Amount £13,000	
Experience adjustments on scheme liabilities Amount £0	