

GORDON'S SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



Registered Company No: 07723861

Head Teacher's Overview of the Year

In considering initiatives this year, personally, I am delighted by the success of our new Arete Partnership with Woking High School and look forward to Hoe Valley School joining from September 2016. This partnership brings opportunities for teaching staff to share best practice in the classroom, share professional training opportunities. For our students we have introduced inter-school competition and leadership training. The partnership will develop further as we explore mutual opportunities between our schools at all levels.

Last year we launched Character Education in earnest which has really started to embed its influence within so much of what we do at Gordon's; within our teaching, interviewing for new staff, how we behave towards each other and approach our work. We have a full-sized poster of our five key characters or values at the entrance to Reception providing a regular reminder to all.

Staff at Gordon's School continue to challenge our students to achieve the best that they are able and help to prepare them for life beyond Gordon's. Our students gained another set of excellent results in the summer public examinations with 97% of Year 11s gaining five or more GCSEs A*-C including English and Mathematics, a school record and 81% of Year 13s achieved A*-B in their A Levels, another school record and Gordon's has again been named the top Surrey School in the Real Schools Guide 2016. Other highlights, our Equestrian team had a stunning day at the Royal Windsor Horse Show, Gordon's were in the last 32 schools at the prestigious Rosslyn Park 7s and the Debating Team are increasingly skilful participants in the Model United Nations events around the south-east region.

Developing opportunities for student leadership continues as a priority as demonstrated in the launch of World Class School status towards the end of the year. This is about going beyond Outstanding, is student-led and I hope to be reporting more on this next year.

Andrew Moss, Head Teacher

GORDON'S SCHOOL ACADEMY TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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GORDON'S SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2016

Governors

Foundation Governors

Mr R Whittington (Chairman)	Appointed 22/11/2012	Elected Chairman 14/11/ 2013
Mr M Barnes (Vice Chairman)	Appointed 22/11/2012	Elected Vice Chairman 14/11/ 2013
Lt Col Sir John Smiley	Appointed 22/11/2012	Retired 26/11/2015
Mrs G Rothwell	Appointed 22/11/2012	Retired 26/11/2015
Mrs L Bannister	Appointed 08/07/2014	
Mr J Tamsitt	Appointed 08/07/2014	
Mr P Wynter Bee	Appointed 13/11/2014	
Mr C Lomas	Appointed 26/11/2015	
Mr S Broome	Appointed 26/11/2015	

Co-opted Governor

Mr K Gawley	Appointed 08/07/2014
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Parent-elected Governors

Mrs K Smith	Appointed 05/02/2013
Mrs M Gower	Appointed 05/02/2013

Teacher Governors

Mrs J Matheson	Appointed 21/01/2013	
Mr S Long	Appointed 21/01/2013	Resigned 31/08/ 2016
Mrs A Szabo-Rowe	Appointed 01/09/2016	

Staff Governor

Mr S Monk	Appointed 12/09/2013	Resigned 31/08/ 2016
Mrs T Phillips	Appointed 01/09/2016	

Company Secretary

Mrs S Meikle

Senior Leadership Team

Mr A Moss	Head Teacher
Mr R Pavis	Deputy Head, Pastoral
Mr A Bodell	Deputy Head, Curriculum
Mrs S Meikle	Bursar

Principal Office and Registered Office

Gordon's School
West End
Woking
Surrey GU24 9PT

Company Name

Gordon's School Academy Trust

Company Registration Number

07723861 (England & Wales)

Auditors

haysmacintyre
26 Red Lion Square
London WC1R 4AG

Bankers

Lloyds Bank plc.
Connaught House
Alexandra Terrace, Guildford, Surrey GU1 3DA

Legal Advisers

Barlow Robbins
The Oriel
Sydenham Road, Guildford, Surrey GU1 3SR

Brownejacobson
Victoria Square House
Birmingham, B2 4BU

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Gordon's School Academy Trust is a company limited by guarantee and an exempt charity. The Academy was formed on 1 August 2011. The charitable company's memorandum and articles of association together with the Funding Agreement are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Gordon's School Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Gordon's School Academy Trust.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

The Governors and employees of the Gordon's School Academy Trust are covered by professional indemnity insurance should they be subject to a civil claim in respect of the performance of their duties.

Principal Activities

Gordon's School Academy Trust's principal activity is to provide for the public benefit, education in the United Kingdom, in particular by managing and developing a co-educational, academically non-selective boarding school at West End, Woking for pupils aged 11-18 years. All pupils are boarders, day, weekly or full residential. The curriculum satisfies section 78 of EA 2002 (a balanced and broadly based curriculum).

Method of Recruitment and Appointment or Election of Governors

The number of Governors shall not be less than three. In accordance with the Articles of Association the Academy Trust has seven Foundation Governors appointed by The Gordon Foundation, two Teacher and one Staff Governors, one Co-opted Governor, two Parent Governors, and the Head Teacher.

Foundation Governors are recruited on the basis of their eligibility, specialist skills and knowledge on the recommendation of The Gordon Foundation. Parent Governors are Parents/Carers of students within the School at the time of their election. They are elected by Parents/Carers of students by secret ballot and the Teacher and Staff Governors are elected by staff members, again by secret ballot. The Head Teacher is an ex-officio Governor.

The Governors are elected to their committees at a full Governors' Meeting on the basis of their skills, knowledge, areas of interest and preference. The term of office for each Governor is 4 years.

Policies and Procedures Adopted for the Induction and Training of Governors

New Governors are invited to the School prior to their first governing body meeting. They follow an Induction Programme which includes an explanation of their role in respect of the School, the company and the implications of being an exempt Charity. They are invited to meet staff members in order to familiarise themselves with the running of the School. They receive copies of policies and procedures and other relevant documentation.

All Governors are signed up to Babcock's www.bettergovernor, are encouraged to attend professional training courses, take online courses for Governors and are provided with briefings before most Governors' Meetings. Governor training completed is reviewed and shared at each Governors' meeting.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational Structure

The organisational structure of the School has two levels:

The Governing Body, including the Head Teacher and the Senior Leadership Team, as listed on page 1.

The School is governed by a Governing Body composed of the directors of the company constituted under the Articles of the Academy Trust. The Governing Body acts in accordance with the Funding Agreement and Articles of Association. The Governors and their committees act strategically by:

- setting the aims and objectives for the School
- setting policies for achieving those aims and objectives
- setting targets by which progress towards those aims and objectives can be measured
- reviewing and monitoring progress in achieving the aims and objectives
- approving the School budget.

The full Governing Body meets once a term to transact its formal business. A fourth meeting is held in September specifically for relevant training as a Governing Body. The Curriculum & Welfare Committee meets twice each term and the Joint Finance and General Purposes Committee meets termly. Each Committee reports back to the full Governing Body.

There are additional ad-hoc committees set up through the year as required.

The Senior Leadership Team controls the running of the School at an executive level and implements the policies and decisions of the Governors through agreed schemes of delegation. The Senior Leadership Team as listed on Page 1 control and authorise the spending of budgets. Curriculum budgets are devolved to Heads of Departments. The Head Teacher, Bursar and Head of Finance meet regularly to monitor and review the current cash flow, budget requirements and forward planning.

Arrangements for setting pay and remuneration of key management personnel

A minimum of two people, including the Chair of Governors, undertake the annual performance review for the Head Teacher and make recommendations to the Governors' Pay Committee. The School Improvement Partner is also involved in this review. The Head Teacher must demonstrate sustained performance, with particular regard to leadership and management and student progress at the school and is subject to a review of performance against Head Teachers' Standards before any pay progression is awarded.

The Wider Leadership Team is paid on the Leadership pay scale and the Governing Body broadly adheres to the leadership pay bands outlined in the School Teacher' Pay and Conditions Document. Deputy Heads and Assistant Heads must demonstrate sustained performance in respect to their performance objectives and are subject to a review of performance against Head Teacher Standards before any pay progression is awarded. The Pay Committee considers the award of one incremental point on the Gordon's Pay Scale where performance objectives are met and there is sustained high quality of overall performance.

Except for the Head Teacher and staff governors no trustee/governor is remunerated.

Connected Organisations, included Related Party Relationships

The Gordon Foundation, which owns the land and buildings at Gordon's School, provides boarding accommodation and services to the School. The majority of Governors are appointed by The Gordon Foundation.

The Gordon's School Parents' Association is an association set up by parents to raise funds in support of the School as well as to provide social opportunities for parents and families. The Gordonians is an association for former students who wish to maintain contact with the School and to support its activities. The Friends of Gordon's provides opportunities for former parents, governors and members of the local community to maintain a connection with the School through social and cultural events.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object ("the Object") is specifically to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and to promote for the benefit of individuals living in the parish of West End who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of said individuals.

Gordon's School is a highly oversubscribed State Boarding School, rooted in a proud tradition as The National Memorial to General Gordon of Khartoum and is an ambitious and forward-looking school. Its 'USP' includes academic excellence, the focus on boarding, ceremony, discipline, an extensive extra-curricular programme and the financial support of The Gordon Foundation.

Objectives, Strategies and Activities

These are taken from the School's Development Plan. Our overall aim is to be the best non-selective school in England; to provide every student with a thorough preparation for life that gives them the character, confidence and all-round education to be the best they can be: to achieve fulfilment and make a positive contribution to the communities in which they live and work.

Area	Aim	Criteria to measure success (result 2015/16)
Academic Aim	Secure for every student academic progress equal or better than any school in the country.	<ol style="list-style-type: none">1. Curriculum rated Outstanding; 90% of lessons and marked judged good or better2. Biennial satisfaction surveys rate developing potential, advice, information and guidance outstanding3. Zero NEETS at post-16 or post-18 and over 90% secure 1st choice university4. Progress 8 greater than 0.5 (0.57)5. Top 20 non-selective schools in England for GCSE and GCE results (7th)
Pastoral and Co-Curricular	Ensure a boarding experience and pastoral care as good as any school in the world.	<ol style="list-style-type: none">1. Biennial satisfaction surveys rate extra-curricular provision outstanding2. Students take part in 400+ competitive fixtures (448); retain Arts Mark; 100+ students complete D of E Award (down from 124 to 41)3. Boarding rated outstanding by Ofsted4. Point in Time shows 90%+ of students enjoy boarding (95.2%) and 90%+ parents believe their children enjoy boarding (98.6%)
Other principal aspects of the school's work	Create a beautiful, secure and well-ordered environment where students enjoy learning and staff enjoy working. Tangibly deliver benefit to the local community Be the first choice secondary school in the county and in the state boarding school market.	<ol style="list-style-type: none">1. Gordon's remains over-subscribed for day and residential places2. Zero complaints against the school upheld by the governing body3. Rated Best State School in Surrey by Real Schools Guide (2015 and 2016)4. Biennial satisfaction surveys, all stakeholders rate all aspects of school life outstanding5. Retain Investors in Careers, Eco Schools, Healthy Schools and International Schools' Awards6. Achieve World Class Schools status (for 2017).

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Public Benefit

The primary purpose of Gordon's School is the advancement of education of its students who come from a range of backgrounds. Inextricably linked with this purpose is the aim of contributing to the public good. With this in mind, and in setting the School's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. (*see further detail under Wider Participation*).

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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% at 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 2016 Real School Guide receiving the highest grade in all four categories, attainment, teaching, attendance and outcomes.

Detailed below is a table of the results of our pupils at KS4 and KS5: -

	2009	2010	2011	2012	2013	2014	2015	2016
5+ A*-C (%)	91	96	90	97	97	91	93	98.3
5+ A*-C inc. Eng. & Maths (%)	87	91	89	93	86	86	89	97
Ebacc (%)	56	64	61	60	56	65	59	68
A Level Average points per entry	221	233	233	243	221	226	B	245
A level Average points per student	777	921	944	903	797	791	BBB(C)	872

Teaching and Learning

The school was inspected by Ofsted in November 2015 and was again awarded Outstanding for Teaching in all categories. The programme of lesson observations has been maintained and during 2015/16 the format for lesson observations was reviewed, KS3 lessons received particular focus. Generally, the learning is well paced, challenging and highly interactive with pupils encouraged to develop independence in their approaches to learning. Where learning is most effective, students are able to articulate what they are doing well and can identify how to improve. Similarly, highly effective intervention and excellent communication between students and teachers ensures that learning is very good and that students are involved in all aspects of the process. To widen access to the curriculum the introduction of KS3 Travel & Tourism is being introduced from September 2016 and for future years the introduction of philosophy and ethics, computing/ICT and government and politics continue to be considered.

Gordon's continues to benefit hugely from membership of The Prince's Teaching Institute, an independent educational charity which believes that all children, irrespective of background or ability, deserve rich subject-based experience at school, both within and beyond the examined curriculum. Gordon's has been awarded the Leadership Mark by the PTI; two Gordon's teachers are Teacher Leaders for the PTI and one is an Associate Department coordinator. Eight departments at Gordon's are PTI Departments; one key focus during 2015/16 has been developing cross-curricular projects.

Extension activities linked to the curriculum have included a History research Day for Year 12 students, Economics students participating in the Target 2.0 competition run by the Bank of England and Business students won the Business School of the Year for Scholastic Book Fairs. A group of students regularly travelled to the University of Surrey for an ICT Coding Hub. The achievement of the NFER Research Mark demonstrates the school's commitment to creating a more inquiring school community with the launch of ILM Level 3 providing an example of improving collaboration. Art and photography students visited the National Gallery and National Portrait Gallery to gain inspiration for their coursework.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

The Gordon's link with Cao Yang High School, Shanghai, continues to gain strength and a school trip to China at Easter 2016 included time with our partner school as well as trips to internationally renowned sites. Priority for the trip was given to pupils taking Mandarin as part of the Period 7 activity and pupils in receipt of Pupil Premium received financial assistance to participate. A formal link has also been established with a Lise-Meitner Gymnasium in Konigsbach-Stein, Germany with whom exchange visits have taken place and more are planned. A link is being explored with a school in the Czech Republic and with the International Community School in Khartoum, Sudan. Trips also went to Iceland in February, Paris and CERN. Gordon's is proud to have received the British Council's Full Accreditation for their International Schools Award 2015-18, a three-year programme that recognises the work achieved to involve international awareness into the classroom and promote to linked primary schools.

Co-Curricular and Activities

The importance that Gordon's places on the Co-Curricular programme is demonstrated by one of the Assistant Heads having responsibility for the Co-curricular programme. Gordon's continues to offer an impressive range of activities, inspirational speakers, lectures and trips, mathematics and science challenges, concerts and plays. 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 continues to be developed to assess, record and award students for taking part in any non-compulsory activities.

A comprehensive programme of co-curricular activities is offered through the Period 7 programme, as well as the Duke of Edinburgh Award Scheme, CCF, music, drama and sports. Gordon's pupils achieved 9 Gold, 12 Silver and 20 Bronze Duke of Edinburgh Scheme Awards by the end of the summer and more are ready for final approval. Expeditions during the summer holidays extended from the Brecon Beacons to the Himalayas. In May a Gordon's team of boys and girls completed the Ten Tors Challenge on Dartmoor. It is testament to the high standards to which these students are trained that a Surrey school is allowed to enter a team. Over 150 pupils were enrolled between the three sections of the CCF; Army, Navy and RAF and over 40 cadets took part in the Army Summer Camp in the Lake District.

The Arts Award was launched during 2015 and this year 70 students completed their Bronze, 5 their Silver Awards and 2 were working towards the Gold Award. Part of the syllabus for their Arts Award requires students to share their skills which has enabled Gordon's to develop further links with local schools. In Music, Gordon's was well represented in the Woking Music Festival with U13 and U17 choirs awarded Distinction and the U17 choir awarded the Page Choir Cup, as well as individual successes. Following the success of last year's tour to Holland, the Music Department is planning a tour to Salzburg in 2017 as well as continuing to provide regular opportunities for students to attend concerts at local venues. Participation in LAMDA has increased with 37 students gaining merits and distinctions in the Acting and Speaking in Public examinations.

Music and Drama came together in a most successful production of *Coram Boy* in February, which was staged in the Chapel at Gordon's. This was an ambitious production technically and seventy students participated in acting, playing, backstage and technical support. The popularity of LAMDA continues and students participated in the Schools' Shakespeare Festival again at South Hill Park, Bracknell. 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. Participation in Debating has grown quickly in popularity including participation in the Model United Nations Programme. In June students involved in Debating organised the Gordon's School EU Referendum hustings and polling, involving all students and staff and greatly enhancing the school community's awareness of the issues around the Remain and Brexit issues.

Participative Sport continues to provide an important focus at Gordon's with over 440 competitive fixtures played across 12 sports through the year. School teams won 32 District titles, 15 County titles and 35 students were selected to represent their county of sports academy and 18 students achieved national recognition or representation. Gordon's golf team finished third in the Southern Schools' Invitational Tournament and the equestrian team exceeded all expectations in qualifying for the finals of the Royal Windsor Horse Show where they finished third overall in a tournament of predominantly professional adult riders. The range of inter-House competitions continues to be extensive including sports, music, drama and debating as well as the competitive Drill Competition.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

The Gordon's 'Good to Great' sports development programme has been developed through the year with its full launch in September 2016. Its mission statement is to produce a comprehensive sports development programme that marries sports participation with elite sports performance and is imaginative and visionary in setting Gordon's sports performers up to succeed. A football tour was taken to Holland where they played against teams from Holland, France and Germany, with the Gordon's team securing the FairPlay Award of the tournament. The Gordon's PE and Sports Department was awarded the School Games Mark for the second consecutive year, one of only two schools in Surrey to achieve this. The Gold Mark rewards schools for their commitment to the development of competition across the school and into their local community.

Wider Participation

Through the various links with other schools and groups, charity work and student services, the School aims to contribute considerable benefit to the local community. Examples include a local playgroup visiting for music activities, Food Technology students baking for local charity sales, students helping to 'Clean for the Queen' in the local neighbourhood, a wide range of sports-based projects and both pupils and staff assisting in our local Primary School, Holy Trinity, West End. During the summer holidays staff and sixth form students again volunteered to host a residential camp at the School for young boys from disadvantaged backgrounds. The Pipes & Drums have played for a range of public occasions including Armed Forces Week celebrations, the Caledonian Club, London and local community events. A Gordon's student has been young deputy Mayor for Surrey Heath; all Sixth Form students are expected to give at least twenty hours' community service each year. Students have participated in 'Show the Love' for climate change and in Earth Hour UK. Staff and students cycled in the Woking Bikeathon and a range of fundraising events through the year raised nearly £6k for charities. Some members of staff ran the London Marathon in support of local charities and also the Jurassic Coast Challenge.

By developing articulate and critical learners who are confident they can make a difference in society the School contributes to the long term building up and support of the wider community.

Pastoral Care

In February 2013 Ofsted carried out their boarding inspection and found the school to be Outstanding in all categories, with no recommendations for improvements.

One area of focus throughout the year continued to be anti-bullying; Peer mentors continue to support vulnerable students in the Houses. Character education also continues to be a focus in PSHE lessons for all year groups with a particular focus on role models. The importance of developing students' resilience to cope in adversity is recognised as increasingly important and a programme 'Bounce, don't Break' is being prepared for launch in September 2016. Gordon's has been awarded Surrey's Healthy Schools Bronze Award in recognition of our provision for mental, physical and emotional needs and welfare.

Working in Collaboration

In September 2015 the Governing Bodies of Gordon's School and of Woking High School, both stand-alone Academies, signed an MoU setting out the terms of an informal collaborative trust, Arete. Its purpose is to provide an environment and structure within which affiliated schools can better achieve their common aim to provide every child with a thorough preparation for life and to maximise staff development. The partnership is not exclusive between the two schools and in time intends to bring together other schools, educational institutions and businesses under the common principles of innovation, sustainability and cooperation on areas of mutual interest. Activities during the year included competitive events ranging from debating to cross-country, joint prefect training and establishing links between academic departments to share and develop best practice. A joint Governors' training evening took place in September 2016. Also, Hoe Valley

Free School, Woking, joined the Arete Partnership in September 2016.

Links with local Primary Schools have been strengthened by the PE department assisting Lakeside Primary School. Gordon's continues its strong links with Holy Trinity Primary School, West End, through helping with some specialist teaching and after school clubs. The Maths department offered problem solving events for Bisley and Holy Trinity Schools, run by Gordon's students, for small numbers of talented pupils while other departments took students to a range of primary schools throughout the year to engage in taster sessions, workshops and fieldwork.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

KEY PERFORMANCE INDICATORS

The Key Financial Indicators used by the Governors to assess Performance of the School are:

- Pupil outcomes
- Quality of teaching and learning
- Outcomes of departmental reviews
- Student, parent and staff satisfaction
- Producing a balanced budget which meets the Academy's needs.

FINANCIAL REVIEW

Most of the School's income is obtained from the EFA principally in the form of a recurrent annual grant, the use of which is restricted to cover the normal running costs of the School. The grants received from the EFA during the year ended 31 August 2016 totalled £3,659,578 and the associated expenditure totalled £4,337,860 (excluding transfers) and are shown as restricted general funds in the Statement of Financial Activities.

The school received a substantial donation from The Gordon Foundation of £1,380,087 plus an additional amount of £193,000 for the FRS102 Local Government Pension Scheme revaluation.

During the year ended 31 August 2016 total income of £5,373,282 (excluding restricted fixed asset funds) exceeded expenditure of £5,191,969 (excluding fixed asset costs) by £181,313 before pension scheme movements.

In 2013 the Academy took on pension liabilities relating to staff members transferred from its predecessor school that were part of the Local Government Defined Benefits pension scheme. In 2016 the liability increased by £193,000 to a total year to date deficit of £750,000.

As at 31 August 2016, the scheme's liabilities exceeded its assets by £750,000. Where the amount of pension scheme assets being held is less than the liability value, the implication is that we will eventually need to make good this deficit. It is therefore treated as a provision in our financial statements, although this does not need to be paid immediately, nor does it affect the current cash contributions paid by us as an employer to the Local Government Pension Scheme.

Reserves Policy

In the event that the School has reserves, the reserves levels would be consistently monitored as part of the budget monitoring process at Governor level through the Finance & General Purposes Committee. The Governors will maintain reserve levels, which are sufficient to maintain the needs of the Academy and to encompass variations within the Academy budget. The value of free reserves held at 31 August 2016 is £415,642.

The restricted reserves show a deficit of £729K with the main deficit being the FRS 102 defined benefit pension contribution of £750K. As this calculated pension liability does not result in any immediate liability to pay this amount to the pension scheme, it has been agreed a designation of unrestricted funds to match the FRS 17 calculated liability will not be necessary.

On reviewing the reserves policy, the governors have paid particular attention to the impact any increase in pension contributions will have on cash flow forecasts and planned activity levels. The current monthly percentage employer contributions have not increased during the year with the next review of these rates due in December 16. The governors have given consideration to the impact of these potential additional costs on the planned activity levels and cash flow budgets and have concluded that these additional costs can be absorbed within existing budgets without jeopardising existing activity levels.

The governors have therefore concluded that no designation of funds held at the balance sheet date to meet future contributions is necessary, despite the FRS 102 liability disclosed of £750,000.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Investment Policy

The School's investment policy is based on a low risk short-term bank deposit accounts.

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed to and have taken steps to reduce and manage these risks. Risks are managed and reduced through the workings of the Governing Body, Sub Committees, Senior Leadership Team and Staff. Governors' Committees monitor, direct and evaluate curriculum and performance results, ethos, premises management, Health & Safety and financial controls and procedures within the School. The School has introduced a system of internal review, which is monitored by the Responsible Officer, auditors and other external agencies. The Governors approved a formal Risk Register which is updated regularly and reviewed formally at least annually. The most significant risks identified are noted below together with the means by which to manage the risk:

Reporting to Governors is inaccurate, late or irrelevant.	Inadequate information resulting in poor decision-making. Governors fail to fulfil their control function. GB becomes ill informed.	Educational targets and financial budgets are set and agreed in advance. Report back on main targets direct to GB. Monitoring against actual is undertaken at committee level. Members of GB visit the school "in operation" in order to keep themselves well informed.
Government and Foundation funding inadequate to operate school as "required" by Governors, parents or DfE	Savings are made which put at risk quality of teaching and pastoral care: Pupil enrichment is reduced: the fabric of the school is neglected.	The school plans and budgets in detail and in advance to maximise use of available resources and to achieve best value for money. The School is fortunate to be able to seek help from The Gordon Foundation.
School enters into inappropriate partnerships or links	The risk is: a. Financial where the school is acting as agent for third parties OR where we have an operation which could produce financial loss. b. Reputational where the relationship may be with a business party or organisation for which due diligence has not been processed.	Agreements need to be in place and to have been checked by the relevant Committee and, if appropriate, a lawyer acting for the school. File of all contracts maintained by Head of Finance.
Child Protection Issues	A pupil is: Abused in school Abused externally without the school picking up warning signs Bullied by other pupils. Pupils' lives are severely affected and the school's reputation or OfSTED grading is reduced.	The school has a defined Safeguarding structure under the Designated Safeguarding Lead and staff know where to go with concerns: all staff are trained in identifying physical and mental signs of abuse; Staff recruitment procedures are strong and central register is up to date; Counselling staff help to widen the understanding of potential problems and to provide support.
Health and safety issues	A pupil, member of staff or visitor sustains an injury (or worse), on site or wherever the school has responsibility; the circumstances could have been foreseen and avoided and the school is negligent for not doing so. We recognise that pupils play sport at school and while they are shown how to play safely and sensibly, there may be accidents.	The school mitigates these risks by identifying them; setting out procedures to reduce them and monitoring that such procedures are operated effectively. We receive health and safety advice, train staff on specific procedures and are reviewed annually by an outside expert.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial and Risk Management Objectives and Policies

Safeguarding (including e-Safety), Equality and Child Protection procedures are regularly reviewed and monitored. Where possible the Governors have limited the risk through insurance such as public and employee liability, and property insurance.

The Local Government Pension Scheme is currently in deficit but at present there are no plans to change the agreed contribution rates or any current cash flow risk.

PLANS FOR FUTURE YEARS

By 2020 Gordon's plans to have achieved:

- i) a third and fourth successive Ofsted Outstanding judgement for residential boarding in 2016 and 2019
- ii) a working and learning environment that moves beyond outstanding
- iii) recognition as a Teaching School and the Arete Partnership as a centre for training excellence
- iv) listing in the top 100 Sports Schools
- v) 90% of students annually graduating the Honours Programme
- vi) a new sports hall and refurbished Library
- vii) recognition as one of the Sunday Times 100 Best Not-for-Profit Organisations to Work For
- viii) A dedicated Y13 coeducational residential boarding House.

AUDITORS

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

The auditors, Haysmacintyre, have expressed their willingness to continue in office. A resolution to appoint them will be proposed at the Governing Body Meeting.

Governors' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 24 November 2016 and signed on its behalf by:



Richard Whittington
Chair of Governors

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of Responsibility

The Governors acknowledge overall responsibility for ensuring that the School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Head Teacher as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Gordon's School Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met four times between 1 September 2015 and 31 August 2016. Attendance during the period was as follows:

Governor	Meetings attended	Out of a possible
Mr R Whittington	4	4
Mr M Barnes	3	4
Mrs G Rothwell	0	2
Lt Col Sir John Smiley	1	2
Mr P Wynter Bee	3	4
Mrs M Gower	4	4
Mr C Lomas	1	3
Mr S Broome	3	3
Mr S Monk	3	4
Mrs J Mattheson	4	4
Mr S Long	4	4
Mr A Moss	4	4
Mrs K Smith	3	4
Mrs L Bannister	3	4
Mr J Tamsitt	3	4
Mr K Gawley	3	4

At the end of every meeting Governors consider how their deliberations have helped to improve the outcomes for Gordon's school students. At their November 2016 meeting Governors will consider and agree the means by which to monitor their own effectiveness and approve a governance development plan.

The Joint Finance & General Purposes Committee is a sub-committee of the board of the Academy and of The Gordon Foundation. Its main purpose is to provide strategic and operational direction, approve and monitor the academy's budgets and resource. In addition to setting and monitoring budgets and cash flow, items considered during the year included pensions, performance related pay, updating the Business Plan and recommending the annual report and accounts for approval by the board.

Attendance at meetings of the JF&GP by Academy governors in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr R Whittington	3	3
Mr M Barnes	3	3
Mr P Wynter Bee	3	3

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

The Curriculum & Welfare Committee is a sub-committee of the main board of the Academy. Its main purpose is ensuring a broad, high quality curriculum is offered that develops all pupils to the best of their academic, sporting, musical and artistic abilities. Attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G Rothwell	1	2
Mr M Barnes	5	6
Mrs M Gower	6	6
Mrs K Smith	6	6
Mrs I Bannister	6	6
Mr K Gawley	4	6
Mr S Broome	1	4
Mr A Moss	6	6

During the year Mrs J Valner was appointed an Associate Governor; in attendance at meetings of the Curriculum & Welfare Committee only, with a particular link to the English department. Mr C Lomax, Foundation Governor provides the boarding link between the school and Foundation.

In November Lt Col. Sir John Smiley retired as trustee of The Gordon Foundation and therefore Foundation Governor and Mrs Rothwell resigned as a Governor due to pressure of work. Mr Lomas was already a trustee of The Gordon Foundation and provided the Boarding Link. Mr Broome expressed interest in becoming a Governor having been introduced through SCOSS, the online exchange for schools and individuals seeking governance opportunities. Mr Broome met existing identified needs for recruiting a governor with a background in STEM.

At the end of the year Mr Long stepped down as a Teacher Governor because from the start of the following academic year he would no longer teach but focus on boarding responsibilities and Mr Monk also decided to step down as Staff Governor due to the part time nature of his employment.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Review of Value for Money

As Accounting Officer the Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Attaining on average 9 out of 10 students achieving the GCSE Gold standard: 5 or more A*-C GCSE passes including English and Maths. 1st in Surrey for GCSE Gold Standard, Ebacc and disadvantaged students and remaining in the top 100 state schools for academic achievement
- Improving collaboration by formation collaborative partnerships outside the school and working in closer partnership within school to improve what works in our classrooms
- Continuously reviewing of staff to ensure they are used to their full potential and to drive down the costs of staffing whilst providing best value in terms of quality of boarding, learning, teaching, teacher student-ratio and curriculum management.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gordon's School Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Joint Finance & General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and appointed Babcock4S to fulfil the function of Responsible Officer. Babcock4S visited the school twice in the year when Payroll was checked and no issues found and purchasing procedures for which there were no areas for immediate concern; these matters and the operation of the systems of control and on the discharge of the Governors' financial responsibilities are reviewed at the termly JF&GP meetings as well as any improvements required or recommended in the previous year's Audit Management Report. Relevant policies are being reviewed including how these are put into routine practice. A thorough 'health check' of the Academy Trust's financial processes and procedures, direct taxation and employment benefits was carried out on the appointment of auditors who continue to provide guidance and recommendations.

GORDON'S SCHOOL ACADEMY TRUST
GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Review of Effectiveness

As Accounting Officer, Mr Moss has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

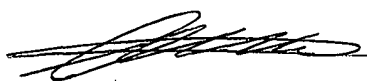
- the work of Babcock 4S
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Joint Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 24 November 2016 and signed on its behalf by:



Richard Whittington
Chair of Governors



Andrew Moss
Accounting Officer and Head Teacher

GORDON'S SCHOOL ACADEMY TRUST

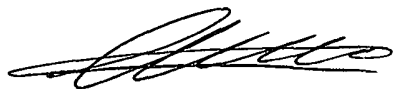
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Gordon's School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.



Andrew Moss
Accounting Officer and Head Teacher

GORDON'S SCHOOL ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who act as trustees for charitable activities of Gordon's School Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2015 to 2016;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 24 November 2016 and signed on its behalf by:



Richard Whittington
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GORDON'S SCHOOL ACADEMY TRUST

We have audited the financial statements of Gordon's School Academy Trust for the year ended 31 August 2016 which comprises the Statement of Financial Activities, the Balance Sheet, 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) and the Annual Accounts Direction 2015/16 issued by the EFA.

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 Auditors' 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 Governors and auditor

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

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 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 affairs as at 31 August 2016 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 Accounts Direction 2015/15 issued by the EFA.

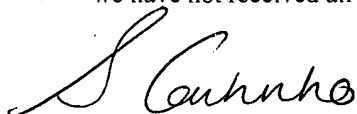
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' 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 Governors' 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 Auditors

26 Red Lion Square
London WC1R 4AG

24/11/16

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF GORDON'S SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out a review to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the year from 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the EFA in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it in a 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 Governing Body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of Gordon School Academy Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Gordon School Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Samantha Coutinho, Senior Statutory Auditor,
For and on behalf of haysmacintyre, Statutory Auditors**

**26 Red Lion Square
London WC1R 4AG**

24/11/16

GORDON'S SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted General Funds £	Total 2016 £	Total 2015 £
Income from:					
Income from other trading activities	2	1,576,547	-	1,576,547	1,192,394
Investment income	3	138	-	138	159
<i>Charitable activities:</i>					
Funding for the Academy's educational Operations	4	-	3,796,597	3,796,597	4,104,459
Total Income		1,576,685	3,796,597	5,373,282	5,297,012
Expenditure on:					
<i>Charitable activities:</i>					
Academy's educational operations	6	717,090	4,474,879	5,191,969	5,275,647
Total Expenditure	5	717,090	4,474,879	5,191,969	5,275,647
Net income		859,595	(678,282)	181,313	21,365
Gross transfers between funds	14	(682,872)	682,872	-	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	14,21	-	(177,000)	(177,000)	(21,000)
Net movement in funds		176,723	(172,410)	4,313	365
Reconciliation of funds					
Total funds brought forward at 31 August 2015		562,414	(557,000)	5,414	5,049
Total funds carried forward at 31 August 2016		739,139	(729,410)	9,727	5,414

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The accompanying notes form part of these accounts.

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	344,085	257,181
Current assets			
Debtors	12	1,072,710	901,286
Cash at bank and in hand	19	95	13
		<u>1,072,805</u>	<u>901,299</u>
Liabilities			
Creditors: amounts falling due within one year	13	<u>(597,932)</u>	<u>(516,105)</u>
Net current assets		<u>474,873</u>	<u>385,194</u>
Total assets less current liabilities		<u>818,958</u>	<u>642,375</u>
Creditors: amounts falling due after more than one year	13	<u>(59,231)</u>	<u>(79,961)</u>
Net assets excluding pension liability		<u>759,727</u>	<u>562,414</u>
Pension scheme liability	21	<u>(750,000)</u>	<u>(557,000)</u>
Net assets including pension liability		<u>9,727</u>	<u>5,414</u>
Funds of the Academy:-			
Restricted funds			
Fixed asset fund	14	-	-
General fund	14	20,590	-
Pension reserve	14	<u>(750,000)</u>	<u>(557,000)</u>
Total restricted funds		<u>(729,410)</u>	<u>(557,000)</u>
Unrestricted funds			
General fund	14	<u>739,137</u>	<u>562,414</u>
Total unrestricted funds		<u>739,137</u>	<u>562,414</u>
Total funds		<u>9,727</u>	<u>5,414</u>

The financial statements were approved and authorised for issue by the Board of Governors on 24 November 2016 and signed on its behalf by:



Richard Whittington
Chair of Governors

GORDON'S SCHOOL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Net cash inflow from operating activities	16	150,222	261,208
Cash flows from investing activities	17	(157,435)	(90,533)
Cash flows from financing activities			
Repayment of Salix loan	13	(20,730)	-
New Salix loan finance		-	103,653
Decrease in cash in the year	19	<u>(27,943)</u>	<u>274,328</u>
Cash and cash equivalents at 1 September 2015		<u>(32,072)</u>	<u>(306,400)</u>
Cash and cash equivalents at 31 August 2016		<u>(60,015)</u>	<u>(32,072)</u>
Cash and cash equivalents			
Cash at bank/Overdraft		(60,110)	(32,085)
Petty Cash		95	13
		<u>(60,015)</u>	<u>(32,072)</u>

All of the cash flows are derived from acquisitions in the current financial year.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted is set out below.

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

- **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the year in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Resources Expended

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Resources Expended (continued)

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations including support costs and costs relating to the governance of the Academy Trust.

All resources expended are inclusive of any irrecoverable VAT. The Academy is currently not registered for VAT but claims back the VAT using the S33b refund scheme available for academies.

Tangible fixed assets

Tangible fixed assets acquired since the Academy Trust was established are included in the accounts at costs. All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Donated assets are recognised in the financial statements at valuation.

Depreciation

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:

Computer Equipment	20% per annum straight line
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Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a Restricted Fixed Asset Fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The Academy Trust is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Pensions Benefits

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

Unrestricted General Funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

Restricted Fixed Asset Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/ Department for Education where the asset acquired or created is held for a specific purpose.

Restricted General Funds comprise all other restricted funds received and include grants from the Education Funding Agency/ Department for Education.

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the School for nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Gordon's School to the Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Gordon's School Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under Unrestricted Funds, Restricted General Funds and Restricted Fixed Asset Funds.

Critical accounting estimates and areas of judgement

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

2.	INCOME FROM OTHER TRADING ACTIVITIES			Unrestricted Funds £	Total 2016 £	Total 2015 £
	Funds received from The Gordon Foundation			1,573,087	1,573,087	1,192,394
	Other funding			3,460	3,460	-
				<u>1,576,547</u>	<u>1,576,547</u>	<u>1,192,394</u>
3.	INVESTMENT INCOME			Unrestricted Funds £	Total 2016 £	Total 2015 £
	Bank interest received			138	138	159
4.	FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS			Restricted General Funds £	Total 2016 £	Total 2015 £
	DfE/EFA revenue grants					
	General Annual Grant (GAG)			3,524,532	3,524,532	3,675,720
	Other DfE/EFA grants			135,046	135,046	233,995
				<u>3,659,578</u>	<u>3,659,578</u>	<u>3,909,715</u>
	Other Government grants					
	Local authority grants			137,019	137,019	194,744
				<u>3,796,597</u>	<u>3,796,597</u>	<u>4,104,459</u>
5.	RESOURCES EXPENDED				Total 2016 £	Total 2015 £
	Staff costs £	Premises £	Other costs £			
	Academy's educational operations					
	- Direct costs	-	488,977		4,542,072	4,366,531
	- Allocated support costs	221,513	382,251		649,897	909,116
	<u>4,099,228</u>	<u>221,513</u>	<u>871,228</u>		<u>5,191,969</u>	<u>5,275,647</u>

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

6. EDUCATIONAL OPERATIONS	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Direct costs				
Teaching/Educational support staff costs	334,909	3,718,186	4,053,095	3,800,482
Educational supplies	3,598	338,756	342,354	424,935
Examination fees/Invigilators	-	82,566	82,566	78,175
Staff development	-	32,566	32,566	40,870
Educational visits	-	23,817	23,817	12,218
Staff travel	-	7,674	7,674	9,851
	338,507	4,203,565	4,542,072	4,366,531
Allocation support costs				
Support staff costs	-	46,133	46,133	53,062
Recruitment and support	18,784	-	18,784	12,782
Maintenance of premises and equipment	23,794	20,560	44,354	191,182
Cleaning	-	68,911	68,911	64,506
Rent and rates	-	16,534	16,534	15,940
Insurance	-	4,700	4,700	4,580
Utilities	-	91,714	91,714	103,885
Bank interest and charges	-	1,762	1,762	157
Professional fees – non governance	15,860	-	15,860	53,542
Other support costs	150,217	-	150,217	238,998
ICT support costs	99,259	-	99,259	97,295
Pension scheme charges/(income)	-	16,000	16,000	6,000
Depreciation	70,669	-	70,669	62,187
Governance costs	-	5,000	5,000	5,000
	378,583	271,314	649,897	909,116
Totals	717,090	4,474,879	5,191,969	5,275,647

	2016 £	2015 £
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Net income/(expenditure) for the period includes:

Depreciation	70,669	62,187
Fees payable to auditor for: - audit	5,000	5,000

7. GOVERNANCE COSTS	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Auditor's remuneration	-	5,000	5,000	5,000

GORDON'S SCHOOL ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2016**

8. STAFF COSTS	2016	2015
	£	£
Staff costs during the year were:		
Wages and salaries	3,198,872	3,033,665
Social Security costs	275,596	306,928
Pensions costs	579,707	508,683
	<u>4,054,175</u>	<u>3,849,276</u>
Supply teacher costs	45,053	4,267
Health Insurance costs	-	-
	<u>4,099,228</u>	<u>3,853,543</u>
Redundancy payments	-	-
Severance payments	-	-
	<u>4,099,228</u>	<u>3,853,543</u>

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2016	2015
	No.	No.
Charitable activities		
Teachers	60	57
Educational Support staff	19	19
Administration and support	16	17
Management	3	3
	<u>98</u>	<u>96</u>

The number of employees whose emoluments fell within the following bands was:

£60,001 to £70,000	2	2
£70,001 to £80,000	2	2
£120,001 to £130,000	1	1
	<u>5</u>	<u>5</u>

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £342,127 (2015: £308,862).

9. GOVERNORS' REMUNERATION AND EXPENSES

The Head Teacher and the other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of staff governors' remuneration was £288,237 (2015: £229,439).

During the year ended 31 August 2016, no travel and subsistence expenses were reimbursed to governors (2015: £nil).

10. GOVERNORS' AND OFFICERS INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £650 (2015: £600). The cost of this insurance is included in the total insurance cost.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

11. TANGIBLE FIXED ASSETS	Computer Equipment £	Total £
Cost		
At 1 September 2015	365,782	365,782
Additions	157,574	157,574
At 31 August 2016	523,356	523,356
Depreciation		
At 1 September 2015	108,602	108,602
Charged in year	70,669	70,669
At 31 August 2016	179,271	179,271
Net Book Value		
At 31 August 2016	344,085	344,085
At 31 August 2015	257,181	257,181
12. DEBTORS	2016 £	2015 £
Prepayments and accrued income	26,229	3,299
Due from Foundation	989,942	835,863
Other debtors	-	-
VAT reclaim	56,539	62,124
	1,072,710	901,286
13. CREDITORS: amounts falling due within one year	2016 £	2015 £
Trade creditors	178,817	178,290
Bank overdraft	60,110	32,085
Other creditors	23,692	169,649
Other taxation and social security	328,354	88,081
Accruals and deferred income	6,959	48,000
	597,932	516,105
CREDITORS: amounts falling due within one year	2016 £	2015 £
Other loan	59,231	79,961
Maturity of debt		
Less than one year	23,692	23,692
Between two and five years	59,231	79,961

The other loan being the 0% 'Salix' loan agreed by the EFA – 5-year payback with last payment Sept 2019.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

14. FUNDS	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	-	3,524,532	(4,207,404)	682,872	
Pupil Premium	-	86,265	(65,675)	-	20,590
GAG LACSEG	-	1,000	(1,000)	-	-
EFA Insurance	-	27,221	(27,221)	-	-
EFA DEC	-	20,560	(20,560)	-	-
Defined Benefits Pension Scheme	(557,000)	-	(16,000)	(177,000)	(750,000)
	<u>(557,000)</u>	<u>3,659,578</u>	<u>(4,337,860)</u>	<u>505,872</u>	<u>(729,410)</u>
Restricted other funds					
Local authority grants – Surrey County Council	-	137,019	(137,019)	-	-
	<u>-</u>	<u>137,019</u>	<u>(137,019)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>(557,000)</u>	<u>3,796,597</u>	<u>(4,474,879)</u>	<u>505,872</u>	<u>(729,410)</u>
Unrestricted funds					
Funds from Gordon Foundation	562,414	1,573,087	(713,492)	(682,872)	739,137
Other income	-	3,598	(3,598)	-	-
	<u>562,414</u>	<u>1,576,685</u>	<u>(717,090)</u>	<u>(682,872)</u>	<u>739,137</u>
Total unrestricted funds	<u>562,414</u>	<u>1,576,685</u>	<u>(717,090)</u>	<u>(682,872)</u>	<u>739,137</u>
Total funds	<u>5,414</u>	<u>5,373,282</u>	<u>(5,191,969)</u>	<u>(177,000)</u>	<u>9,727</u>

The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant is funding from the EFA for the Academy's operating costs. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed assets Funds £	Total Funds £
Tangible fixed assets	-	344,085	-	344,085
Current assets	739,137	333,668	-	1,072,805
Current liabilities	-	(597,932)	-	(597,932)
Non-current liabilities	-	(59,231)	-	(59,231)
Pension scheme liability	-	(750,000)	-	(750,000)
	<u>739,137</u>	<u>(729,410)</u>	<u>-</u>	<u>9,727</u>
Total net assets	<u>739,137</u>	<u>(729,410)</u>	<u>-</u>	<u>9,727</u>

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

16. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2016	2015
	£	£
Net income	181,313	21,365
Depreciation (note 11)	70,669	62,187
Interest receivable (note 3)	(138)	(159)
FRS102 defined benefit pension scheme	16,000	6,000
Decrease/(increase) in debtors	(171,424)	218,043
Increase/(decrease) in creditors	53,802	(46,228)
Net cash inflow from operating activities	150,222	261,208
17. CASH FLOWS FROM INVESTING ACTIVITIES	2016	2015
	£	£
Interest received	138	159
Purchase of tangible fixed assets – IT equipment	(157,574)	(90,692)
Net cash flows from investing activities	157,436	90,533

18. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

19. 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 August 2016.

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £491,849 (2015:£382,642).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION AND SIMILAR OBLIGATIONS (continued)

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 2016 was £149,000 (2015: £130,000), of which employer's contributions totalled £128,000 (2015: £109,000) and employee's contributions totalled £21,000 (2015: £21,000). The current contribution rates are 31.7 per cent for employers and between 5.5 and 6.8 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

	At 31 August 2016	At 31 August 2015
Principal Actuarial Assumption		
Pension increase rate	2.1%	2.6%
Salary increase rate	2.4%	4.0%
Discount rate	2.0%	3.7%

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 2016	At 31 August 2015
<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:

Amounts recognised in the Statement of Financial Activities	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	124	106
Total operating charge	124	106
 Analysis of pension finance income	 2016 £'000	 2015 £'000
Expected return on pension scheme assets	(20)	(30)
Interest on pension liabilities	45	39
Pension finance income	25	9

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION AND SIMILAR OBLIGATIONS (continued)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities.

Movements in the present value of defined benefit obligations were as follows:	2016 £'000	2015 £'000
Opening Defined Benefit Obligation	1,169	1,012
Current service cost	124	106
Interest cost	45	39
Employee contributions	21	21
Change in financial assumption	263	8
Estimated Benefits Paid	(26)	(17)
At 31 August 2016	1,596	1,169
Movements in the fair value of academy's share of scheme assets		
Opening Fair Value of Employer Assets	612	482
Interest income	25	20
Return on assets excluding amounts included in net interest	86	(3)
Employer contributions	128	109
Employee contributions	21	21
Estimated Benefits Paid	(26)	(17)
At 31 August 2016	846	612

The estimated value of employer contributions for the year ended 31 August 2017 is £127,000.

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

	2016 £'000	2015 £'000	2014 £'000
Present value of defined benefit obligations	(1,596)	(1,169)	(1,012)
Fair value of share of scheme assets	846	612	482
Deficit in the scheme	(750)	(557)	(530)

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

20. RELATED PARTY TRANSACTIONS

The School received a large donation from the Gordon Foundation during the year; the Gordon Foundation owns the land and buildings of Gordon's School, provides boarding accommodation, and services to the school.

The donation for year was £1,573,087 (£1,192,394:2015) which includes £193,000 for the increased deficit in the Local Government Pension Scheme FRS102 after the revaluation.

The outstanding balance owing from the Foundation is £239,942 (£278,863:2015)