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GORDON'S SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

Registered Company No: 07723861



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FOR THE YEAR ENDED 31 AUGUST 2019

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GORDON'S SCHOOL ACADEMY TRUST**REFERENCE AND ADMINISTRATIVE DETAILS****FOR THE YEAR ENDED 31 AUGUST 2019****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
Mrs L Bannister	appointed 29/11/2018	
Mr C Lomas	appointed 26/11/2015	
Mr P Wynter Bee	appointed 29/11/2018	
Ms G de Turris	appointed 24/11/2016	resigned 07/05/2019
Mr S Broome	appointed 26/11/2015	resigned 28/11/2019
Mrs J Valner	appointed 29/11/2018	
Mrs F Everett	appointed 17/09/2019	

Co-opted Governor

Mr K Gawley	appointed 29/11/2018	resigned 20/06/2019
Mrs J Abbott	appointed 17/09/2019	

Parent-elected Governors

Mr P Rigby	appointed 14/02/2017
Mrs C Hutchings	appointed 14/02/2017

Teacher Governors

Mrs A Szabo-Rowe	appointed 16/06/2016
Mr P Berry	appointed 21/01/2017

Staff Governor

Mrs T Phillips	appointed 16/06/2016	resigned 31/08/2019
Mrs V Genetay	appointed 01/09/2019	

Company Secretary

Mrs J Boorman

Senior Leadership Team

Mr A Moss	Head Teacher and ex-officio Governor
Mr R Pavis	Deputy Head, Pastoral
Mr A Reeve	Deputy Head, Curriculum
Mrs S Meikle	Bursar

**Principal Office &
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
10 Queen Street Place
London EC4R 1AG

resigned 26/09/2019

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

appointed 29/07 2019

Bankers

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

Legal Advisers

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

Brown Jacobson LLP
Victoria House, Victoria Square, Birmingham, B2 4BU

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 students aged 11-18 years. All students 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 eight 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 appointed to the various 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.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

All Governors are enrolled into Babcock4S/Strictly Education's www.bettergovernor and 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.

Organisational Structure

The organisational structure of the School has two levels:

The Governing Body, including the Head Teacher, and the Senior Leadership Team, members of which are 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 Governor 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; this is usually followed by a joint meeting of the Arete Partnership Governing Bodies. The Curriculum & Pastoral Committee meets twice each term and the Joint Finance and Estates Committee meets termly. Each Committee reports to the full Governing Body. The Admissions and Pay Committees meet in the autumn term and as required.

There are additional ad-hoc working groups 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 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. The IT monitoring group meets regularly to monitor the IT budget, spending 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 Head Teacher must demonstrate sustained high quality 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 other members of the Senior Leadership Team are paid on the Leadership pay scale and the Governing Body broadly adheres to the Leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Deputy Heads and Assistant Heads must demonstrate sustained high quality 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 point 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.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

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 pupils who wish to maintain contact with the School and to support its activities. At its AGM on 29 June 2019 members voted to dissolve the Gordonians, with its activities hereafter supported by the Foundation's Development team. The Friends of Gordon's provides an opportunity 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 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' include academic excellence, the focus on boarding, ceremony, discipline, an extensive extra-curricular programme and the financial support of The Gordon Foundation. The student roll for the year averaged 840, of which 241 students were in the Sixth Form and 238 were residential boarders.

Objectives, Strategies and Activities

Objects and Aims

These are taken from the School's Strategic Development Plan. Our core purpose is, through an all-round education, to help all students discover and develop their talents and interests to the highest standard possible and have the character, confidence and capabilities to become the best they can be: to achieve well and go on to lead fulfilled lives, enjoy healthy lifestyles and make a positive contribution to the lives of others. Such students lead happier lives.

Area	Objectives
Student welfare	<ul style="list-style-type: none">• Improve students' emotional and mental health• Improve student behaviour• Improve the School's effectiveness in dealing with bullying
Student leadership	<ul style="list-style-type: none">• Extend student leadership and service such that all students and staff are engaged and active participants in the School, local and wider community.• Develop student (and staff) leadership development
Raising academic achievement	<ul style="list-style-type: none">• Improve achievement rates, especially amongst boys• Champion curiosity and scholarship• Narrow the Progress Gap between subjects• Improve the Sixth Form experience
Site development	<ul style="list-style-type: none">• Open the new Year 7 residential boarding house.• Complete the Sports Hall and all-weather pitch project
Systems and Administration	<ul style="list-style-type: none">• Streamline administrative processes• Improve the efficiency and effectiveness of marketing, PR and admissions
Other principal areas	<ul style="list-style-type: none">• Establish sustainable partnerships• Strengthen the Gordonian Community

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Public Benefit

The primary purpose of Gordon's School is the advancement of education for 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. In particular, through the various links with other schools and groups, charity work and student volunteering, the School aims to contribute considerable benefit to the local community. (For more detail see below, in *Wider Participation*).

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Compared to many state schools, the KS5 curriculum at Gordon's is rigorous and a high proportion of students opt for the more intellectually demanding subjects. Gordon's School's A Level and GCSE results are in the top 100 schools in the country for academic progress and amongst the finest schools in Surrey. The number of Sixth Formers obtaining places at Russell Group and first preference destinations remains high and above national average.

A-LEVEL RESULTS 2019

38% of entries were graded A* - A

73% of entries were graded A* - B

93% of entries were graded A* - C

GCSE RESULTS 2019

42% of entries were graded 9 - 7

81% of entries were graded 9 - 5

94% of entries were graded 9 - 4

The total Attainment 8 - 62.14

The average Attainment 8 - 6.2

The Progress 8 score - 0.72

57% of students achieved the English Baccalaureate (EBacc), with the average point score (EBacc, APS) of 5.8

Two-thirds of students achieved a 'strong' pass, 5 or better, in both English and maths, with 88% of students achieving the historic 'gold standard' of five or more (standard, 4) GCSE grades, including English language and maths.

2019 Y11 Destinations - 70% entered Gordon's Sixth Form - 25% went on to study at other colleges - 5% entered an apprenticeship or employment.

Teaching and Learning

The School was inspected by Ofsted in November 2014 and was awarded Outstanding in all categories. A programme of lesson observations is carried out by a team of trained peer observers focusing on assessment of learning, challenge and engagement in all lessons.

The 2020 curriculum review (the last review was in 2013) will make improvements to current provision, including more time for maths and English lessons, the addition of Mandarin, a move away from 4 AS Levels in KS5 and the introduction of a two-week timetable across the site.

Increased participation in the onsite CPD programme has been sustained and offers a wider range of interest areas and recommended attendance for specific topics. This continues to be developed and represents a cost-effective way to improve elements of pedagogy.

The School 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. PTI courses aim to develop teachers' knowledge of the content within their specification. 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 with continued focus on developing cross-curricular projects between them. During the year Gordon's joined the PTI Unlimited Scheme with a high take up rate from staff.

In September 2019 Gordon's School became a corporate member of the chartered College of Teaching, a professional body that aims to develop elements of pedagogy across the teaching profession.

Co-Curricular and Activities

The vision for the Gordon's Co-curricular programme is to open minds, develop leadership and service, foster well-being and develop excellence, in support of which, Gordon's continues to offer an impressive range of activities.

Gordon's was re-awarded the British Council's International School Award in 2018. Following the previous year's visit to Sudan, in March the School hosted students and staff from Khartoum International Community School, with a reciprocal visit planned for 2020. The link with Lise-Meitner Gymnasium in Konigsbach-Stein, Germany continues with exchange visits taking place twice a year, including some students from Woking High School. KS3 students visited Cologne in October; the Spanish Department organised both a visit to Granada and an exchange visit to San Sebastian. Mandarin classes continue to be offered as part of the P7 programme and students visited China during the Easter holiday.

Extension activities abound with interest in a recent BSA Public Speaking Festival, a biennial MUN conference and competitive sports fixtures, tours and festivals. Students participated in the Mock Trials competition in Guildford Crown Courts and also, Young Enterprise, First Give and eco-schools initiatives, to name but a few.

A comprehensive programme of co-curricular activities is offered through Period 7, as well as the Duke of Edinburgh Award Scheme, CCF, music, drama and sports. In May, two Gordon's teams of boys and girls completed the Ten Tors Bronze (35 miles) 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; cadets took part in the Army Summer Camp at Warcop, Navy cadets joined a summer camp aboard HMS Bristol and RAF cadets attended summer camp at RAF Benson.

New initiatives in Creative Arts include the Jazz Ensemble and a KS3 boys' choir that led Chapel services and participated in the commemorative concert 'Forgotten Voices'. Semper Fidelis Singers, an auditioned choir, have enjoyed school performances as well as participating in the Chobham Schools' Prom and Godalming Music Festival. Members of the Pipes and Drums joined with other schools for the 'Lest we Forget' concert in Birmingham and four students travelled to Edinburgh for the Scottish Schools' Pipe Band Championships. Regular opportunities for students to perform in school and to attend concerts at local venues are provided throughout the year. Music students participated in the BBC Inspire Composition; the support of the Yehudi Menuhin School for A Level composing workshops and performance is greatly valued. Participation in the Arts Award programme remains popular with 44 Bronze and 9 Silver Awards this year.

Drama events have included 'Bugsy Malone' at Camberley Theatre involving over 70 students. KS3 and KS4 Drama Ambassadors led two productions and the evening of monologues and duologues by KS4 and KS5 is always impressive. The Summer Arts Evening with music, drama and an exhibition of student art and photography provided a fantastic showcase of student talent at Gordon's. The Gardening Club was re-launched and achieved Level 3 of the RHS's schools' programme.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Gordon's is proud that the PE and Sports departments were awarded the Gold Mark for the fifth consecutive year, the only school in Surrey to achieve this. Participative sport continues to provide an important focus at Gordon's with over 650 competitive fixtures played across a wide range of sports through the year. A Rugby tour was taken to South Africa while a Netball team competed in Liverpool. Interest in Rowing is growing, while in Golf, the girls' team were Surrey Champions and the Equestrian team enjoyed hosting the second Gordon's invitation Show Jumping Competition.

Student Voice

Building on its inception last year, the Student Governing Body continues to meet termly, on the same day as the School Governors. Three Councils refer their recommendations to the Governing Body, focusing on Academic, Co-Curricular and Boarding concerns. Other student-organised initiatives include the Eco and the Law Societies.

Leadership

During the year, five members of staff enrolled on the ILM Level 5, four students and 13 staff enrolled on ILM Level 3 and 13 students enrolled on ILM level 2. Accreditation at each strand is offered through the Institute of Leadership and Management. Future developments being considered include a PDP model to incorporate students who are considering the teaching profession as a career. We are delighted that the first Gordon's student has been selected for a Rank Foundation Leadership Award.

Wider Participation

Gordon's is proud of its strong service ethos. Through 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 wide range of sports and music-based projects, both students and staff assisting in our local Primary School, Holy Trinity, West End, whose Year 6 pupils came to Gordon's for a festival of Chinese Arts, and Year 12 Business Students organised an introduction to enterprise through setting challenges. The Pipes and Drums have played for a range of public occasions and celebrations for local community events.

Every Sixth Form student is expected to complete at least 20 hours volunteering during the year and the benefits of the National Citizen Service programme is presented to all KS4 and KS5 students. At the end of the summer term all students in School, and many staff, helped to 'Make a Difference' locally by delivering leaflets, litter picking, visiting local Care Homes, stock-checking the local Food bank, clearing the local churchyard and hosting an afternoon tea, as well as projects within the School.

Through the Charity Committee, individual House fundraising and Chapel collections, students raised funds for a range of local and national charities. In their PSHE classes, Year 9 students participated in the 'First Give' Programme.

Pastoral Care

In June, Ofsted carried out a full boarding inspection and found the School to be Outstanding in all categories. The NHS "5 steps to Wellbeing" provides an important focus for building resilience in students and the focused anti-bullying programme continues. Student Wellbeing Ambassadors are appointed in each House. Several staff trained as Mental Health First Aiders and a student training programme will be launched next year. The first Gordon's ID week was held in February.

Woolwich, the new Year 7 residential boarding House opened in September 2019 for 32 boys and girls, providing a gentler transition into senior school residential boarding.

Working in Collaboration

The Arete Partnership was established with Woking High School in June 2015, reflecting both schools' developmental aims of improving practice through collaboration, increasing capacity for training and enterprise and offering opportunities for students to work and compete together across a range of activities. Staff at different levels met throughout the year, drawing on each other's expertise. Students participated in a range of inter-school events including sports, a business competition, chess and debating. Disappointingly, Hoe Valley Free School withdrew from the Partnership at the start of the year.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

As part of the PTI programme, The English Department worked with KS2 teachers at Holy Trinity School to develop KS2-3 transition.

The third Gordon's School Careers' Fair was again held at the School in the Spring Term, supported by a wide range of local and national employers while fortnightly career industry talks provide students with opportunities to learn about different areas of work. Separate Medical and Law workshops were popular. More information on the School's activities can be found on the website www.gordons.school.

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:

- Student outcomes
- Quality of teaching and learning
- Student: teacher ratios remaining below 12:1
- Total staff costs as a proportion of total costs between 65 – 70%
- Producing a balanced budget that meets the Academy's needs.

FINANCIAL REVIEW

Most of the School's income is obtained from the ESFA 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 additional grants received from the ESFA during the year ended 31 August 2019 totalled £99,658 with the associated expenditure totalling the same of £99,658 (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 £1,503,904 plus an additional amount of £364,000 to account for the increased deficit in the Local Government Pension Scheme and £152,711 for depreciation charges.

During the year ended 31 August 2019 total income was £6,505,107 with expenditure being £6,239,778 leaving £265,329 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 2019 the liability increased by £364,000 to a total year to date deficit of £854,000.

As at 31 August 2019, the school's element of the scheme's liabilities exceeded its element of the assets by £854,000. 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 Joint Finance & Estates 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. Total reserves at the end of the period amounted to £19,164. This balance includes unrestricted reserves of £579,819 and a deficit on restricted funds of £560,655.

Within the Reserves Policy it should be noted that because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totalling £854,000. This deficit is included within the restricted fund which is offset by the donation received from The Gordon Foundation through the unrestricted fund.

The School is able to offset the deficit in this way and whilst in the future, the deficit might not be eliminated, any changes to this will be offset by the donation from The Gordon Foundation.

Investment Policy

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

GORDON'S SCHOOL ACADEMY TRUST**GOVERNORS' REPORT (continued)****FOR THE YEAR ENDED 31 AUGUST 2019****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. There is a Joint Audit & Risk Committee and amongst other responsibilities reviews the formal Risk Register. The most significant risks identified are noted below together with the means by which to manage the risk:

Risk	Potential Consequence	Mitigation Strategies
Reporting to Governors is inaccurate, late or irrelevant.	Inadequate information resulting in poor decision making. Governors fail to fulfil their control function, the Governing Body (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: student 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 student is: Abused in School Abused externally without the School picking up warning signs Bullied by other students. Students' 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 the Single 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 student, 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 students 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 2019

Principle risks and uncertainties

Governors keep under review the strategic risks facing the School and the programmes which help to manage or mitigate the risk. Amongst the most important strategic risks at present are:

- the impact of changes in the economy generally, the decline in funding across the education sector from public sources, including reductions in post-16 funding and other Academy grant funding
- the ability to recruit and retain well qualified teaching staff in Surrey where housing and travel costs are high, who are committed to the ethos of a State Boarding School such as Gordon's.
- The school does not use any external fundraisers. Any fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE YEARS

By 2020 Gordon's School plans to have achieved:

- i) a working and learning environment that moves beyond outstanding
- ii) recognition as a Teaching School and the Arete Partnership as a centre for training excellence
- iii) listing in the top 100 Sports Schools
- iv) 90% of students annually graduating the Honours Programme
- v) a new sports hall, second all-weather pitch and refurbished Library
- vi) A dedicated Y7 residential boarding House.

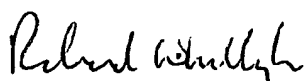
AUDITORS

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, Moore Kingston Smith LLP, have expressed their willingness to continue in office. A resolution to appoint them will be proposed at the Governing Body Meeting.

This Governors' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 28 November 2019 and signed on its behalf by:



Richard Whittington
Chair of Governors

GORDON'S SCHOOL ACADEMY TRUST**GOVERNANCE STATEMENT****FOR THE YEAR ENDED 31 AUGUST 2019****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 2018 and 31 August 2019. Attendance during the period was as follows:

Governor	Meetings attended	Out of a possible
Mr R Whittington	3	4
Mr M Barnes	3	4
Mr P Wynter Bee	1	4
Mrs L Bannister	3	4
Mr C Lomas	3	4
Ms G de Turris	2	3
Mrs J Valner	3	4
Mr C Broome	3	4
Mr K Gawley	3	4
Mr P Rigby	2	4
Mrs C Hutchings	4	4
Mrs A Szabo-Rowe	4	4
Mr P Berry	4	4
Mrs T Phillips	4	4
Mr A Moss	4	4
Mr J Tamsitt	0	2

GORDON'S SCHOOL ACADEMY TRUST**GOVERNANCE STATEMENT (continued)****FOR THE YEAR ENDED 31 AUGUST 2019****Self-evaluation**

Governors have carried out a self-evaluation using the template provided in the Academies Financial Handbook. The following table identifies areas for attention:

Accountability	Analyse School Performance (APS) - Is your board aware that RAISE online has been replaced with APS?	APR to brief C&P Committee
Accountability	Workload considerations - Are you taking into account the principles and recommendations as set out in the Making Data Work report and the Workload reduction toolkit? Has your trust recently reviewed its current policies and practices in line with the above materials?	Reports have been streamlined with narrative being removed; stamps have been removed; ongoing process with 2020 curriculum review.
People	Governance professionals (the clerk) - Is your trust using the clerking competency framework to ensure that its clerk has the appropriate skills, training and knowledge required for your Board?	Clerk attends regular briefings; JB to undertake clerking course
	Executive pay - Does your board's decisions about the levels of executive pay follow a robust evidence-based process? Is your board satisfied that the level of executive pay reflects the individuals' role and responsibilities?	Leadership pay bands to go to Salaries and PM Committee in November.
Compliance	Childcare on site - Is your trust satisfied that its school(s) ensure(s) any provider of childcare on site has appropriate policies in place in relation to safeguarding children?	Check Barracuda's latest inspection report

The Joint Finance & Estates 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&E by Academy governors in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr R Whittington	4	4
Mr M Barnes	3	4
Mr P Wynter Bee	3	4
Ms G de Turris	1	3

The Curriculum & Pastoral 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 students to the best of their academic, sporting, musical and artistic abilities and monitors pastoral matters. Attendance at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr A Moss	6	6
Mr P Rigby	4	6
Mrs J Valner	4	6
Mr S Broome	4	6
Mrs L Bannister	6	6
Mr K Gawley	5	6
Mrs C Hutchings	5	6

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Mr S Broome is an Associate Governor, in attendance at meetings of the Curriculum & Pastoral Committee only, with a particular link to the Science and Careers departments. Mr C Lomax, trustee of The Gordon Foundation provides the boarding link between the School and Foundation.

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 forming collaborative partnerships outside the School and working in closer partnership within School to improve what works in our classrooms
- Continuously reviewing 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 2019 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 2019 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 & Estates 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.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

The Governing Body has considered the need for a specific internal audit function and appointed Alliotts (Guildford) to fulfil the function of Responsible Officer. 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 will be carried out with the appointment of new auditors who will also provide guidance and recommendations. Alliotts' reports are presented to and reviewed by the Audit and Risk Committee which also makes its own review of internal financial procedures and controls.

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:

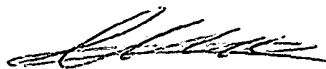
- the work of Alliotts
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 Estates 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 28 November 2019 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 2019

As Accounting Officer of Gordon's School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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 board of trustees and ESFA.



Date: 28 November 2019

Andrew Moss
Accounting Officer and Head Teacher

GORDON'S SCHOOL ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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 and Skills Funding Agency 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 ESFA/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 28 November 2019 and signed on its behalf by:



Richard Whittington
Chair of Governors

Opinion

We have audited the financial statements of Gordon's School Academy Trust ('the academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA.

Basis of opinion

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

Conclusions relating going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GORDON'S SCHOOL ACADEMY TRUST (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Matters on which we are required to report by exception

In light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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 or trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GORDON'S SCHOOL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Use of this report

This report is made solely to the academy trust'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 academy trust'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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

Date: 17/12/2019

James Saunders (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP

Devonshire House
60 Goswell Road
London
EC1M 7AD

GORDON'S SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF GORDON'S SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 22 July 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gordon School Academy Trust for the period 1 September 2018 to 31 August 2019 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 Gordon School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Gordon School Academy Trust and ESFA those matters we are required to state 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 Gordon School Academy Trust and the ESFA, for our work, for this report, or for the conclusion 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 dated 22 November 2012 and the Academies Financial Handbook, extant from 1 September 2018 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of the Accounting Officer's statement on regularity, propriety and compliance and the evidence supporting it;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Review of minutes of the Board, various committees and sub-committees, management accounts, internal scrutiny findings reports and discussions with key personnel;
- Evaluation and walk through of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses;
- Walk through and sample testing of staff expense claims and credit card expenditure, to ensure these adhere to internal control procedures and are not for personal benefit;
- Sample test transactions for compliance with procurement policies, and that these comply with delegated authorities;
- Obtain and review key staff and governors' register of interests;
- Test transactions with related parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook.

Conclusion

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Date: 17/12/2019

Moore Kingston Smith LLP

Reporting Accountant
Moore Kingston Smith LLP

Devonshire House
60 Goswell Road
London
EC1M 7AD

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 2019

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Restated Total 2018 £
Income and endowments from:						
Donations and capital grants	2	2,020,614	96,637	-	2,117,251	1,696,558
Income from other trading activities	3	14,334	-	-	14,334	19,122
Investment income	4	117	-	-	117	89
<i>Charitable activities:</i>						
Funding for the Academy's educational operations	5	-	4,373,405	-	4,373,405	4,397,491
Total Income		2,035,065	4,470,042	-	6,505,107	6,113,260
Expenditure on:						
<i>Charitable activities:</i>						
Academy's educational operations	6	(1,180,035)	(4,907,032)	(152,711)	(6,239,778)	(6,251,872)
Total Expenditure		(1,180,035)	(4,907,032)	(152,711)	(6,239,778)	(6,251,872)
Net income/(expenditure)		855,030	(436,990)	(152,711)	265,329	(138,612)
Gross transfers between funds	15	(345,965)	322,030	23,935	-	-
		509,065	(114,960)	(128,776)	265,329	(138,612)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	15,23	-	(258,000)	-	(258,000)	140,000
Net movement in funds		509,065	(372,960)	(128,776)	7,329	1,388
Reconciliation of funds						
Total funds brought forward at 31 August 2018 (as restated)	16,27	70,754	(471,317)	412,398	11,835	10,447
Total funds carried forward at 31 August 2019	15	579,819	(844,277)	283,622	19,164	11,835

The detailed comparative information for the Statement of Financial Activities is included on note 27.

The accompanying notes form part of these accounts.

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	£	2019	£	£	Restated 2018	£
Fixed assets							
Tangible assets	12			283,622			412,398
Current assets							
Debtors	13	992,110			1,048,131		
Cash at bank and in hand		489			541		
		<u>992,599</u>			<u>1,048,672</u>		
Liabilities							
Creditors: amounts falling due within one year	14	(403,057)			(947,388)		
Net current assets				589,542			101,284
Total assets less current liabilities				<u>873,164</u>			<u>513,682</u>
Creditors: amounts falling due after more than one year	14			-			(11,847)
Net assets excluding pension liability				<u>873,164</u>			<u>501,835</u>
Pension scheme liability	23			(854,000)			(490,000)
Net assets including pension liability				<u>19,164</u>			<u>11,835</u>
Funds of the Academy:-							
Restricted funds							
Fixed asset fund	15	283,622			412,398		
General fund	15	9,723			18,683		
Pension reserve	15	(854,000)			(490,000)		
Total restricted funds				<u>(560,655)</u>			<u>(58,919)</u>
Unrestricted funds							
General fund	15	579,819			70,754		
Total unrestricted funds				<u>579,819</u>			<u>70,754</u>
Total funds				<u>19,164</u>			<u>11,835</u>

The financial statements were approved and authorised for issue by the Board of Governors on 28 November 2019 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 2019

	Notes	2019 £	2018 £
Net cash inflow from operating activities	19	70,435	291,074
Cash flows from investing activities	20	(23,819)	(137,733)
Cash flows from financing activities			
Repayment of Salix loan		(23,692)	(23,692)
Decrease in cash in the year		<u>22,924</u>	<u>129,649</u>
Cash and cash equivalents at 1 September 2018		(95,644)	(225,294)
Cash and cash equivalents at 31 August 2019		<u>(72,720)</u>	<u>(95,645)</u>
Cash and cash equivalents			
Bank overdraft		(73,209)	(96,186)
Petty Cash		489	541
		<u>(72,720)</u>	<u>(95,645)</u>

GORDON'S SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Company information

Gordon's School Academy Trust is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Bagshot Road, West End, Surrey, GU24 9PT.

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 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Gordon's School meets the definition of a public benefit entity under FRS 102.

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

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 Academy Trust 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.

Income

All income is 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. The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

- **Donations**

Donations 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 income, 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.

GORDON'S SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **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 expenditure is inclusive of any irrecoverable VAT. The Academy is registered for VAT under a Group Registration with The Gordon Foundation and Gordon Enterprise.

Tangible fixed assets

Tangible fixed assets acquired since the Academy Trust was established are included in the accounts at cost, net of depreciation and any provision for impairment. 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:-

Fixtures and fittings	20% per annum straight line
ICT	20% per annum straight line

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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in the settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods and services it must provide.

Leased Assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

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.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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 funders 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 and Skills Funding Agency (ESFA) / Department for Education.

The conversion 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.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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 23, 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 2018 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 2019

2. DONATIONS/GRANTS					
	Unrestricted Funds £	Restricted Funds £	Fixed asset Funds £	Total 2019 £	Reclassified Total 2018 £
Donations from The Gordon Foundation	2,020,614	-	-	2,020,614	1,696,558
Other Donations	-	96,637	-	96,637	-
	<u>2,020,614</u>	<u>96,637</u>	<u>-</u>	<u>2,117,251</u>	<u>1,696,558</u>
3. INCOME FROM OTHER TRADING ACTIVITIES					
	Unrestricted Funds £		Total 2019 £	Reclassified Total 2018 £	
Other income received	14,334		14,334	19,122	
	<u>14,334</u>		<u>14,334</u>	<u>19,122</u>	
4. INVESTMENT INCOME					
	Unrestricted Funds £		Total 2019 £	Total 2018 £	
Bank interest received	117		117	89	
	<u>117</u>		<u>117</u>	<u>89</u>	
5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS					
	Restricted General Funds £		Total 2019 £	Total 2018 £	
DfE/ESFA revenue grant					
General Annual Grant (GAG)	3,941,656		3,941,656	3,678,619	
Other DfE/ESFA grants	262,749		262,749	586,246	
	<u>4,204,405</u>		<u>4,204,405</u>	<u>4,264,865</u>	
Other Government grants					
Local authority grants	169,000		169,000	132,626	
	<u>4,373,405</u>		<u>4,373,405</u>	<u>4,397,491</u>	
6. EXPENDITURE					
	Staff costs £	Premises £	Other costs £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	4,533,723	-	574,215	5,107,938	4,822,525
- Allocated support costs	77,150	474,012	580,678	1,131,840	1,429,347
	<u>4,610,873</u>	<u>474,012</u>	<u>1,154,893</u>	<u>6,239,778</u>	<u>6,251,872</u>

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

7. EDUCATIONAL OPERATIONS	Unrestricted Funds £	Restricted Funds £	Fixed asset Fund	Total 2019 £	Total 2018 £
Direct costs					
Teaching/Educational support staff costs	666,458	3,867,264	-	4,533,722	4,247,696
Educational supplies	2,771	406,266	-	409,037	416,241
Examination fees	-	118,586	-	118,586	119,289
Staff development	-	39,730	-	39,730	34,436
Educational visits	-	2,798	-	2,798	-
Staff travel	-	4,065	-	4,065	4,863
	669,229	4,438,709	-	5,107,938	4,822,524
Allocation support costs					
Support staff costs	-	77,150	-	77,150	81,492
Recruitment and support	16,407	2,244	-	18,651	18,225
Maintenance of premises and equipment	43,569	-	-	43,569	41,566
Cleaning	-	102,886	-	102,886	63,597
Rent and rates	-	25,674	-	25,674	25,674
Insurance	-	5,200	-	5,200	5,200
Utilities	-	99,343	-	99,343	90,595
Lease costs of History Block	211,192	-	-	211,192	115,113
Art & Tech Refurbishment	-	28,012	-	28,012	18,304
Nile Refurbishment	-	12,856	-	12,856	486,414
Bank interest and charges	-	1,633	-	1,633	4,513
Professional fees – non governance	11,432	-	-	11,432	20,264
Other support costs	135,206	-	-	135,206	108,024
ICT support costs	93,000	-	-	93,000	91,500
Pension scheme charges	-	106,000	-	106,000	101,000
Depreciation	-	-	152,711	152,711	151,491
Governance costs	-	7,325	-	7,325	6,375
	510,806	468,323	152,711	1,131,840	1,429,347
	1,180,035	4,907,032	152,711	6,239,778	6,251,872
				2019 £	2018 £
Net expenditure for the period includes:					
Operating lease rentals				211,192	115,113
Depreciation				152,711	151,491
Fees payable to auditor for:					
- audit				5,075	6,375
- other services				2,250	-
8. GOVERNANCE COSTS		Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Auditor's remuneration		-	7,325	7,325	6,375

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

9. STAFF COSTS	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	3,522,969	3,280,832
Social Security costs	449,840	420,685
Pensions costs	616,461	608,307
Apprenticeship Levy	5,192	4,206
	4,594,462	4,314,030
Supply teacher costs	16,410	15,158
	4,610,872	4,329,188

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

	2019 No.	2018 No.
Charitable activities		
Teachers	67	63
Educational Support staff	23	20
Administration and support	14	12
Management	3	3
	107	98

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

£60,001 to £70,000	3	2
£70,001 to £80,000	1	2
£80,001 to £90,000	1	-
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £355,619 (2018: £309,407).

10. GOVERNORS' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment.

Andrew Moss (Head Teacher and ex-officio Governor)

Remuneration	£120,000 - £125,000 (2018: £115,000 - £120,000)
Employers pension contributions	£15,000 - £20,000 (2018: £15,000 - £20,000)

The total amount of other employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £151,359 (2018: £149,241).

During the year ended 31 August 2019, no travel and subsistence expenses were reimbursed to governors (2017: £nil).

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust 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 2019 was £740 (2018: £720). 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 2019

12. TANGIBLE FIXED ASSETS

	Furniture and Equipment £	Computer Equipment £	Total £
Cost			
At 1 September 2018	1,283	875,531	876,814
Additions	340	23,595	23,935
At 31 August 2019	1,623	899,126	900,749
Depreciation			
At 1 September 2018	353	464,063	464,416
Charged in year	262	152,449	152,711
At 31 August 2019	615	616,512	617,127
Net Book Value			
At 31 August 2019	1,008	282,614	283,622
At 31 August 2018	930	411,468	412,398

13. DEBTORS

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	774,122	805,562
Carrying amount of financial liabilities		
Measured at amortised cost	113,603	445,156
Prepayments and accrued income	162,098	137,103
Due from Foundation	774,122	805,562
VAT reclaim	55,890	105,466
	992,110	1,048,131

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

14. CREDITORS: amounts falling due within one year	2019 £	2018 £
Trade creditors	105,353	438,931
Bank overdraft	73,209	96,185
Other loans	11,847	23,692
Other taxation and social security	190,295	359,291
Accruals and deferred income	22,353	29,289
	<u>403,057</u>	<u>947,388</u>

CREDITORS: amounts falling due after more than one year	2019 £	2018 £
Other loan	-	11,847
	<u>-</u>	<u>11,847</u>
Maturity of debt		
Less than one year	11,847	23,692
Between two and five years	-	11,847
	<u>11,847</u>	<u>35,539</u>

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

15. FUNDS	Restated at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	3,941,656	(4,360,323)	418,667	-
Pupil Premium	18,683	122,536	(131,496)	-	9,723
16-18 Bursary Fund	-	-	-	-	-
ESFA Building Maintenance Grant	-	99,658	(99,658)	-	-
GAG – LACSEG	-	1,513	(1,513)	-	-
ESFA Residential Supports Scheme	-	39,042	(39,042)	-	-
Local authority grants	-	169,000	(169,000)	-	-
Other Income	-	96,637	-	(96,637)	-
Defined Benefits Pension Scheme	(490,000)	-	(106,000)	(258,000)	(854,000)
	<u>(471,317)</u>	<u>4,470,042</u>	<u>(4,907,032)</u>	<u>64,030</u>	<u>(844,277)</u>
Restricted fixed asset fund	412,398	-	(152,711)	23,935	283,622
Total restricted funds	<u>(58,919)</u>	<u>4,470,042</u>	<u>(5,059,743)</u>	<u>87,965</u>	<u>(560,655)</u>
Total unrestricted funds	<u>70,754</u>	<u>2,035,065</u>	<u>(1,180,035)</u>	<u>(345,965)</u>	<u>579,819</u>
Total funds	<u>11,835</u>	<u>6,505,107</u>	<u>(6,239,778)</u>	<u>(258,000)</u>	<u>19,164</u>

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

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

The General Annual Grant is funding from the ESFA 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 2019.

16. FUNDS (COMPARATIVE)

	Restated Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Restated Balance at 31 August 2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	-	3,678,619	(4,050,682)	372,063	-
Pupil Premium	18,669	128,208	(128,194)	-	18,683
16-18 Bursary Fund	-	888	(888)	-	-
ESFA Building Maintenance Grant	23,131	457,150	(480,281)	-	-
Local authority grants	-	132,626	(132,626)	-	-
Defined Benefits Pension Scheme	(529,000)	-	(101,000)	140,000	(490,000)
	<u>(487,200)</u>	<u>4,397,491</u>	<u>(4,893,671)</u>	<u>512,063</u>	<u>(471,317)</u>
Restricted fixed asset fund	426,156	-	(151,491)	137,733	412,398
Total restricted funds	<u>(61,044)</u>	<u>4,397,491</u>	<u>(5,045,162)</u>	<u>649,796</u>	<u>(58,919)</u>
Total unrestricted funds	<u>71,491</u>	<u>1,715,769</u>	<u>(1,206,710)</u>	<u>(509,796)</u>	<u>70,754</u>
Total funds	<u>10,447</u>	<u>6,113,260</u>	<u>(6,251,872)</u>	<u>140,000</u>	<u>11,835</u>

GORDON'S SCHOOL ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2019****17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed assets Funds £	Total Funds £
Tangible fixed assets	-	-	283,622	283,622
Current assets	579,819	412,780	-	992,599
Current liabilities	-	(403,057)	-	(403,057)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(854,000)	-	(854,000)
Total net assets	579,819	(844,277)	283,622	19,164

Fund balances at 31 August 2018 are represented by:

	Restated Unrestricted Funds £	Restricted General Funds £	Restated Restricted Fixed assets Funds £	Restated Total Funds £
Tangible fixed assets	-	-	412,398	412,398
Current assets	70,754	977,918	-	1,048,672
Current liabilities	-	(947,388)	-	(947,388)
Non-current liabilities	-	(11,847)	-	(11,847)
Pension scheme liability	-	(490,000)	-	(490,000)
Total net assets	70,754	(471,317)	412,398	11,835

18. FINANCIAL COMMITMENTS & GUARANTEES

The School is included in a group registration for VAT purposes and is therefore jointly and severally liable for its and all other group companies, VAT liabilities. At the year end the group companies were owed an amount of £164,078 with respect to VAT reclaims.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

19. RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure	265,329	(138,612)
Depreciation (note 12)	152,711	151,491
Interest receivable (note 4)	(116)	(89)
FRS102 defined benefit pension scheme	106,000	101,000
Increase in debtors	(56,022)	18,967
Increase in creditors	533,203	158,317
Net cash inflow from operating activities	1,001,105	291,074

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest received	116	89
Purchase of tangible fixed assets – IT equipment	(23,935)	(137,733)
Net cash flows from investing activities	(23,819)	(137,645)

21. OPERATING LEASES

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	144,744	96,753
Amounts due between one and five years	251,750	46,320
Amounts due after five years	-	-

The operating lease being for a 4 classroom modular block, a 6 classroom modular block and Security Gates.

22. 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.

23. 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 2012 and of the LGPS 31 March 2017.

Contributions payable to the schemes at 31 August 2019 were £80,840 (2018: £259,034).

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

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 affecting contributions during the year, 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)
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.48% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age

23. PENSION AND SIMILAR OBLIGATIONS (continued)

discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The employer's pension costs paid to TPS in the period amounted to £524,480 (2018: £484,732).

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.

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 2019 was £148,000 (2018: £126,000), of which employer's contributions totalled £117,000 (2018: £100,000) and employee's contributions totalled £31,000 (2018: £26,000). The agreed contribution rates for future years are 23.2% 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.

Principal Actuarial Assumption	At 31 August 2019	At 31 August 2018
Pension increase rate	2.3%	2.4%
Salary increase rate	2.6%	2.7%
Discount rate	1.8%	2.8%

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

23. 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 2019	At 31 August 2018
<i>Retiring today</i>		
Males		
Females	21.6	22.5
	23.6	24.6
<i>Retiring in 20 years</i>		
Males	22.5	24.1
Females	25.0	26.4

Sensitivity Analysis	At 31 August 2019 £'000	At 31 August 2018 £'000
0.5% decrease in real discount rate	264	779
1 year increase in member life expectancy	28	170
0.5% increase in the pension increase rate	231	470

The academy's share of the assets in the scheme were:

	At 31 August 2019 £'000	At 31 August 2018 £'000
Equity instruments	946	810
Other bonds	240	191
Property	105	79
Cash and liquid assets	40	45
Total market value of assets	1,331	1,125

Amounts recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost (net of employee contributions)	200	186
Past Service Cost (including curtailments)	8	-
Total operating charge	208	186

Analysis of net pension finance cost

	2019 £'000	2018 £'000
Expected return on pension scheme assets	(33)	(25)
Interest on pension liabilities	48	40
Pension finance cost	15	15

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

GORDON'S SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION AND SIMILAR OBLIGATIONS (continued)

Movements in the present value of defined benefit obligations were as follows;	£'000	£'000
At 1 September 2018	1,615	1,489
Current service cost	208	186
Interest cost	48	40
Employee contributions	31	26
Actuarial loss/gain	(122)	(111)
Estimated Benefits Paid	(18)	(15)
Changes in financial assumptions	423	-
At 31 August 2019	2,185	1,615
Movements in the fair value of academy's share of scheme assets		
At 1 September 2018	1,125	960
Expected return on assets	33	25
Actuarial gain/loss	43	29
Employer contributions	117	100
Employee contributions	31	26
Estimated Benefits Paid	(18)	(15)
At 31 August 2019	1,331	1,125

The estimated value of employer contributions for the year ending 31 August 2019 is approximately £117,000 (2018: £100,000).

24. RELATED PARTY TRANSACTIONS

The Academy Trust 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 total donation for the year was £2,020,615 (2018: £1,696,558).

The outstanding balance owing from the Foundation is £774,121 (2018: £805,562) and is included within debtors at the year-end.

25. CONTROLLING PARTY

The academy is a 100% subsidiary of The Gordon Foundation, a charitable company limited by guarantee and registered in England and Wales. Consolidated accounts for The Gordon Foundation and its subsidiaries are publically available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

26. PRIOR PERIOD RESTATEMENT

A prior period restatement has been accounted for in order to recognise a fixed asset reserve fund.

A reconciliation of the reclassification between the unrestricted fund and fixed asset fund are as follows:

	At 1 September 2017			At 31 August 2018		
	Previously reported funds £	Effect of restatement £	2017 Restated funds £	Previously reported funds £	Effect of restatement £	2018 Restated funds £
Restricted general fund	(487,200)	-	(487,200)	(471,317)	-	(471,317)
Restricted fixed asset fund	-	426,156	426,156	-	412,398	412,398
Unrestricted fund	497,647	(426,156)	71,491	483,152	(412,398)	70,754
Total	10,447	-	10,447	11,835	-	11,835

GORDON'S SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (RESTATED)

	Notes	Restated Unrestricted Funds £	Restricted General Funds £	Restated Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income from:						
Donations and capital grants	1	1,696,558			1,696,558	1,412,863
Income from other trading activities	2	19,122			19,122	25,580
Investment income	3	89			89	81
<i>Charitable activities:</i>						
Funding for the Academy's educational operations	4		4,397,491		4,397,491	4,123,725
Total Income		1,715,769	4,397,491	-	6,113,260	5,562,249
Expenditure on:						
<i>Charitable activities:</i>						
Academy's educational operations	6	1,206,710	4,893,671	151,491	6,251,872	5,827,529
Total Expenditure	5	1,206,710	4,893,671	151,491	6,251,872	5,827,529
Net income/(expenditure)		509,059	(496,180)	(151,491)	(138,612)	(265,280)
Gross transfers between funds	16	(509,796)	372,063	137,733	-	-
		(737)	(124,117)	(13,758)	(138,612)	(265,280)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16,23	-	140,000		140,000	266,000
Net movement in funds		(737)	15,883	(13,758)	1,388	720
Reconciliation of funds						
Total funds brought forward at 31 August 2017	26	71,491	(487,200)	426,156	10,447	9,727
Total funds carried forward at 31 August 2018		70,754	(471,317)	412,398	11,835	13,447