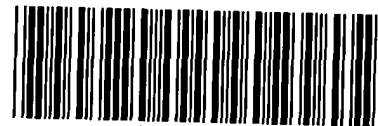


GORDON'S SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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COMPANIES HOUSE

Registered Company No: 07723861

HEAD TEACHER'S OVERVIEW OF THE YEAR

There has been a particular sense of achievement and energy at Gordon's School this year, one in which we celebrated several 'firsts'. For the first time, three Gordon's students have taken up places at Cambridge with three others progressing to Medical School. In February, Gordon's was the first state school to host a Model United Nations Conference while in May students organised a Pride week and at the end of the Summer Term students in Year 7 to 9 were all involved in a MAD (Making a Difference) Day within our immediate West End Community.

Gordon's School is proud to be an academically non-selective school yet placed in the top 20 state comprehensive schools for public examination results and just as importantly, in the top 10% of schools nationally for progress at A Level and in the top 5% for progress at GCSE. Our focus is on helping our students to achieve the best that they are capable of in the context of a secure boarding environment where participation and 'having a go' is more important than being the best. We continue to offer an impressive and evolving range of activities outside the classroom in which all students are required to participate, be it sports, music, debating or developing our charitable links. Many of these activities are taken into our local community as well, ensuring that our students appreciate the importance of contributing their time and talents to others.

I am delighted that the Arete Partnership established two years ago with Woking High School has expanded to include Hoe Valley School. The Partnership is developing at so many levels and benefiting both our students as staff in areas such as leadership training, peer-support, CPD opportunities as well as inter-school competitions. We sincerely value the growing mutual benefits and look forward to new initiatives being planned.

In March this year we received our triennial Ofsted Inspection of pastoral care, and were again rated Outstanding. The students, their progress and their care are the focus of what we are about, with boarding at the heart of this community. The inspection report included these comments, which I believe summarise Gordon's; 'All staff share a passion and commitment to achieve the aim of providing every student with a thorough preparation for life that gives them the character, confidence and all-round education to be the best they can be, to achieve their potential and make a positive contribution to the communities in which they live and work. Led by an aspirational senior leadership team dedicated to providing students with a world-class education, boarding staff create a stable and nurturing environment in which residential boarders flourish'.

The 'Good to Great' programme launched last year has gained momentum, providing opportunities for identified students to develop their skills further. This programme raises the bar and aims to ensure that our most talented students across a range of disciplines exceed expectations. However, the manner in which success is achieved matters. We saw this in our students when Gordon's hosted the State Boarding Schools' Sports Festival in September, when some of our musicians played at the inaugural piano recital for the new Grand Piano for the Recreation Hall and in the quality production of Guys and Dolls when over 70 students were involved at Camberley Theatre. Gordon's aims to be a school offering a wide range of opportunities for students to discover and develop their talents and interests, but also a school where character matters.

Andrew Moss, Head Teacher

GORDON'S SCHOOL ACADEMY TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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GORDON'S SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2017

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 08/07/2014	
Mr J Tamsitt	appointed 08/07/2014	
Mr C Lomas	appointed 26/11/2015	
Mr P Wynter Bee	appointed 13/11/2014	
Ms G de Turris	appointed 24/11/2016	
Mr S Broome	appointed 26/11/2015	

Co-opted Governor

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

Mrs K Smith	appointed 05/02/2013	resigned 05/02/2017
Mrs M Gower	appointed 05/02/2013	resigned 05/02/2017
Mr P Rigby	appointed 14/02/2017	
Mrs C Hutchings	appointed 14/02/2017	

Teacher Governors

Mrs J Matheson	appointed 21/01/2013	resigned 21/01/2017
Mrs A Szabo-Rowe	appointed 16/06/2016	
Mr P Berry	appointed 21/01/2017	

Staff Governor

Mrs T Phillips	appointed 16/06/2016
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Company Secretary

Mrs S Meikle	resigned 15/03/2017
Mrs J Boorman	appointed 16/03/2017

Senior Leadership Team

Mr A Moss	Head Teacher	
Mr R Pavis	Deputy Head, Pastoral	
Mr A Bodell	Deputy Head, Curriculum	resigned 31 March 2017
Mr A Reeve	Deputy Head, Curriculum	appointed 1 September 2017
Mrs S Meikle	Bursar	

Principal Office and Registered Office

Gordon's School
West End
Woking
Surrey GU24 9PT

Company Name

Gordon's School Academy Trust

Company Registration Number 07723861 (England & Wales)

Auditors

haysmacintyre
26 Red Lion Square
London WC1R 4AG

Bankers

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

Legal Advisers

brownjacobson LLP
Victoria House
Victoria Square, Birmingham B2 4BU

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

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 2017. 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 elected 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.

All Governors are signed up for Babcock4S'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. The September meeting is designated for Governor training.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational Structure

The organisational structure of the School has two levels:

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

The School is governed by a Governing Body composed of the directors of the company constituted under the Articles of the Academy Trust. The 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, which is followed by a joint meeting of the three Arete Partnership Governing Bodies. The Curriculum & Welfare 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 the Pay Committees each meet in the autumn term and as required.

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

The Senior Leadership Team controls the running of the School at an executive level and implements the policies and decisions of the Governors through agreed schemes of delegation. The Senior Leadership Team as listed on Page 1 control and authorise the spending of budgets. Curriculum budgets are devolved to Heads of Departments. The Head Teacher, Bursar and Head of Finance meet regularly to monitor and review the 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 Wider Leadership Team is paid on the Leadership pay scale and the Governing Body broadly adheres to the leadership pay bands outlined in the School Teachers' Pay and Conditions Document. Deputy Heads and Assistant Heads must demonstrate sustained high quality performance in respect to their 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, no trustee/governor is remunerated.

Connected Organisations, included Related Party Relationships

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

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object ("the Object") is specifically to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and to promote for the benefit of individuals living in the parish of West End who have need by reason of their age, infirmity or disability, financial hardship or social

GORDON'S SCHOOL ACADEMY TRUST
GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of said individuals.

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

Objectives, Strategies and Activities

These are taken from the School's Development Plan. Our 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	Criteria to measure success
Academic Curriculum	Secure for every student academic progress equal to or better than any school in the country, through excellent teaching, curriculum and relationships: where students are excellent learners, dedicated to their studies.	<ol style="list-style-type: none"> 1. Curriculum rated Outstanding; over 90% of lessons and marked judged good or better (95%) 2. Biennial satisfaction surveys rate developing potential, advice, information and guidance outstanding 3. 89% of Y13 secure their chosen next stage in their education whether university, work, GAP year or High Apprenticeship 4. Progress 8 greater than 0.5 (0.73) 5. In top 20 non-selective schools in England for GCSE and GCE results (20/16)
Extracurricular life	Provide extensive opportunities equal to or better than any other school, where students learn to be globally aware, confident and prepared for life in an international environment.	<ol style="list-style-type: none"> 1. Biennial satisfaction surveys rate extra-curricular provision outstanding (over 90%: 90.9) 2. Students take part in 500+ competitive fixtures (637); annual increase in team district and county titles (46 compared to 47 in 2015-16 and 30 in 2014-15) 3. 100+ students complete D of E Award (117) 4. Achieve the Sports Gold Mark (retained) 5. At least 50 students complete their Arts Award (55) and at least 50 pass LAMDA examinations (51). 6. The School has applied for national Arts Mark
Boarding and Pastoral Care	Provide a boarding experience and pastoral care as good as any school in the world, where students come first and all learn how to live healthy lifestyles and are equipped morally, emotionally, intellectually, technologically, socially and culturally for life beyond Gordon's.	<ol style="list-style-type: none"> 1. Boarding rated outstanding by Ofsted (re-inspected February 2017) 2. Point in Time shows 90%+ of students enjoy boarding (95.2%) and 90%+ parents believe their children enjoy boarding (98.6%) 3. Over 5000 volunteering hours completed by students (7008) Year on year increase in the number of students participating in the National Citizenship Programme (this fell to 1 in 2016-17 from 11 in 2015-16 and will be a focus for improvement)
Environment and other principal aspects of the school's work	Create an inspiring, secure, well-led and organised environment where students enjoy learning and staff enjoy working. Tangibly deliver benefit to the local community. Be the first choice secondary school in the county and state boarding school market.	<ol style="list-style-type: none"> 1. Gordon's remains over-subscribed for day and residential places 2. Zero complaints against the school upheld by the governing body 3. Rated Best State School in Surrey by Real Schools Guide (4th) 4. Biennial satisfaction surveys, all stakeholders rate all aspects of school life outstanding 5. Retain Investors in Careers, Eco Schools, Healthy Schools and International Schools' Awards 6. Attain Continuous professional Learning and Development Award (not achieved).

Public Benefit

The primary purpose of Gordon's School is the advancement of education of its students who come from a range of backgrounds. Inextricably linked with this purpose is the aim of contributing to the public good. With this in mind, and in setting the School's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit (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 tougher subjects. This was the first year of examining new specifications in several subjects and new grading structures at GCSE. For the first time, three students took up places at Cambridge University (for law, mathematics and geography) and a further three achieved grades to continue to Medical or Veterinary Colleges.

The Times placed Gordon's School's A level and GCSE results in the top 20 state comprehensive schools and continues to be in the top four secondary schools in Surrey. Gordon's also continues to be in the top 10% of schools nationally for progress at A level, in the top 2% at AS and in the top 5% for progress at GCSE. The number of Sixth Formers obtaining places at Russell Group or 1994 Group universities remains high and considerably above national average. Gordon's was placed 4th in Surrey for the 2017 Real School Guide that has four categories, attainment, teaching, attendance and outcomes. Year 13 students made particularly impressive progress.

As one of the highest achieving schools in the country in terms of attainment and value-added progress of disadvantaged pupils since 2011 as well as being one of the top 100 performing non-selective state funded schools in England, Gordon's School again received a letter of congratulations from the Minister of State for Schools.

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

	2010	2011	2012	2013	2014	2015	2016	2017
5+ A*-C (%)	96	90	97	97	91	93	98.3	94
5+ A*-C inc. Eng. & Maths (%)	91	89	93	86	86	89	97	92
Ebacc (%)	64	61	60	56	65	59	68	56
A Level Average points per entry	233	233	243	221	226	239	245	237
A level Average points per student	921	944	903	797	791	836	872	825

Teaching and Learning

The school was inspected by Ofsted in November 2014 and was again awarded Outstanding for Teaching and Learning in all categories. The programme of lesson observations has been maintained and generally, the learning is well paced, challenging and highly interactive with students encouraged to develop independence in their approaches to learning. Where learning is most effective, students are able to articulate what they are doing well and can identify how to improve. Similarly, highly effective intervention and excellent communication between students and teachers ensures that learning is very good and that students are involved in all aspects of the process. House tutors are increasingly involved in monitoring their tutees' academic progress. A new responsibility post of Head of KS3 was introduced during the year as well as a designated academic tutor to support younger students who are not on the learning support register but require some specific academic intervention guidance.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

To widen access to the curriculum KS4 Travel & Tourism has been introduced and for future years to explore the introduction of more accessible KS5 including BTECs in Sport, IT/Computing and A Level Photography.

Gordon's continues to benefit hugely from membership of The Prince's Teaching Institute, an independent educational charity which believes that all children, irrespective of background or ability, deserve rich subject-based experience at school, both within and beyond the examined curriculum. Gordon's has been awarded the Leadership Mark by the PTI; two Gordon's teachers are Teacher Leaders for the PTI and one is an Associate Department coordinator. Eight departments at Gordon's are PTI Department with continued focus on developing cross-curricular projects between them. For example, the Science and PE departments jointly investigated factors that improve performance in sport.

The Gordon's link with Cao Yang High School, Shanghai, continues. One formal joint activity took place between the Science departments and others are planned. A second Gordon's student visit to China is being planned for 2018; students from Shanghai were due to visit Gordon's in 2017 but were prevented due to visa restrictions. Mandarin is offered in preparation as a Period 7 activity: Gordon's has been awarded Confucius classroom status for 2018/19 for which funding will be received to develop the teaching of Mandarin at Gordon's and linked primary schools.

The link established with a Lise-Meitner Gymnasium in Konigsbach-Stein, Germany continues, with whom exchange visits take place twice a year and now include students from Woking High School. A link has been established with a school in France and is being explored for Spain. In April, Gordon's welcomed a group of Japanese students from Matsunoto University High School to spend a day in a British school. A visit to Khartoum is being planned for the end of spring term 2018.

Extension activities supporting the curriculum during the year included Business Studies visiting the Mini Factory near Oxford, Geography Field Trips to the Isle of Wight and the Jurassic Coast. The History department organised a three-day trip to Berlin, the English Department to Dorset in support of Y12 students taking *English Literature* and their Hardy studies and Geography to Italy for a five-day visit. Art and Photography students attended at Study Day in London as well as visiting the National Gallery for inspiring their course projects.

Student participation in debating increases, and in Model United Nations. In February, Gordon's School was the first state school to host a weekend MUN Conference, the majority of which was organised by a Committee of Sixth Form students. Students participated in hustings for the June General Election and the standard of inter-House debating is increasingly impressive.

Co-Curricular and Activities

Gordon's continues to offer an impressive range of activities, inspirational speakers, lectures and trips, mathematics and science challenges, concerts and plays. Regardless of ability or talent, students have opportunities to build on their confidence and to broaden their social, intellectual, physical and artistic horizons. Now in its third year, the Honours Programme was developed to assess, record and award students' good character in volunteering, for taking part in any non-compulsory activities inside and outside the classroom.

The Arts Award, launched during 2015, continues to expand and during this year 50 students completed their Bronze, a further four their Silver Awards and six students their Gold Award. Part of the syllabus for the Arts Award requires students to share their skills which has enabled Gordon's to develop further links with local schools and the community.

A comprehensive programme of co-curricular activities is offered through the Period 7 programme, as well as the Duke of Edinburgh Award Scheme, CCF, music, drama and sports. Gordon's students achieved 17 Gold 361 Silver and 64 Bronze Duke of Edinburgh Scheme Awards during the year and expeditions during the summer holidays extended from the Andes to Wales. In May a Gordon's team of boys and girls completed the Ten Tors Challenge on Dartmoor. It is testament to the high standards to which these students are trained that a Surrey school is allowed to enter a team. Over 150 pupils were enrolled between the three sections of the CCF; Army, Navy and RAF, over 40 cadets took part in the Army Summer Camp at Warcop, Cumbria and 30 Navy cadets joined a summer camp aboard HMS Bristol.

In September the purchase of a new baby grand piano, funded through donations and gifts, was celebrated with a piano recital; because of a subsequent masterclass two students were awarded scholarships to attend monthly masterclasses in London. Gordon's students entered the Woking Music Festival where the Show Choir won the best vocal ensemble. The only state school competing in the Godalming Music Festival, Gordon's achieved distinction in both classes entered.

During the summer, the Music Department organised a tour to Austria as well as providing regular opportunities for students to perform in school and to attend concerts at local venues throughout the year. The support of the Yehudi Menuhin School for A level composing workshops and performance is greatly valued, as too, the opportunity provided to play at London's Steinway Hall.

Music and Drama came together in a most successful production of *Guys and Dolls* in February. This was staged in Camberley Theatre and involved over seventy students acting, playing, backstage and technical support. Gordon's students again participated in the Schools' Shakespeare Festival and enjoyed a visiting theatre group's performance of *Macbeth*, in the Chapel. The evening of monologues and duologues by KS4 and KS5 is always impressive. The Summer Arts Evening of music, drama and an exhibition of student art and photography, included the choir of Holy Trinity Primary School and the Gordon's Singers.

Participative Sport continues to provide an important focus at Gordon's with over 600 competitive fixtures played across 12 sports through the year. In September, Gordon's hosted the State Boarding Forum's sports festival, welcoming 800 competitors from eleven participating schools. A wide range of district trophies were retained and the U16 boys' football team reached the final of the ESFA competition for the first time. The Equestrian team continued to gain in success and our first rider qualified for the Nationals in show jumping. A football tour was organised to Holland and the 1ST XV Rugby team was invited to participate in the prestigious tournament hosted by St Joseph's College, Ipswich.

Wider Participation

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 music and sports projects with 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. The Pipes and Drums have played for a range of public occasions, celebrations and local community events.

Every Sixth Form student is expected to complete at least 20 hours volunteering during the year (total 7,008) and the benefits of the NCS programme is presented to all KS4 and KS5 students. At the end of the summer term all students in school helped to 'Make a Difference' locally by delivering leaflets, visiting local Care Homes, stock-checking the local Food bank and hosting an afternoon tea, as well as projects within the school. Developing articulate and critical learners who are confident they can make a difference in society, the School contributes to the long term building up and support of the wider community.

Through the Charity Committee, individual House fundraising and Chapel collections Gordon's raised funds for a range of charities including CRY, Save the Children, Red Nose Day and Breast Cancer, Help for Heroes, CHASE and National Guide Dogs charities.

Pride Week in May was organised by a group of students with a range of activities to raise money and awareness for LGBT+ inclusion charity 'Educate and Celebrate', which aims to make schools and organisations LGBT+ friendly. Several members of staff participated by creating a short video exemplifying diversity and the week was also used to talk about issues relating to inclusion and acceptance as well as building on resilience and discussing mental health.

A Gordon's School's student was again selected as the Surrey Heath Mayor's cadet.

Pastoral Care

In February 2017 Ofsted carried out their boarding inspection and found the school to be Outstanding in all categories, with no recommendations for improvements. An important focus for the year was building resilience in students and character development.

In September 2016, Victoria House, Gordon's School's tenth student House, opened as a girls' Day House for up to 60 students. This alleviates congestion in the other girls' Houses, as well as balancing House numbers for competitive purposes.

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. In September, Hoe Valley Free School was welcomed as the third member of Arete.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

Activities included a Growth Mindset Symposium in conjunctions with a joint meeting of governors of the three schools, providing a forum in which to share good practice. 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.

Shared opportunities for CPD is core to the Arete Partnership, which is accredited to offer courses by the Institute of Leadership and Management, allowing the schools to design and deliver a bespoke Level 3 Award for aspiring Middle Leaders and Level 5 Award for aspiring Senior Leaders. Furthermore, the Level 2 Awards for Young Leaders has been offered as an accredited student leadership programme.

The first Gordon's School Careers' Fair was held at the school in the spring term, supported by a wide range of local and national employers. The fortnightly career industry talks provide students with opportunities to learn about different areas of work.

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 grants received from the ESFA during the year ended 31 August 2017 totalled £400,208 and the associated expenditure totalled £377,077 (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 £1,412,863, which was a decrease vs. prior years due to the beneficial revaluation for FRS102 Local Government Pension Scheme.

During the year ended 31 August 2017 total income of £5,562,249 (excluding restricted fixed asset funds) exceeded expenditure of £5,827,529 (excluding fixed asset costs) by £265,280 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 2017 the liability decreased by £221,000 to a total year to date deficit of £529,000.

As at 31 August 2017, the scheme's liabilities exceeded its assets by £529,000. Where the amount of pension scheme assets being held is less than the liability value, the implication is that we will eventually need to make good this deficit. It is therefore treated as a provision in our financial statements, although this does not need to be paid immediately, nor does it affect the current cash contributions paid by us as an employer to the Local Government Pension Scheme.

Reserves Policy

In the event that the School has reserves, the reserves levels would be consistently monitored as part of the budget monitoring process at Governor level through the Finance & General Purposes Committee. The Governors will maintain reserve levels which are sufficient to maintain the needs of the Academy and to encompass variations within the Academy budget. The value of free reserves held at 31 August 2017 is £71,491.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

Investment Policy

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

Principal risks and uncertainties

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

Reporting to Governors is inaccurate, late or irrelevant.	Inadequate information resulting in poor decision making. Governors fail to fulfil their control function. GB becomes ill informed.	Educational targets and financial budgets are set and agreed in advance. Report back on main targets direct to GB. Monitoring against actual is undertaken at committee level. Members of GB visit the school "in operation" in order to keep themselves well informed.
Government and Foundation funding inadequate to operate school as "required" by Governors, parents or DfE	Savings are made which put at risk quality of teaching and pastoral care: Pupil enrichment is reduced: the fabric of the school is neglected.	The school plans and budgets in detail and in advance to maximise use of available resources and to achieve best value for money. The School is fortunate to be able to seek help from The Gordon Foundation.
School enters into inappropriate partnerships or links	The risk is: a. Financial where the school is acting as agent for third parties OR where we have an operation which could produce financial loss. b. Reputational where the relationship may be with a business party or organisation for which due diligence has not been processed.	Agreements need to be in place and to have been checked by the relevant Committee and, if appropriate, a lawyer acting for the school. File of all contracts maintained by Head of Finance.
Child Protection Issues	A 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 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 pupils play sport at school and while they are shown how to play safely and sensibly, there may be accidents.	The school mitigates these risks by identifying them; setting out procedures to reduce them and monitoring that such procedures are operated effectively. We receive health and safety advice, train staff on specific procedures and are reviewed annually by an outside expert.

Financial and Risk Management Objectives and Policies

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

GORDON'S SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

Gordon's School is subject to various risks as is common with other Academies. Structures and procedures are in place to identify and mitigate financial risks as discussed throughout this report. The Local Government Pension Scheme is currently in deficit but at present there are no plans to change the agreed contribution rates or any current cash flow risk.

Principal Risks and Uncertainties

The 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 and the resulting 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 who are committed to the ethos of a State Boarding School such as Gordon's.

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

Governors' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 30 November 2017 and signed on its behalf by:



Richard Whittington
Chair of Governors

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 and 31 August 2017. Attendance during the period 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
Mr C Lomas	3	4
Mrs L Bannister	4	4
Mr J Tamsitt	2	4
Mr S Broome	3	4
Ms G de Turris	2	2
Mr K Gawley	3	4
Mrs T Phillips	4	4
Mrs J Mattheson	2	2
Mrs A Szabo-Rowe	4	4
Mr P Berry	2	2
Mrs K Smith	2	2
Mrs M Gower	2	2
Mrs C Hutchings	2	2
Mr P Rigby	2	2
Mr A Moss	4	4

When Mrs Smith's and Mrs Gower's term as parent governors expired, Governors were pleased that Mrs Hutchings stood for election unopposed and that Mr Rigby, chair of the GSPA, accepted an invitation as Parent Governor.

At the start of the March meeting, Governors were briefed on the new Governance Competency Framework. A working group then considered its application to Gordon's School, invited all Governors to complete a skills audit from which training needs were identified as well as any skills gaps; for example in HR. This will be a standing item for the termly Governors' meetings.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

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	3	4
Mr M Barnes	4	4
Mr P Wynter Bee	4	4
Ms G de Turris	2	2

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

Governor	Meetings attended	Out of a possible
Mr M Barnes	1	3
Mrs M Gower	5	5
Mrs K Smith	3	4
Mrs L Bannister	6	6
Mr K Gawley	3	6
Mrs J Valner	6	6
Mr S Broome	3	6
Mr P Rigby	2	2
Mrs C Hutchings	1	2
Mr A Moss	6	6

Mrs J Valner is appointed as Associate Governor: in attendance at meetings of the Curriculum & Welfare Committee only, with a particular link to the English and MFL departments. Mr C Lomas, 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 considers that it 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. 4th in Surrey for GCSE Gold Standard, Ebacc and disadvantaged students and remaining in the top 100 state schools for academic achievement
- Improving collaboration by formation collaborative partnerships outside the school and working in closer partnership within school to improve what works in our classrooms
- Continuous reviewing of staff to ensure they are used to their full potential and to drive down the costs of staffing whilst providing best value in terms of quality of learning, teaching, teacher student-ratio, curriculum management and boarding.

GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2017 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 2017 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.

The Governing Body has considered the need for a specific internal audit function. For the first part of the year, Babcock4S was contracted to provide the function of Responsible Officer but latterly this was not considered to provide fair value. During the summer term Alliotts were appointed who visited the school in July for two days when systems and controls were tested and checked. Some improvements were suggested but there were no areas for immediate concern. Their report to the Governing Body on the operation of the systems of control and on the discharge of the Governors' financial responsibilities will be reviewed for progress on at least a termly basis. Alliotts will return for the next part of their review in December 17. Relevant policies are reviewed regularly including how these are put into routine practice. A thorough 'health check' of the Academy Trust's financial processes and procedures, direct taxation and employment benefits was carried out on the appointment of auditors who continue to provide guidance and recommendations.

Review of Effectiveness

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

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

- the work of Babcock 4S and 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.

GORDON'S SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

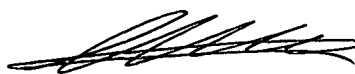
FOR THE YEAR ENDED 31 AUGUST 2017

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 30 November 2017 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 2017

As Accounting Officer of Gordon's School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

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 2016.

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



Andrew Moss
Accounting Officer and Head Teacher

GORDON'S SCHOOL ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and, expenditure, for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2016 to 2017;
- 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 to 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 30 November 2017 and signed on its behalf by:



Richard Whittington
Chair of Governors

Opinion

We have audited the financial statements of Gordon's School Academy trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its net movement in funds, including its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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 Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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

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

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- ◆ the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remunerations specified by law 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 Governors' Responsibilities, the Governors 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 Governors 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 Governors are responsible for assessing the academy'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 Governors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Samantha Coutinho (Senior Statutory Auditor)
for and behalf of
haysmacintyre
Statutory Auditors
26 Red Lion Square
London
WC1R 4AG

Date: 30 November 2017

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

Independent reporting accountant's assurance report on regularity to Gordon's School Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 28 May 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gordon's School Academy Trust during the period 1 September 2016 to 31 August 2017 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's 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's 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's School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Gordon's School Academy Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

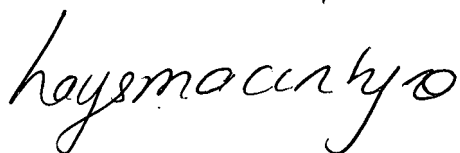
The work undertaken to draw to our conclusion includes:

- ◆ Walkthrough testing of controls to ensure operational effectiveness;
- ◆ Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised;
- ◆ Detailed testing on a selection of credit card statements and expense claims;
- ◆ Review of minutes, bank certificates and related party declarations provided by Governors and senior management.

**INDEPENDENT REPORTING ASSURANCE REPORT ON REGULARITY TO GORDON'S SCHOOL
ACADEMY TRUST AND THE EDUCATION SKILLS FUNDING AGENCY
(continued)**

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



haysmacintyre
26 Red Lion Square
London
WC1R 4AG

30 November 2017

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 2017

	Notes	Unrestricted Funds £	Restricted General Funds £	Total 2017 £	Total 2016 £
Income from:					
Income from other trading activities	2	1,438,443	-	1,438,443	1,576,547
Investment income	3	81	-	81	138
<i>Charitable activities:</i>					
Funding for the Academy's educational operations	4	-	4,123,725	4,123,725	3,796,597
Total Income		1,438,524	4,123,725	5,562,249	5,373,282
Expenditure on:					
<i>Charitable activities:</i>					
Academy's educational operations	6	1,290,645	4,536,884	5,827,529	5,191,969
Total Expenditure	5	1,290,645	4,536,884	5,827,529	5,191,969
Net income/(expenditure)		147,879	(413,159)	(265,280)	181,313
Gross transfers between funds	14	(389,369)	389,369	-	-
Net (expenditure)/income		(241,490)	(23,790)	(265,280)	181,313
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	14,20	-	266,000	266,000	(177,000)
Net movement in funds		(241,490)	242,210	720	4,313
Reconciliation of funds					
Total funds brought forward at 31 August 2016		739,137	(729,410)	9,727	5,414
Total funds carried forward at 31 August 2017		497,647	(487,200)	10,447	9,727

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

The accompanying notes form part of these accounts.

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	£	2017 £	£	2016 £	£
Fixed assets						
Tangible assets	11		426,156		344,085	
Current assets						
Debtors	12	1,067,098		1,072,710		
Cash at bank and in hand		226		95		
		<u>1,067,324</u>		<u>1,072,805</u>		
Liabilities						
Creditors: amounts falling due within one year	13	(918,494)		(597,932)		
Net current assets			<u>148,830</u>		<u>474,873</u>	
Total assets less current liabilities			<u>574,986</u>		<u>818,958</u>	
Creditors: amounts falling due after more than one year	13		<u>(35,539)</u>		<u>(59,231)</u>	
Net assets excluding pension liability			<u>539,447</u>		<u>759,727</u>	
Pension scheme liability	20		<u>(529,000)</u>		<u>(750,000)</u>	
Net assets including pension liability			<u><u>10,447</u></u>		<u><u>9,727</u></u>	
Funds of the Academy:-						
Restricted funds						
Fixed asset fund	14	-		-		
General fund	14	41,800		20,590		
Pension reserve	14	(529,000)		(750,000)		
Total restricted funds			<u>(487,200)</u>		<u>(729,410)</u>	
Unrestricted funds						
General fund	14	497,647		739,137		
Total unrestricted funds			<u>497,647</u>		<u>739,137</u>	
Total funds			<u><u>10,447</u></u>		<u><u>9,727</u></u>	

The financial statements were approved and authorised for issue by the Board of Governors on 30 November 2017 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 2017

	Notes	2017 £	2016 £
Net cash inflow from operating activities	16	74,058	150,222
Cash flows from investing activities	17	(215,644)	(157,435)
Cash flows from financing activities			
Repayment of Salix loan		(23,693)	(20,730)
Decrease in cash in the year		<u>(165,279)</u>	<u>(27,943)</u>
 Cash and cash equivalents at 1 September 2016		<u>(60,015)</u>	<u>(32,072)</u>
Cash and cash equivalents at 31 August 2017		<u>(225,294)</u>	<u>(60,015)</u>
 Cash and cash equivalents			
Bank overdraft		(225,520)	(60,110)
Petty Cash		226	95
		<u>(225,294)</u>	<u>(60,015)</u>

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

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted is set out below.

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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. 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.

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 than one activity and support costs which are not attributable to a single activity are apportioned between those

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Expenditure (continued)

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 currently not registered for VAT but claims back the VAT using the S33b refund scheme available for academies.

Tangible fixed assets

Tangible fixed assets acquired since the Academy Trust was established are included in the accounts at cost. 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
-----------------------	-----------------------------

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

Leased Assets

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

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 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment. 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 13. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 part 11, chapter 3 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.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

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/ Department for Education.

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

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

Critical accounting estimates and areas of judgement

The 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.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement (continued)

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 20, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

2.	INCOME FROM OTHER TRADING ACTIVITIES			Unrestricted Funds £	Total 2017 £	Total 2016 £
	Funds received from The Gordon Foundation			1,412,863	1,412,863	1,573,087
	Grants received			25,580	25,580	3,460
				<u>1,438,443</u>	<u>1,438,443</u>	<u>1,576,547</u>
3.	INVESTMENT INCOME			Unrestricted Funds £	Total 2017 £	Total 2016 £
	Bank interest received			81	81	138
4.	FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS			Restricted General Funds £	Total 2017 £	Total 2016 £
	DfE/ESFA revenue grants					
	General Annual Grant (GAG)			3,487,118	3,487,118	3,524,532
	Other DfE/ESFA grants			501,981	501,981	135,046
				<u>3,989,099</u>	<u>3,989,099</u>	<u>3,659,578</u>
	Other Government grants					
	Local authority grants			134,626	134,626	137,019
				<u>4,123,725</u>	<u>4,123,725</u>	<u>3,796,597</u>
5.	EXPENDITURE				Total 2017 £	Total 2016 £
	Staff costs £	Premises £	Other costs £			
	Academy's educational operations					
	- Direct costs	-	527,793		4,602,859	4,542,072
	- Allocated support costs	304,308	870,062		1,224,670	649,897
	<u>4,125,366</u>	<u>304,308</u>	<u>1,397,855</u>		<u>5,827,529</u>	<u>5,191,969</u>

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

6. EDUCATIONAL OPERATIONS	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Direct costs				
Teaching/Educational support staff costs	336,907	3,738,159	4,075,066	4,053,095
Educational supplies	3,125	392,251	395,376	342,354
Examination fees	-	94,339	94,339	82,566
Staff development	-	29,302	29,302	32,566
Educational visits	-	4,000	4,000	23,817
Staff travel	-	4,776	4,776	7,674
	340,032	4,262,827	4,602,859	4,542,072
Allocation support costs				
Support staff costs	-	50,300	50,300	46,133
Recruitment and support	17,358	-	17,358	18,784
Maintenance of premises and equipment	39,893	-	39,893	44,354
Cleaning	-	59,009	59,009	68,911
Rent and rates	-	17,304	17,304	16,534
Insurance	-	5,000	5,000	4,700
Utilities	-	87,193	87,193	91,714
Lease costs of History Block	100,908	-	100,908	-
Art and Technology Block Refurbishment	377,077	-	377,077	-
Bank interest and charges	-	1,880	1,880	1,762
Professional fees – non governance	44,338	-	44,338	15,860
Other support costs	127,104	-	127,104	150,217
ICT support costs	110,281	-	110,281	99,259
Pension scheme charges/(income)	-	45,000	45,000	16,000
Depreciation	133,654	-	133,654	70,669
Governance costs	-	8,371	8,371	5,000
	950,613	274,057	1,224,670	649,897
Totals	1,290,645	4,536,884	5,827,529	5,191,969

	2017 £	2016 £
Net income/(expenditure) for the period includes:		
Operating lease rentals	100,908	-
Depreciation	133,654	70,669
Fees payable to auditor for:		
- audit	5,150	5,000
- other services (current and prior year)	3,221	-

7. GOVERNANCE COSTS	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Auditor's remuneration	-	8,371	8,371	5,000

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

8. STAFF COSTS	2017	2016
	£	£
Staff costs during the year were:		
Wages and salaries	3,145,820	3,198,872
Social Security costs	324,307	275,596
Pensions costs	617,078	579,707
	<u>4,087,205</u>	<u>4,054,175</u>
Supply teacher costs	38,161	45,053
	<u>4,125,366</u>	<u>4,099,228</u>

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

	2017	2016
	No.	No.
Charitable activities		
Teachers	59	60
Educational Support staff	19	19
Administration and support	15	16
Management	3	3
	<u>96</u>	<u>98</u>

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

£60,001 to £70,000	6	2
£70,001 to £80,000	2	2
£80,001 to £90,000	1	-
£120,001 to £130,000	1	1
	<u>10</u>	<u>5</u>

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £350,367 (2016: £342,127).

9. GOVERNORS' REMUNERATION AND EXPENSES

The Head Teacher and the other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of staff governors' remuneration was £307,436 (2016: £288,237).

During the year ended 31 August 2017, no travel and subsistence expenses were reimbursed to governors (2016: £nil).

10. GOVERNORS' AND OFFICERS INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £650 (2016: £600).

The cost of this insurance is included in the total insurance cost.

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

11. TANGIBLE FIXED ASSETS

	Computer Equipment £	Total £
Cost		
At 1 September 2016	523,356	523,356
Additions	215,725	215,725
At 31 August 2017	739,081	739,081
Depreciation		
At 1 September 2016	179,271	179,271
Charged in year	133,654	133,654
At 31 August 2017	312,925	312,925
Net Book Value		
At 31 August 2017	426,156	426,156
At 31 August 2016	344,085	344,085

12. DEBTORS

	2017 £	2016 £
Prepayments and accrued income	29,116	26,229
Due from Foundation	916,168	989,942
VAT reclaim	121,814	56,539
	1,067,098	1,072,710

13. CREDITORS: amounts falling due within one year

	2017 £	2016 £
Trade creditors	345,641	178,817
Bank overdraft	225,520	60,110
Other creditors	23,692	23,692
Other taxation and social security	319,288	328,354
Accruals and deferred income	4,353	6,959
	918,494	597,932

CREDITORS: amounts falling due after more than one year

	2017 £	2016 £
Other loan	35,539	59,231
Maturity of debt		
Less than one year	23,692	23,692
Between two and five years	35,539	59,231

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

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

14. FUNDS	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	3,488,099	(3,877,468)	389,369	-
Pupil Premium	20,590	95,871	(97,792)	-	18,669
16-18 Bursary Fund	-	1,640	(1,640)	-	-
ESFA Building Maintenance Grant	-	400,208	(377,077)	-	23,131
ESFA Residential Support Scheme	-	3,281	(3,281)	-	-
Defined Benefits Pension Scheme	(750,000)	-	(45,000)	266,000	(529,000)
	<u>(729,410)</u>	<u>3,989,099</u>	<u>(4,402,258)</u>	<u>655,369</u>	<u>(487,200)</u>
Restricted other funds					
Local authority grants – Surrey County Council	-	134,626	(134,626)	-	-
	<u>-</u>	<u>134,626</u>	<u>(134,626)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>(729,410)</u>	<u>4,123,725</u>	<u>(4,536,884)</u>	<u>655,369</u>	<u>(487,200)</u>
Unrestricted funds					
Funds from Gordon Foundation	739,137	1,412,863	(1,264,984)	(389,369)	497,647
Other income	-	25,661	(25,661)	-	-
	<u>739,137</u>	<u>1,438,524</u>	<u>(1,290,645)</u>	<u>(389,369)</u>	<u>(497,647)</u>
Total unrestricted funds	<u>739,137</u>	<u>1,438,524</u>	<u>(1,290,645)</u>	<u>(389,369)</u>	<u>(497,647)</u>
Total funds	<u>9,727</u>	<u>5,562,249</u>	<u>(5,827,529)</u>	<u>266,000</u>	<u>10,447</u>

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

The General Annual Grant is funding from the EFA for the Academy's operating costs. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed assets Funds £	Total Funds £
Tangible fixed assets	-	426,156	-	426,156
Current assets	497,647	569,677	-	1,067,324
Current liabilities	-	(918,494)	-	(918,494)
Non-current liabilities	-	(35,539)	-	(35,539)
Pension scheme liability	-	(529,000)	-	(529,000)
Total net assets	<u>497,647</u>	<u>487,200</u>	<u>-</u>	<u>10,447</u>

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

**16. RECONCILIATION OF NET (EXPENDITURE)/
INCOME TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	2017 £	2016 £
Net (expenditure)/ income	(265,280)	181,313
Depreciation (note 11)	133,654	70,669
Interest receivable (note 3)	(81)	(138)
FRS102 defined benefit pension scheme	45,000	16,000
Decrease/(increase) in debtors	5,612	(171,424)
Increase in creditors	155,153	53,802
Net cash inflow from operating activities	74,058	150,222

17. CASH FLOWS FROM INVESTING ACTIVITIES

	2017 £	2016 £
Interest received	81	138
Purchase of tangible fixed assets – IT equipment	(215,725)	(157,574)
Net cash flows from investing activities	(215,644)	(157,436)

18. OPERATING LEASES

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	96,753	-
Amounts due between one and five years	143,073	-

The operating lease being for a 4 classroom modular block.

19. 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.

20. 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 2016.

No contributions were payable to the schemes at 31 August 2017 (2016: £nil)

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 was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £539,264 (2016: £491,849).

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

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

GORDON'S SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

20. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £120,000 (2016: £149,000), of which employer's contributions totalled £101,000 (2016: £128,000) and employee's contributions totalled £19,000 (2016: £21,000). The agreed contribution rates for future years are 31.7 per cent for employers and between 5.5 and 6.8 per cent for employees.

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

	At 31 August 2017	At 31 August 2016
Principal Actuarial Assumption		
Pension increase rate	2.4%	2.1%
Salary increase rate	2.7%	2.4%
Discount rate	2.5%	2.0%

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

	At 31 August 2016	At 31 August 2016
<i>Retiring today</i>		
Males		
Females	22.5	22.5
	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24.1	24.5
Females	26.4	26.9

Amounts recognised in the Statement of Financial Activities	2017 £'000	2016 £'000
Current service cost (net of employee contributions)	131	124
Total operating charge	131	124
Analysis of pension finance income	2017 £'000	2016 £'000
Expected return on pension scheme assets	(15)	(20)
Interest on pension liabilities	33	45
Pension finance income	18	25

GORDON'S SCHOOL ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2017****20. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

Movements in the present value of defined benefit obligations were as follows	2017 £'000	2016 £'000
At 1 September 2016	1,596	1,169
Current service cost	131	124
Interest cost	33	45
Employee contributions	19	21
Actuarial loss/gain	(277)	263
Estimated Benefits Paid	(13)	(26)
At 31 August 2017	1,489	1,596
Movements in the fair value of academy's share of scheme assets		
At 1 September 2016	846	612
Expected return on assets	18	25
Actuarial gain/loss	(11)	86
Employer contributions	101	128
Employee contributions	19	21
Estimated Benefits Paid	(13)	(26)
At 31 August 2017	960	846

The estimated value of employer contributions for the year ending 31 August 2018 is £74,000.

21. RELATED PARTY TRANSACTIONS

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

The donation for the year was £1,412,863 (2016: £1,573,087) which included the benefit of a £221,000 pensions improvement after the Local Government Pension Scheme revaluation.

The outstanding balance owing from the Foundation is £387,168 (2016:£239,942).