

**GORDON'S SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



**Registered Company No: 07723861**

## **HEAD TEACHER'S OVERVIEW OF THE YEAR**

Gordon's continues to be a busy place, it is not only about examination results as Gordon's wants the very best for each and every student, so good grades will help students obtain an interview but it is the experiences and confidence that they gain from their Co-Curricular activities, that will help to gain them the sought after university place or job. As an academically non-selective school we maintain clear and realistic expectations, encouraging students to believe in themselves and to take advantage of the wide range of activities available outside the classroom.

What a range of opportunities this year; our first Gordon's School visit to Sudan where we are developing links with Khartoum International Community School, the Gordon's School Boat Club is established and our Arts Programme included two energetic and enjoyable productions of 'Teechers' and 'School of Rock', as well as the extensive range of regular sports fixtures, Model United Nations Conferences, debating and music events. I am delighted that under our 'Good to Great' programme the school is able to offer opportunities for our more talented students to develop their skills which range from the auditioned Semper Fidelis Singers, specialist art workshops to sports psychology and specialist coaching.

As a school we appreciate our responsibilities to build a culture of voluntary service and giving amongst students and staff within the immediate and wider community. In their PSHE classes Year 9 students now participate in First Give, which provided a framework within which they get to know a local charity and fundraise for it, with the potential to win a further £1k for their charity. This year one group reached the national finals for their presentation. Other activities ranged from planting spring bulbs locally, visiting Care Homes, litter picking and the Make a Difference Day in July.

The Arete Partnership with Woking High continues to provide opportunities for staff to develop and share outstanding practice. At student level a healthy spirit of competition continues between schools with a variety of inter-school events ranging from business and debating, to poetry and sports. As an accredited centre for the Institute of Leadership & Management, I am delighted that the Partnership has now developed bespoke Level 3 and 5 Awards for middle and aspiring senior managers as well as Level 2 and 3 for student leaders. This development supports our focus on leadership and provides valuable Continuous Professional Development opportunities for staff.

It is exciting to be progressing plans for the sports hall and a second all-weather pitch. As I write, we await the outcome of our planning application and hope to have these exciting new facilities available for use by late 2019. This provision will transform student opportunities at Gordon's, introducing different indoor sports as well as facilities to train and play matches year round. Other curriculum areas will benefit too, when the existing gymnasium can be converted for performing arts.

Gordon's continues to aim 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**

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**FOR THE YEAR ENDED 31 AUGUST 2018**

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<b>INDEX</b>	<b>Page</b>
Reference and administrative details	1
Governors' report	2
Governance statement	9
Statement on regularity, propriety and compliance	14
Statement of Governors' responsibilities	15
Independent auditor's report	16
Statement of financial activities incorporating income & expenditure account	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22

# GORDON'S SCHOOL ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2018

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### Governors

#### Foundation Governors

Mr R Whittington (Chairman)	appointed 22/11/2012	elected Chairman 14/11/ 2013
Mr M Barnes (Vice Chairman)	appointed 22/11/2012	elected Vice Chairman 14/11/ 2013
Mrs L Bannister	appointed 29/11/2018	
Mr J Tamsitt	appointed 08/07/2014	resigned 29/11/18
Mr C Lomas	appointed 26/11/2015	
Mr P Wynter Bee	appointed 29/11/2018	
Ms G de Turris	appointed 24/11/2016	
Mr S Broome	appointed 26/11/2015	
Mrs J Valner	appointed 29/11/2018	

#### Co-opted Governor

Mr K Gawley	appointed 29/11/2018
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#### Parent-elected Governors

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

#### Teacher Governors

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

#### Staff Governor

Mrs T Phillips	appointed 16/06/2016
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**Company Secretary** Mrs J Boorman

<b>Senior Leadership Team</b>	Mr A Moss	Head Teacher and ex-officio Governor
	Mr R Pavis	Deputy Head, Pastoral
	Mr A Reeve	Deputy Head, Curriculum
	Mrs S Meikle	Bursar

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

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

**Legal Advisers** Barlow Robbins LLP  
The Oriel  
Sydenham Road, Guildford, Surrey GU1 3SR

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

## **GORDON'S SCHOOL ACADEMY TRUST**

### **GOVERNORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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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 2018. 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](http://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.

## **GORDON'S SCHOOL ACADEMY TRUST**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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##### **Organisational Structure**

The organisational structure of the School has two levels:

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

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

The Governors and their committees act strategically by:

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

The full Governing Body meets once a term to transact its formal business. A fourth meeting is held in September specifically for relevant training as a Governing Body, which is usually followed by a joint meeting of the 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.

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

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

##### **Arrangements for setting pay and remuneration of key management personnel**

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

The 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 performance objectives and are subject to a review of performance against Head Teacher Standards before any pay progression is awarded. The Pay Committee considers the award of one point where performance objectives are met and there is sustained high quality of overall performance.

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

##### **Connected Organisations, included Related Party Relationships**

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

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. Gordonians is an association for former students who wish to maintain contact with the School and to support its activities. Friends of Gordon's provide an opportunity for former parents, governors and members of the local community to maintain a connection with the School through social and cultural events.

Gordon's School is a highly oversubscribed State Boarding School, rooted in a proud tradition as the National Memorial to General Gordon of Khartoum and is an ambitious and forward-looking school. Its 'USP' includes academic excellence, the focus on boarding, ceremony, discipline, an extensive extra-curricular programme and the financial support of The Gordon Foundation. The student roll for the year averaged 840 with 241 students in the Sixth Form and 238 were residential boarders.

# GORDON'S SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (continued)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### Objectives, Strategies and Activities

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

Area	Objectives	Criteria to measure success
<b>Academic outcomes for students, including the extent to which the education provided meets the needs of the range of students, including those with disabilities and SEN.</b>	<p>Improve achievement rates, especially among boys.</p> <p>Champion scholarship and curiosity.</p> <p>Narrow the Progress Gap between subjects.</p>	<p>Ensure all boys attain progress 8 of at least 0.8 and KS5 progress of 0.5 by 2020.</p> <p>Attain a 3-year average for GCSE and A Level of 7-9 and A*-A greater than 50% by 2020.</p> <p>3-year average on all subjects to be ALPS 4 or better at A Level and ALPS3 or better at GCSE by 2020.</p>
<b>Personal development Behaviour and welfare including Safeguarding: promotion of students' spiritual, moral, social and cultural development and physical/mental well-being.</b>	<p>Improve students' emotional and mental health.</p> <p>Improve behaviour.</p> <p>Improve effectiveness in dealing with bullying.</p> <p>Extend student (and staff) leadership and service.</p> <p>Increase participation at nationally recognised events.</p>	<p>Reduce the proportion of students to less than 2% by 2020 who believe that the school does not encourage them to look after emotional and mental health and that there is no adult in school they feel they can talk to.</p> <p>Reduce the proportion of students to less than 2% who believe that behaviour in lessons is poor some or all of the time.</p> <p>By 2020, reduce the proportion of students to less than 2% who believe that bullying is a problem in the school and that teachers do nothing about it.</p> <p>By 2020 increase the number of hours' service given by students to over 10,000 (social value of £50k).</p> <p>By 2020 increase participation to 30 national or international events.</p>
<b>Effectiveness of the 16-19 study Programme.</b>	<p>Improve the Sixth Form experience at Gordon's</p> <p>Improve information about Careers, FE and HE pathways</p>	<p>Improve the % of students securing their first-choice destination at 16/18 as well as improving the retention rate of Gordon's Y11 students.</p> <p>By 2020 reduce the proportion of students who feel that they do not receive sufficient information to less than 10%.</p>
<b>Environment and other principal aspects of the school's work.</b>	<p>Quality of boarding and pastoral care.</p> <p>Quality of teaching, learning, Assessment.</p> <p>Development staff training and development to improve well-being as well as teaching and support for teaching.</p> <p>Site Development.</p>	<p>Open Woolwich House September 2019.</p> <p>By 2020 raise satisfaction levels with computer access to over 80% for students and 90% for staff; review the Curriculum for 2020.</p> <p>By 2020 over 95% of staff consider opportunities for personal and professional development are outstanding and actively aid staff wellbeing.</p> <p>Have a sports hall and second all-weather pitch for 2020.</p>

## GORDON'S SCHOOL ACADEMY TRUST

### GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

#### 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. In particular, through the various links with other schools and groups, charity work and student services, the School aims to contribute considerable benefit to the local community. (For more detail see below in *Wider Participation*).

#### Fundraising

The governors recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The school keeps donors informed about fundraising activities through regular updates. All fundraising activity is carried out by school staff, who have received training on fundraising standards. No complaints have been received. The school only raises funds from The Gordon Foundation and the school and does not undertake fundraising campaigns to members of the public.

### 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. Four students were offered places at Oxford or Cambridge.

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 three 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 4<sup>th</sup> in Surrey and 96<sup>th</sup>/3088 in England for the 2018 Real School Guide that has four categories: attainment, progress, attendance and outcomes.

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:

	2011	2012	2013	2014	2015	2016	2017	2018
5+ A*-C (%)	90	97	97	91	93	98.3	94	94
5+ A*-C inc. Eng. & Maths (%)	89	93	86	86	89	97	92	91
Ebacc (%)	61	60	56	65	59	68	56	48
A Level Average points per entry	233	243	221	226	239	245	237	43.26*
A level Average points per student	944	903	797	791	836	872	825	130.52*

\*change of methodology for calculating

#### Teaching and Learning

The school was inspected by Ofsted in November 2014 and was awarded Outstanding for Teaching and Learning in all categories. A programme of lesson observations carried out by a team of trained peer observers continues to develop; generally, the learning is well paced, challenging and highly interactive with students encouraged to develop independence in their approaches to learning. Use of IRIS for recording and reviewing NQT teachers has been highly effective and its use will be extended to a wider group of teachers in 2018/19, cultivating self-reflection. Three Teaching and Learning Clusters (teachers as learners) focus on Assessment for Learning, Challenge and Engagement. The role of the designated academic tutor continues to provide effective support younger students who are not on the learning support register but require some specific academic intervention guidance.

To widen access to the curriculum, BTECs in Sport and IT/Computing have been introduced and the whole curriculum is



## GORDON'S SCHOOL ACADEMY TRUST

### GOVERNORS' REPORT (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2018

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under review to ensure that it is fit for purpose in 2020. Uprake of the Extended Project Qualification by Y12 students increased with 16 completing (eight awarded A\*/A) having presented and written up a piece of research of their own choosing.

A focus in improving the internal CPD programme has resulted in a notable staff participation increase; teachers are expected to commit to two hours' online or internal CPD, for 2018/19 teachers will be asked to spend at least one further hour during the year in another school. The School continues to benefit hugely from membership of The Prince's Teaching Institute, an independent educational charity which believes that all children, irrespective of background or ability, deserve rich subject-based experience at school, both within and beyond the examined curriculum. 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.

Gordon's was re-awarded British Council's International School Award. In March, a group of ten students and accompanying teachers travelled to Sudan, at the invitation of Khartoum International Community School. During the week's stay they spent time in the school, visited sites associated with General Gordon in Khartoum and spent 24 hours out of the city visiting the World Heritage status pyramids at Meroe. A reciprocal visit is planned for March 2019. The link established with a Lise-Meitner Gymnasium in Kongsbach-Stein, Germany continues, with whom exchange visits take place twice a year and include students from Woking High School. An exchange visit was organised to Procence, France, and the Spanish Department organised a visit to Barcelona. In April, Gordon's welcomed a group of Japanese students to spend a day in a British school. Mandarin classes continue to be offered as part of the P7 programme and a school visit to China has been booked for Easter 2019.

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 to Reading. 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. Art and Photography students attended a Study Day in London as well as visiting the Tate Britain and the National Gallery for inspiring their course projects. A group of Y12 Physics students experienced indoor skydiving. Year 11 students attended the Salters' Festival of Chemistry. Y10 attended a Science Live Day in Oxford and Y9 students spent a day in the Guardian newspaper New Rooms.

Student participation in debating continues to increase with entries to the ESU competitions. Students participated in the Mock Trial competition in Guildford Crown Courts and in several Model United Nations Conferences. An Y13 student was a finalist in the Guildford Diocese's 'Young Preacher of the Year'.

#### 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. The Honours Programme continues, seeking to promote and capture good character, rewarding hard work, service and personal leadership through voluntary involvement of students, giving more than is expected in a diverse range of activities across the school whether inside or outside the classroom.

The Arts Award, launched during 2015, continues to develop as well as LAMDA; one student pass her Diploma with 94/100 marks and all other candidates achieved Merit or Distinction for their grade entries. A comprehensive programme of Co-Curricular activities is offered through Period 7, as well as the Duke of Edinburgh Award Scheme, CCF, music, drama and sports. In May, two Gordon's teams of boys and girls completed the Ten Tors Bronze (35 miles) Challenge on Dartmoor. It is testament to the high standards to which these students are trained that a Surrey school is allowed to enter a team. Over 150 pupils were enrolled between the three sections of the CCF: Army, Navy and RAF, over 40 cadets took part in the Army Summer Camp at Nesscliffe, Shropshire, 30 Navy cadets joined a summer camp aboard HMS Bristol and RAF cadets attended summer camp at RAF Odiham.

A new development within the Music department is the Semper Fidelis Singers, an auditioned choir who receive specialist coaching and have enjoyed giving out of school performances, at RMA Sandhurst and a lunchtime concert in London. Regular opportunities for students to perform in school and to attend concerts at local venues are provided throughout the year throughout the year. The support of the Yehudi Menuhin School for A level composing workshops and performance is greatly valued.

## **GORDON'S SCHOOL ACADEMY TRUST**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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Drama events during the year included a lively KS3 production of 'Teechers' as well as KS4/KS5's energetic production of 'School of Rock'. The evening of monologues and duologues by KS4 and KS5 is always impressive. The Summer Arts Evening with music, drama and an exhibition of student art and photography, again 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. A wide range of district trophies were retained and the 1<sup>st</sup> XI boys' football team reached the semi-final of the ESFA U18 competition, narrowly losing on penalties to Millfield School. The Equestrian team continues to gain in success and participated in the Royal Windsor Horse Show. A Hockey and Rugby tour played in Germany and a Netball team competed in Paris. This was the inaugural season for the Gordon's Golf Team at the end of which the girls' team were Surrey Champions.

#### **Student Voice**

With increasing focus on student leadership, several changes were introduced during the year, culminating in the introduction of the Student Governing Body. Three Councils refer their recommendations to the Governing Body, focusing on Academic, Co-Curricular and Boarding concerns. Other student-organised initiatives include the Sudan Partnership Society and the Eco Committee. Wellbeing Ambassadors received training and the school was proud to be awarded the Surrey Healthy Schools Silver Award.

#### **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 sports and music-based projects, both students and staff assisting in our local Primary School, Holy Trinity, West End whose Year 6 pupils came to Gordon's for a festival of Chinese Arts. Year 12 Business Students organised an introduction to enterprise through setting challenges involving research, designing, making and marketing a new milkshake flavour. The Pipes and Drums have played for a range of public occasions and celebrations for local community events.

Every Sixth Form student is expected to complete at least 20 hours volunteering during the year (total 7,008) and the benefits of the National Citizen Service programme is presented to all KS4 and KS5 students. At the end of the summer term all students in school helped to 'Make a Difference' locally by delivering leaflets, litter picking, visiting local Care Homes, stock-checking the local Food bank and hosting an afternoon tea, as well as projects within the school.

Through the Charity Committee, individual House fundraising and Chapel collections students raised funds for a range of charities including CRY, Breast Cancer and the Sam Beare Hospice, in addition collecting over 30 bags of clothing for the hospice shop.

#### **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.

Plans are progressing to open a new Year 7 residential boarding House in September 2019 for 32 boys and girls, which will provide a gentler transition into senior school residential boarding.

#### **Working in Collaboration**

The Arete Partnership was established with Woking High School in June 2015, reflecting both schools' developmental aims of improving practice through collaboration, increasing capacity for training and enterprise and offering opportunities for students to work and compete together across a range of activities. In September, Hoe Valley Free School was welcomed as the third member of Arete.

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

## **GORDON'S SCHOOL ACADEMY TRUST**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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of work and a wide range of speakers are invited to the school throughout the year for specialist talks. More information on the school's activities can be found on the website [www.gordons.school](http://www.gordons.school).

#### **Going Concern**

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

#### **KEY PERFORMANCE INDICATORS**

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

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

#### **FINANCIAL REVIEW**

Most of the School's income is obtained from the ESFA principally in the form of a recurrent annual grant (GAG), the use of which is restricted to cover the normal running costs of the School. The GAG received from the ESFA during the year ended 31 August 2018 totalled £3,678,619 and the associated expenditure totalled £4,202,173 (excluding transfers) and are shown as restricted general funds in the Statement of Financial Activities.

An additional amount of £457,150 was received in the form of a CIF bid towards the costs of a replacement classroom block with associated expenditure totalling £457,150. An additional amount of £23,131 was carried forward from FY16/17 which was spent in the year finishing the Art and Technology block refurbished in the previous year.

The school received a substantial donation from The Gordon Foundation of £1,584,067 plus an additional amount of £164,071 for other expenditure incurred and £151,491 for depreciation charges.

During the year ended 31 August 2018 total income was £6,113,260 (excluding restricted fixed asset funds) and expenditure was £6,251,872 (excluding fixed asset costs) before a gain on pension scheme movements of £140,000.

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 2018 the liability decreased by £39,000 to a total year to date deficit of £490,000.

As at 31 August 2018, the scheme's liabilities exceeded its assets by £490,000. Where the amount of pension scheme assets being held is less than the liability value, the implication is that we will eventually need to make good this deficit. It is therefore treated as a provision in our financial statements, although this does not need to be paid immediately, nor does it affect the current cash contributions paid by us as an employer to the Local Government Pension Scheme.

#### **Reserves Policy**

In the event that the School has reserves, the reserves levels would be consistently monitored as part of the budget monitoring process at Governor level through the Joint Finance & Estates Committee. The Governors will maintain reserve levels which are sufficient to maintain the needs of the Academy and to encompass variations within the Academy budget. The value of free reserves held at 31 August 2018 is £70,754.

#### **Investment Policy**

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

## GORDON'S SCHOOL ACADEMY TRUST

### GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

#### 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. A Joint Audit & Risk Committee was established during the year and amongst other responsibilities reviews the formal Risk Register. The most significant risks identified are noted below together with the means by which to manage the risk:

<b>Reporting to Governors is inaccurate, late or irrelevant.</b>	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.
<b>Government and Foundation funding inadequate to operate school as "required" by Governors, parents or DfE</b>	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.
<b>School enters into inappropriate partnerships or links</b>	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.
<b>Child Protection Issues</b>	A student is: Abused in school Abused externally without the school picking up warning signs Bullied by other students. Students' lives are severely affected and the school's reputation or Ofsted grading is reduced.	The school has a defined Safeguarding structure under the Designated Safeguarding Lead and staff know where to go with concerns: all staff are trained in identifying physical and mental signs of abuse; Staff recruitment procedures are strong and the Single Central Register is up to date; Counselling staff help to widen the understanding of potential problems and to provide support.
<b>Health and safety issues</b>	A student, member of staff or visitor sustains an injury (or worse), on site or wherever the school has responsibility; the circumstances could have been foreseen and avoided and the school is negligent for not doing so. We recognise that students play sport at school and while they are shown how to play safely and sensibly, there may be accidents.	The school mitigates these risks by identifying them; setting out procedures to reduce them and monitoring that such procedures are operated effectively. We receive health and safety advice, train staff on specific procedures and are reviewed annually by an outside expert.

#### 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**  
**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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, particularly the effect of Brexit and likely inflation, the decline in funding across the education sector from public sources, including reductions in post-16 funding and other Academy grant funding
- the ability to recruit and retain well qualified teaching staff in Surrey where housing and travel costs are high, who are committed to the ethos of a State Boarding School such as Gordon's.

**PLANS FOR FUTURE YEARS**

By 2020 Gordon's School plans to have achieved:

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

**AUDITORS**

In so far as the Governors are aware:

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

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

This Governors' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 29 November 2018 and signed on its behalf by:



**Richard Whittington**  
**Chair of Governors**

## GORDON'S SCHOOL ACADEMY TRUST

### GOVERNANCE STATEMENT (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2018

##### 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 2017 and 31 August 2018. Attendance during the period was as follows:

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

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	3
Mr M Barnes	3	3
Mr P Wynter Bee	3	3
Ms de Turris	3	3
Mr A Moss	3	3

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.

**GORDON'S SCHOOL ACADEMY TRUST**  
**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Attendance at meetings was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs L Bannister	6	6
Mr K Gawley	4	6
Mrs J Valner	6	6
Mr S Broome	4	6
Mr P Rigby	6	6
Mrs C Hutchings	5	6
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 Lomax, trustee of The Gordon Foundation provides the boarding link between the School and Foundation. Mrs L Bannister is link Governor for Health & Safety.

**Admissions Committee**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr R Whittington	1	1
Mrs A Szabo-Rowe	1	1
Mrs L Bannister	1	1

**Performance and Pay Committee**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr R Whittington	1	1
Mr M Barnes	1	1

**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. 4<sup>th</sup> 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.

**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

## **GORDON'S SCHOOL ACADEMY TRUST**

### **GOVERNANCE STATEMENT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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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 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

##### **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. Alliotts are appointed to provide the function of Responsible Officer; they visited twice during the year 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 is reviewed for progress on at least a termly basis. 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**

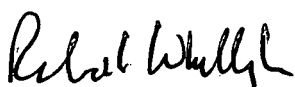
As Accounting Officer, Mr Moss has responsibility for reviewing the effectiveness of the system of internal control.

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


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

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

Approved by order of the members of the Governing Body on 29 November 2018 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 2018**

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

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

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



**Andrew Moss**  
**Accounting Officer and Head Teacher**

## GORDON'S SCHOOL ACADEMY TRUST

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 29 November 2018 and signed on its behalf by:



Richard Whittington  
Chair of Governors

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

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We have audited the financial statements of Gordon's School Academy Trust for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 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.

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

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### **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 charitable company'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 charitable company 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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

### **Use of our report**

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



Lee Stokes, Senior Statutory Auditor,  
For and on behalf of haysmacintyre, Statutory Auditors

10 Queen Street Place  
London EC4R 1AG

Date: 21 December 2018

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

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In accordance with the terms of our engagement letter dated 13 August 2018 and further to the requirements of the Education Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out a review to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the year from 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the ESFA in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to the Governing Body and the ESFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the ESFA, for our review work, for this report, or for the opinion we have formed.

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

The Accounting Officer is responsible, under the requirements of Gordon School Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 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.

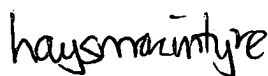
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure

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.

### **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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



haysmacintyre  
10 Queen Street Place  
London EC4R 1AG

**Date: 21 December 2018**

**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 2018**

	Notes	Unrestricted Funds £	Restricted General Funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>					
Income from other trading activities	2	1,715,680		1,715,680	1,438,443
Investment income	3	89		89	81
<i>Charitable activities:</i>					
Funding for the Academy's educational operations	4		4,397,491	4,397,491	4,123,725
<b>Total Income</b>		<b>1,715,769</b>	<b>4,397,491</b>	<b>6,113,260</b>	<b>5,562,249</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy's educational operations	6	1,206,710	5,045,162	6,251,872	5,827,529
<b>Total Expenditure</b>	5	<b>1,206,710</b>	<b>5,045,162</b>	<b>6,251,872</b>	<b>5,827,529</b>
<b>Net income/(expenditure)</b>		<b>509,059</b>	<b>(647,671)</b>	<b>(138,612)</b>	<b>(265,280)</b>
Gross transfers between funds	14	(523,554)	523,554	-	-
		<b>(14,495)</b>	<b>(124,117)</b>	<b>(138,612)</b>	<b>(265,280)</b>
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	14,20	-	140,000	140,000	266,000
<b>Net movement in funds</b>		<b>(14,495)</b>	<b>15,883</b>	<b>1,388</b>	<b>720</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward at 31 August 2017</b>		<b>497,647</b>	<b>(487,200)</b>	<b>10,447</b>	<b>9,727</b>
<b>Total funds carried forward at 31 August 2018</b>		<b>483,152</b>	<b>(471,317)</b>	<b>11,835</b>	<b>10,447</b>

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 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	412,398	426,156
<b>Current assets</b>			
Debtors	12	1,048,131	1,067,098
Cash at bank and in hand		541	226
		<u>1,048,672</u>	<u>1,067,324</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	13	(947,388)	(918,494)
<b>Net current assets</b>		<u>101,284</u>	<u>148,830</u>
<b>Total assets less current liabilities</b>		<u>513,682</u>	<u>574,986</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(11,847)	(35,539)
<b>Net assets excluding pension liability</b>		<u>501,835</u>	<u>539,447</u>
Pension scheme liability	20	(490,000)	(529,000)
<b>Net assets including pension liability</b>		<u>11,835</u>	<u>10,447</u>
<b>Funds of the Academy:-</b>			
<b>Restricted funds</b>			
Fixed asset fund	14	-	-
General fund	14	18,683	41,800
Pension reserve	14	(490,000)	(529,000)
<b>Total restricted funds</b>		<u>(471,317)</u>	<u>(487,200)</u>
<b>Unrestricted funds</b>			
General fund	14	483,152	497,647
<b>Total unrestricted funds</b>		<u>483,152</u>	<u>497,647</u>
<b>Total funds</b>		<u>11,835</u>	<u>10,447</u>

The financial statements were approved and authorised for issue by the Board of Governors on 29 November 2018 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 2018**

	Notes	2018 £	2017 £
Net cash inflow from operating activities	16	291,074	74,058
Cash flows from investing activities	17	(137,733)	(215,644)
Cash flows from financing activities			
Repayment of Salix loan		(23,692)	(23,693)
Decrease in cash in the year	19	<u>129,649</u>	<u>(165,279)</u>
Cash and cash equivalents at 1 September 2017		(225,294)	(60,015)
Cash and cash equivalents at 31 August 2018		<u>(95,645)</u>	<u>(225,294)</u>
Cash and cash equivalents			
Bank overdraft		(96,185)	(225,520)
Petty Cash		541	226
		<u>(95,645)</u>	<u>(225,294)</u>

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



**GORDON'S SCHOOL ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 2017 to 2018 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

# GORDON'S SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1. STATEMENT OF ACCOUNTING POLICIES (continued)

##### **Expenditure (continued)**

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

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

##### **Leased Assets**

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

##### **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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# GORDON'S SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1. STATEMENT OF ACCOUNTING POLICIES (continued)

##### Expenditure (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

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Critical accounting estimates and areas of judgement (continued)**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

2.	INCOME FROM OTHER TRADING ACTIVITIES			Unrestricted Funds £	Total 2018 £	Total 2017 £
	Funds received from The Gordon Foundation			1,584,067	1,584,067	1,412,863
	Grants received			131,613	131,613	25,580
				<u>1,715,680</u>	<u>1,715,680</u>	<u>1,438,443</u>
3.	INVESTMENT INCOME			Unrestricted Funds £	Total 2018 £	Total 2017 £
	Bank interest received			89	89	81
4.	FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS			Restricted General Funds £	Total 2018 £	Total 2017 £
	DfE/ESFA revenue grants					
	General Annual Grant (GAG)			3,678,619	3,678,619	3,487,118
	Other DfE/ESFA grants			586,246	586,246	501,981
				<u>4,264,865</u>	<u>4,264,865</u>	<u>3,989,099</u>
	Other Government grants					
	Local authority grants			132,626	132,626	134,626
				<u>4,397,491</u>	<u>4,397,491</u>	<u>4,123,725</u>
5.	EXPENDITURE				Total 2018 £	Total 2017 £
	Staff costs £	Premises £	Other costs £			
	Academy's educational operations					
	- Direct costs	-	574,829		4,822,525	4,602,859
	- Allocated support costs	341,745	1,006,110		1,429,347	1,224,670
	<u>4,329,188</u>	<u>341,745</u>	<u>1,580,939</u>		<u>6,251,872</u>	<u>5,827,529</u>

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>6. EDUCATIONAL OPERATIONS</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Direct costs</b>				
Teaching/Educational support staff costs	628,121	3,619,574	4,247,696	4,075,066
Educational supplies	2,769	413,472	416,241	395,376
Examination fees	-	119,289	119,289	94,339
Staff development	-	34,436	34,436	29,302
Educational visits	-	-	-	4,000
Staff travel	-	4,863	4,863	4,776
	<b>630,890</b>	<b>4,191,635</b>	<b>4,822,524</b>	<b>4,602,859</b>
<b>Allocation support costs</b>				
Support staff costs	-	81,492	81,492	50,300
Recruitment and support	18,225	-	18,225	17,358
Maintenance of premises and equipment	41,566	-	41,566	39,893
Cleaning	-	63,597	63,597	59,009
Rent and rates	-	25,674	25,674	17,304
Insurance	5,200	-	5,200	5,000
Utilities	-	90,595	90,595	87,193
Lease costs of History Block	115,113	-	115,113	100,908
Art and Technology Block Refurbishment	-	18,304	18,304	377,077
Nile Refurbishment	24,438	461,976	486,414	-
Bank interest and charges	-	4,513	4,513	1,880
Professional fees – non governance	20,264	-	20,264	44,338
Other support costs	108,024	-	108,024	127,104
ICT support costs	91,500	-	91,500	110,281
Pension scheme charges	-	101,000	101,000	45,000
Depreciation	151,491	-	151,491	133,654
Governance costs	-	6,375	6,375	8,371
	<b>575,820</b>	<b>853,526</b>	<b>1,429,347</b>	<b>1,224,670</b>
<b>Totals</b>	<b>1,206,710</b>	<b>5,045,162</b>	<b>6,251,872</b>	<b>5,827,529</b>

**2018  
£** **2017  
£**

**Net expenditure for the period includes:**

Operating lease rentals	115,113	100,908
Depreciation	151,491	133,654
Fees payable to auditor for:		
- audit	6,375	5,150
- other services	-	3,221

<b>7. GOVERNANCE COSTS</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Auditor's remuneration	-	6,375	6,375	8,371

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>8. STAFF COSTS</b>	<b>2018 £</b>	<b>2017 £</b>
Staff costs during the year were:		
Wages and salaries	3,285,038	3,145,820
Social Security costs	420,685	324,307
Pensions costs	608,307	617,078
	<u>4,314,030</u>	<u>4,087,205</u>
Supply teacher costs	15,158	38,161
	<u>4,329,188</u>	<u>4,125,366</u>

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

	<b>2018 No.</b>	<b>2017 No.</b>
<b>Charitable activities</b>		
Teachers	63	59
Educational Support staff	20	19
Administration and support	12	15
Management	3	3
	<u>98</u>	<u>96</u>

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

£60,001 to £70,000	2	4
£70,001 to £80,000	2	1
£110,001 to £120,000	1	1
	<u>5</u>	<u>6</u>

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £309,407 (2017: £350,367).

**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 £384,180 (2017: £307,436).

During the year ended 31 August 2018, no travel and subsistence expenses were reimbursed to governors (2017: £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 2018 was £720 (2017: £650).

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 2018**

<b>11. TANGIBLE FIXED ASSETS</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 September 2017	739,081	739,081
Additions	137,733	137,733
<b>At 31 August 2018</b>	<b>876,814</b>	<b>876,814</b>
<b>Depreciation</b>		
At 1 September 2017	312,925	312,925
Charged in year	151,491	151,491
At 31 August 2018	464,416	464,416
<b>Net Book Value</b>		
At 31 August 2018	412,398	412,398
At 31 August 2017	426,156	426,156
<b>12. DEBTORS</b>	<b>2018 £</b>	<b>2017 £</b>
Prepayments and accrued income	137,103	29,116
Due from Foundation	805,562	916,168
VAT reclaim	105,466	121,814
	<b>1,048,131</b>	<b>1,067,098</b>
<b>13. CREDITORS: amounts falling due within one year</b>	<b>2018 £</b>	<b>2017 £</b>
Trade creditors	438,931	345,641
Bank overdraft	96,185	225,520
Other loans	23,692	23,692
Other taxation and social security	359,291	319,288
Accruals and deferred income	29,289	4,353
	<b>947,388</b>	<b>918,494</b>
<b>CREDITORS: amounts falling due after more than one year</b>	<b>2018 £</b>	<b>2017 £</b>
Other loan	11,847	35,539
<b>Maturity of debt</b>		
Less than one year	23,692	23,692
Between two and five years	11,847	35,539

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 2018**

<b>14. FUNDS</b>	<b>Balance at 1 September 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	3,678,619	(4,202,173)	523,554	-
Pupil Premium	18,669	128,208	(128,194)	-	18,683
16-18 Bursary Fund	-	888	(888)	-	-
ESFA Building Maintenance Grant	23,131	457,150	(480,281)	-	-
Defined Benefits Pension Scheme	(529,000)	-	(101,000)	140,000	(490,000)
	<u>(487,200)</u>	<u>4,264,865</u>	<u>(4,912,536)</u>	<u>663,554</u>	<u>(471,317)</u>
<b>Restricted other funds</b>					
Local authority grants – Surrey County Council	-	132,626	(132,626)	-	-
<b>Total restricted funds</b>	<u>(487,200)</u>	<u>4,397,491</u>	<u>(5,045,162)</u>	<u>663,554</u>	<u>(471,317)</u>
<b>Unrestricted funds</b>					
Funds from Gordon Foundation	497,647	1,584,067	(1,075,008)	(523,554)	483,152
Other income	-	131,702	(131,702)	-	-
<b>Total unrestricted funds</b>	<u>497,647</u>	<u>1,715,769</u>	<u>(1,206,710)</u>	<u>(523,554)</u>	<u>483,152</u>
<b>Total funds</b>	<u>10,447</u>	<u>6,113,260</u>	<u>(6,251,872)</u>	<u>140,000</u>	<u>11,835</u>

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

The General Annual Grant is funding from the ESFA for the Academy's operating costs. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

The funds comparison as at 31 August 2017 is:

Comparison to 31 August 2017	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
<b>Restricted general funds</b>					
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)	-	-
EFA 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>
<b>Restricted other funds</b>					
Local authority grants – Surrey County Council	-	134,626	(134,626)	-	-
<b>Total restricted funds</b>	<u>(729,410)</u>	<u>4,123,725</u>	<u>(4,536,884)</u>	<u>655,369</u>	<u>(487,200)</u>
<b>Unrestricted funds</b>					
Funds from Gordon Foundation	739,137	1,412,863	(1,264,984)	(389,369)	497,647
Other income	-	25,661	(25,661)	-	-
<b>Total unrestricted funds</b>	<u>739,137</u>	<u>1,438,524</u>	<u>(1,290,645)</u>	<u>(389,369)</u>	<u>497,647</u>
<b>Total funds</b>	<u>9,727</u>	<u>5,562,249</u>	<u>(5,827,529)</u>	<u>266,000</u>	<u>10,447</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Total Funds 2018 £
Tangible fixed assets	-	412,398	412,398
Current assets	483,152	565,520	1,048,672
Current liabilities	-	(947,388)	(947,388)
Non-current liabilities	-	(11,847)	(11,847)
Pension scheme liability	-	(490,000)	(490,000)
<b>Total net assets</b>	<u>483,152</u>	<u>(471,317)</u>	<u>11,835</u>

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Fund balances at 31 August 2017:</b>	<b>Unrestricted Funds £</b>	<b>Restricted General Funds £</b>	<b>Total Funds 2017 £</b>
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)
<b>Total net assets</b>	<b>497,647</b>	<b>(487,200)</b>	<b>10,447</b>

**16. RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2018 £</b>	<b>2017 £</b>
Net expenditure	(138,612)	(265,280)
Depreciation (note 11)	151,491	133,654
Interest receivable (note 3)	(89)	(81)
FRS102 defined benefit pension scheme	101,000	45,000
Decrease in debtors	18,967	5,612
Increase in creditors	158,317	155,153
<b>Net cash inflow from operating activities</b>	<b>291,074</b>	<b>74,058</b>

**17. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2018 £</b>	<b>2017 £</b>
Interest received	89	81
Purchase of tangible fixed assets – IT equipment	(137,733)	(215,725)
<b>Net cash flows from investing activities</b>	<b>(137,645)</b>	<b>(215,644)</b>

**18. OPERATING LEASES**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2018 £</b>	<b>2017 £</b>
Amounts due within one year	96,753	96,753
Amounts due between one and five years	46,320	143,073
Amounts due after five years	-	-

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 2017.

No contributions were payable to the schemes at 31 August 2018. (2017: £0.nil)

**Teachers' Pension Scheme**

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.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

The employer's pension costs paid to TPS in the period amounted to £484,732 (2017: £539,264).

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 2018**

**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 2018 was £126,000 (2017: £120,000), of which employer's contributions totalled £100,000 (2017: £101,000) and employee's contributions totalled £26,000 (2017: £19,000). The agreed contribution rates for future years are 23.2% per cent for employers and between 5.5 and 6.8 per cent for employees.

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

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
<b>Principal Actuarial Assumption</b>		
Pension increase rate	10%	2.4%
Salary increase rate	2%	2.7%
Discount rate	12%	2.5%

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

	<b>At 31 August 2017</b>	<b>At 31 August 2017</b>
<i>Retiring today</i>		
Males		
Females	22.5	22.5
	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24.1	24.1
Females	26.4	26.4

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. PENSION AND SIMILAR OBLIGATIONS (continued)**

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Current service cost (net of employee contributions)	186	131
<b>Total operating charge</b>	<b>186</b>	<b>131</b>
 <b>Analysis of pension finance income</b>	 <b>2018 £'000</b>	 <b>2017 £'000</b>
Expected return on pension scheme assets	(15)	(15)
Interest on pension liabilities	40	33
<b>Pension finance income</b>	<b>25</b>	<b>18</b>

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

<b>Movements in the present value of defined benefit obligations were as follows</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
At 1 September 2017	1,489	1,596
Current service cost	186	131
Interest cost	40	33
Employee contributions	26	19
Actuarial loss/gain	(111)	(277)
Estimated Benefits Paid	(15)	(13)
<b>At 31 August 2018</b>	<b>1,615</b>	<b>1,489</b>
 <b>Movements in the fair value of academy's share of scheme assets</b>		
At 1 September 2017	960	846
Expected return on assets	25	18
Actuarial gain/loss	29	(11)
Employer contributions	100	101
Employee contributions	26	19
Estimated Benefits Paid	(15)	(13)
<b>At 31 August 2018</b>	<b>1,125</b>	<b>960</b>

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

**GORDON'S SCHOOL ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 £1,584,067 (2017: £1,412,863).

The outstanding balance owing from the Foundation is £805,562 of which £490,000 is to cover the LGPS deficit, £151,491 is to cover for depreciation for the year, £52,000 for the final payment for the year for the donation from the Foundation and £112,071 due for other expenditure incurred (2017: £387,168).