

**Company Registration Number: 07831414** (England & Wales)

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members and Trustees** P Baker, Chair<sup>2,4,5</sup>  
S Bareham, Headteacher<sup>4,5</sup>  
S Arthur (resigned 31 October 2017)<sup>4</sup>  
J Brookes<sup>3</sup>  
P Corkish, Staff Trustee (appointed 17 October 2018)  
L Garrett, Vice Chair<sup>4</sup>  
C Gee<sup>3,5</sup>  
F Hardcastle, (Staff Trustee up to 31 December 2017)<sup>1,3</sup>  
S Harvey<sup>5</sup>  
E Haynes, Staff Trustee (resigned 26 September 2018)  
P Porter<sup>3,4</sup>  
D Tanner, Staff Trustee<sup>1,3</sup>  
S Taylor, Staff Trustee (appointed 20 June 2018, resigned 26 September 2018)  
A Thomas<sup>5</sup>  
J Walker<sup>4</sup>

- 1 Admissions
- 2 Appeals
- 3 Data
- 4 Finance and Premises
- 5 Staffing

**Company registered number** 07831414

**Company name** The Dorcan Academy

**Principal and Registered office** St Paul's Drive  
Covingham  
Swindon  
Wiltshire  
SN3 5DA

**Accounting officer** S Bareham

**Senior Leadership Team**  
S Bareham, Headteacher  
P Morley, Assistant Head  
S Neads, Assistant Head  
M Shepherd, Assistant Head  
L Morgans, Assistant Head  
A Broderstad, Chief Finance and Operations Officer

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Independent auditors** Bishop Fleming Bath Limited  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

**Bankers** Lloyds Bank Plc  
5 High Street  
Swindon  
SN1 3EN

**Solicitors** Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

**THE DORCAN ACADEMY  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 16 in Swindon. It has a pupil capacity of 1,234 (Edubase) and a PAN of 190 and had a roll of 788 in the school census on 31 January 2018 (795 in October 2017).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of The Dorcan Academy are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they ceased to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. Professional indemnity is unlimited under the RPA scheme.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Academy's Board of Trustees comprises the Headteacher, a minimum of 7 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy, does not exceed one third of the total number of Trustees) and up to 9 other Trustees.

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 20 Trustees who are appointed by members;
- up to 7 Parent Trustees who are elected by Parents of registered students at the Academy;
- up to 3 staff Trustees appointed by Trustee board;
- up to 9 Community Trustees who are appointed by the Trustee board, and;
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Academy follows standard Trustee Recruitment procedures and Trustees receive an Induction pack and attend training courses as set out in the Scheme of Delegation.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority.

**Organisational Structure**

The Board of Trustees normally meets once each month. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification although some policies are delegated to the Committee. It monitors the activities of the Committees through the minutes of their meetings and reports at meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 5 committees as follows:

- Finance and Premises Committee - which also acts as the Audit Committee, meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, premises & contract management compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Assurance Officer and drafting the annual budget including setting staffing levels.
- The Staffing Committee - this meets three times to monitor, evaluate and review academy policy, practice and performance in relation to staffing, appraisal & performance management and all staffing related issues.
- The Data Committee - this new Committee was set up in September 2016 to gain an understanding of current trends in data and evaluate the impact of quality of teaching together with rates of student progress and standards of achievement. The Committee monitors and evaluates provision for different groups of children (e.g. looked after children, SEN, EAL, Able) and ensures all their needs have been identified. It also ensures that student target setting is robust and challenging and reviews progress towards targets as well as setting priorities for improvement and monitoring and evaluating the impact of improvement plans. The Committee meets five times a year.
- The Admissions Committee - this meets regularly according to the admissions cycle to deal with in year admissions requests and all matters relating to admissions.
- Discipline Panel - this meets approximately six to eight times a year to monitor behaviour of Academy students as required.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Head teacher, four assistant Heads, the Finance and Facilities Manager and the Special Educational Needs & Disabilities Co-Ordinator (SENDCo). The SLT implement the policies laid down by the Trustees and report back to them on performance.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team, Extended Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Finance and Facilities Manager and Finance and Premises Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Board of Trustees has agreed pay and performance management policies for all staff and these are reviewed annually.

The Board has also agreed to abide by the terms of the School Teachers Pay and Conditions Document when considering any pay decisions relating to teaching staff.

A Staffing Committee consisting of three Trustees, has delegated responsibility to consider pay and performance of the Headteacher. The pay of other personnel is set by the Staffing Committee taking account the recommendations made by the Headteacher following performance management meetings.

**Connected Organisations, including Related Party Relationships**

The Academy has use of facilities at Dorcan Recreation Complex and there is a shared use agreement between the Academy and Greenwich Leisure Limited who operate the recreation complex.

The Academy has strong collaborative links with five feeder primary schools which form part of The Dorcan Academy Learning Cluster.

There is a related party employed by the Academy; the appointment was made in open competition and the related Trustee was not involved in the decision making process. The employee is paid within the normal pay scales for their role and receives no special treatment as a result of their relationship with a Trustee.

There are no related parties which either control or significantly influence the decisions and operations of The Dorcan Academy. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal objective and activity of the charitable company is the operation of The Dorcan Academy to provide free education and care for students of different abilities between the ages of 11 and 16.

The two key aims of the Academy during the year ended 31 August 2018 are summarised below:

1. Students from all starting points to make better than expected progress.
2. All students to aspire to do their very best, take ownership of their learning and become excellent scholars.

We implemented a two-fold strategy in order to achieve these aims:

1. Ensure all members of staff demand the highest expectations and standards from all students – only the best is good enough, no excuses.
2. Embed a positive culture for learning through:
  - a) promoting a dynamic, effective House system that actively promotes, demonstrates and develops within students our Dorcan vision, British values and personal attributes and,

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**TRUSTEES' REPORT (continued)  
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- b) promoting scholastic excellence and a 'Growth Mindset'.

The vision of The Dorcan Academy is to be "An outstanding school of first choice at the heart of our local community". Our school is based on five key values: Belonging, Purpose, Aspiration, Perseverance and Achievement. We seek to develop in our students the personal qualities of justice, honesty, integrity, confidence, responsibility, independence and respect in order that they not only achieve academic excellence, but also develop confidence and skills to equip them for life beyond school.

The Academy's culture is aspirational, based on very high standards of work and behaviour, with everyone doing their best and enabling our focus to be on learning and progress for all our students. Learning is at the heart of the school. Our students benefit from a rich, diverse and challenging curriculum that provides them with significant choice to meet their needs. We prioritise the recruitment and retention of excellent practitioners to ensure that students make good progress in their lessons and also enjoy their learning.

The Academy received a 'Requires improvement' judgement in November 2013 and a DfE monitoring inspection in 2014 reported that the school was successfully addressing areas of concern. Headteacher, Sherryl Bareham took up post in September 2015 on the retirement of the previous Headteacher, Scott Sissons. The Governing Body, Head and senior staff worked together to set a new vision and strategic plan for the Academy which was shared with all staff, students and parents. In May 2016, two terms into the new leadership Ofsted visited and placed the academy into a category of 'serious weaknesses'. In the summer of 2016 the school achieved its best attainment results within the last 3 years, with 55% of students achieving A\*-C in English and Mathematics. In 2017, with a cohort with an average points score of 27.1 (against NA of 28.5) 58% of students achieved 9-4 in English and Mathematics, 75% achieved 9-4 in English (a rise of 13%) and 62% achieved 9-4 in Mathematics (a rise of 4%). Progress 8 also improved.

In the academic year ending 2018 the school increased again in all of the government headline measures with 78% achieving a 9-4 in English (a rise of 3%) and 66% achieving a 9-4 in Mathematics (a rise of 4%), 59% achieved a 9-4 in both Mathematics and English. In terms of the new government measures, 56% achieved a 9-5 in English, (a rise of 6%) and 39% achieved a 9-5 in Mathematics (a rise of 14%). 34% achieved a 9-5 in both English and Mathematics (a rise of 12%). Progress 8 improved again.

**Objectives, Strategies and Activities**

The overarching planning for the Academy is found in the School Development Plan, containing key priorities for the year. This is available from the Academy Office.

**Strategic Plan Priorities 2017-20**

The strategic priorities are focused around improving achievement of all students and inspection judgements that become good and outstanding in all aspects. This model has four clear priorities (set out below) which have considerable links and overlaps. It is important that they are seen as complementing each other and supporting the Academy's vision, not as separate and unrelated areas of development. As the future prosperity and success of The Dorcan Academy depends upon successful and consistent Ofsted inspection judgements, our planning and evaluation will focus on these well -defined areas whilst aligning with our vision.

**Priority 1: Outcomes for Students (links to vision statement: Exceptional achievement for every student)**

- a) Continue to improve outcomes in all subjects through a mastery approach starting in Year 7. Particular focus on EBacc, Art and Photography.
- b) Accelerate rates of progress for disadvantaged students, SEN and middle ability in Years 10 and 11.
- c) Accelerate rates of progress for boys and disadvantaged in Years 8 and 9.

**Priority 2: Quality of teaching (links to vision statement: High quality teaching that inspires and engages minds)**

- a) Increase opportunities for students to become curious, independent learners and to develop a Growth mindset, through challenging, high quality lessons.
- b) Raise standards of oracy and literacy in all subjects to ensure students are word-rich.



**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Priority 3:** Personal development, behaviour and welfare (links to vision statements: An inclusive school, where everyone is valued, cared for and nurtured in an extraordinary way and Students stand out as model citizens, aspiring to make a difference to the lives of others)

- a) Increase attendance to at least 95% for all students.
- b) Reduce fixed term exclusions by at least 20% from 2018.
- c) Raise aspirations of all students and promote wellbeing of students and staff.

**Priority 4:** Leadership and management (links to vision statement: All stakeholders share an aspirational culture and vision to strive towards outstanding in all areas)

- a) Improve the profile and perception of the academy within the local community and increase student numbers.
- b) Strengthen leadership at all levels.
- c) Implement a staff well-being and talent management programme to support recruitment and retention.

Social, Moral, Spiritual and Cultural (SMSC) development is integral to the ethos of the academy and permeates throughout the curriculum, extra-curricular programme, assemblies, tutor programme and Wellbeing days. Our Academy mantra is 'Aspire to Greatness'.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Covingham, Eldene, Liden, Park North, Nythe and surrounding areas. In particular, but without prejudice to the generality of the forgoing by establishing, maintaining, managing and developing schools, offering a broad curriculum.

The Academy provides facilities for the community in the interests of social welfare and with the interest of improving the life of the said community.

## **STRATEGIC REPORT**

### **Achievements and Performance**

The Academy is in its sixth year of operation. The total number of students in the year was 795 at the time of the 2017 October census, reducing to 776 at 31 August 2018.

The 2018 examination window saw the Academy record 59% of students achieving standard passes in both English and Mathematics with 78% achieving 9-4 in English (up 3% on 2017) and 66% achieving 9-4 in Mathematics (up 4%). In terms of the government's new measures of 9-5 strong passes, 56% of students achieved 9-5 in English (up 6% on 2017) and 39% in Mathematics (up 14%). 34% of students achieved English and Mathematics at grades 9-5 (up 12% on 2017). There remains a gap in attainment between PP and non-PP students (9-5 English and Mathematics, and 9-4 English and Mathematics; whilst the gap has increased for both measurements, at 9-5 PP students improved, whilst at 9-4 there was a 4% dip.

To ensure that standards are continually assessed, the Academy operates a detailed quality assurance system. Formal assessments which have been moderated within departments are used to generate data in order to ensure accuracy in predictions of future results; these assessments are cumulative ensuring that previous knowledge and skills are re-tested throughout Key Stages 3 and 4. Detailed question level analysis following each data entry identifies gaps in learning and ensures that intervention is specific and timely in order to close the gaps. Assessment at both Key stages has become more rigorous in tracking students' knowledge and skills against challenging targets and identifying areas to improve.

The quality of teaching and planning is monitored and measured through the whole school coaching programme which provides bespoke CPD for every teacher to work on identified leverage points to secure greater progress in learning. Senior leaders, Heads of Faculty and Subject leaders scrutinise marking and dialogue, assessments, schemes of work and Home Learning as part of a regular monitoring cycle. The Academy has adopted 'Teach like a Champion' strategies (Doug Lemov) to enable a common language for discussing approaches used by the best teachers to secure rapid progress. This academic year the focus has been Setting high academic expectations, Lesson structure, Classroom culture and High behavioural expectations.

The focus of Home Learning has shifted from completing tasks to the commitment of key information and commitment to long term memory via Knowledge Organizers in every subject, to enable students to prepare for the new style GCSE exams. This strategy was adopted to support disadvantaged students and ensure they have full access to all the necessary resources to succeed.

A new behaviour policy was launched in May 2017 and during the academic year 2017-18 has become established and more consistent. In addition, training for tutors was provided to ensure consistency in all aspects of the tutor programme. A new rewards policy was also launched which is now fully embedded.

Extra-curricular activities are a strength of the academy and, in particular the Duke of Edinburgh (DoE) award scheme. Research undertaken showed that students who took part in the award had better attendance, attitudes to learning and made better progress than other students. Although there has been a focus on increasing the numbers of students taking part in extra-curricular activities unfortunately, currently the numbers are similar to last academic year. However, it was found that a significant number of students take part in extra-curricular activities outside of the academy.

The Academy is committed to the Continuing professional development of its staff and during the last academic year a number of staff have completed or are in the process of completing middle and senior leadership courses such as the NPQML, NPQSL and NPQH, taking advantage of the free funding available to all Swindon schools. In addition, our own CPD funding has enabled Head of Mathematics and Head of Global Learning to undertake the Ambition Leaders course for aspirant senior leaders. The impact of these courses have strengthened leadership to at least good across the academy and secured retention of key staff and succession planning. The CPD program has met the requirements related to Academy status and investment was made to ensure Child Protection, First Aid, Fire Training and Restraint training were complete and records up to date.

The teacher training provision provided within the academy, which includes newly qualified teachers and Teach First trainees has been reviewed externally and deemed to provide a Good plus provision. In particular, Mathematics have benefited from a newly qualified teacher, and a Teach First trainee which has allowed the faculty to secure significant improvements on student outcomes for Year 11 in 2017-18 and develop stable and effective teaching.

A CPD report 2017-18 is available from the academy which provides a comprehensive record of the objectives, actions and impact on the academy outcomes. All CPD was delivered within budget.

The Governing Body is now strong and has relevant skills to confidently and hold the academy to account and ensure impact. Links with parents continue to be strengthened through parental forums, opportunities to find out more about the curriculum and their child's learning and early meetings involving all Year 7 parents prior to starting at Dorcan.

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**TRUSTEES' REPORT (continued)  
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**Charity**

The student councils take responsibility for all charity fund raising which includes non uniform days. This year the charities identified by the students are listed below, including the amount of money that was raised by the students. This year the school has raised £3,006.03 for the charities identified below:

<b>Date</b>	<b>Charity</b>	<b>Amounts raised</b>
October 2017	Think Pink	£608.65
November 2017	Crohn's Charity	£312.86
January 2018	Cancer Research	£425.33
February 2018	Teenage Cancer Trust	£341.24
May 2018	Sport Relief	£920.78
June 2018	Eagle House charities	£347.17
June 2018	Red Cross	£50.00
<b>TOTAL</b>		<b>£3,006.03</b>

**Key Performance Indicators**

As funding is based on student numbers this is a key performance indicator. Student numbers for the year ended 31 August 2018 were 776, a decrease of 59 over 2016. It had been anticipated that numbers would stabilise but free buses to surrounding schools with more modern premises or higher academic achievement have continued to attract pupils away from the catchment. Marketing improvements during the academic year and better results should lead to more stability in numbers and the Open Evening held in October 18 was well-attended, with much interest in the Academy due to its growing good reputation in the community. Free blazers have been offered to Year 7 pupils joining in September 2019 and this has met with positive feedback from parents. The imminent move to the MAT should be a positive note to parents. A move to a 'Good' Ofsted would further assist growth of pupil numbers. Year 7 numbers are growing slowly year by year and further increases in pupil numbers are predicted as the eastern Swindon development commences. Swindon Borough Council pupil number predictions suggest that the Academy growth is sustainable for the future, however, trustees are aware for the need to closely monitor this and to continue with improvements and efficient marketing. Recent and future investments in the premises will also assist with parent choice.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2018 this was 91% compared to 82% in 2017. Staffing costs as a % of total income were 81% (2017: 75%).

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. The Academy received a GAG £50,000 cash advance that was agreed and provided by the EFA in July 2016. The repayment of this advance was made in June 2017 as planned. No advances were received during the financial year 2017-2018. The Board 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 Going concern policy.

## **FINANCIAL REVIEW**

### **Financial Review**

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of financial activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2018, total expenditure (excluding depreciation and pension deficit expenditure), of £4,760,263 was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,777,785. The surplus for the year (excluding restricted fixed asset funds) was £17,522 before a transfer to the restricted fixed asset fund for the cost of additions.

At 31 August 2018 the net book value of fixed assets was £8,904,695 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

In 2012 the Academy took on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. The Academy has a rolling program of policy review to ensure all policies are up to date.

### **Reserves Policy**

The Trustees' policy is to review the reserve levels of the Academy annually with the objective of carrying forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any unforeseen contingencies plus a contribution towards future capital projects.

The Trustees have determined that the appropriate level of free reserves should be approximately £250,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Academy (excluding the pension liability) amount to £9,258,017 although £8,933,784 of this is invested in fixed asset. The remaining £324,233 (representing restricted and unrestricted funds available to spend) is the balance that the Trustees monitor in accordance with the Board's reserves policy. The level of reserves is monitored and reviewed by the Trustees at all committee and Board meetings in line with the Academy 3 year plan.

Reductions in expected pupil numbers have led to the need to restructure staffing in recent years. The trend has continued and another significant reduction in funding this year will mean that the Academy Reserves will have to be utilised to enable a balanced budget to be reached in the financial year 2018-19. In spite of receiving £761k in a successful CIF bid there is still a need to address urgent buildings maintenance and renovation, highlighted in updated building condition surveys and reports. In the longer term the Reserves Policy may have to be re-visited due to these pressures.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

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**TRUSTEES' REPORT (continued)  
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**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect, which is currently Lloyds Bank Plc main school account.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Investment opportunities are reviewed by the Finance and Premises Committee on a regular basis in line with the Investment Policy.

**Principal Risks And Uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In this year 97% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Academy has appointed an Internal Assurance Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**Fixed Assets – Buildings, Mechanical and Electrical** – Recently updated buildings reports and surveys undertaken by the DfE and surveyors commissioned by the Academy have again identified a number of key concerns with the buildings, and the need for additional maintenance and renovation works now in the region of £3-4m. A £761k CIF grant has already been received to address issues of a mechanical nature, however, there was a shortfall in this funding due to the amount of asbestos and wiring defects in the buildings so further capital funding is now being sought to address this along with urgent roof repairs, pipework replacement and wiring problems. The condition of the buildings could affect the Academy's ability to function effectively, and may be influential where parental choice is related to the quality of facility offered.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy and a Risk Register. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

**THE DORCAN ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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Whilst the Academy is not over subscribed, there are risks to revenue funding from a falling roll. Additionally, the reduction in post funding levels, changes to the Government's overall education budget, changes in funding arrangements for Special and Additional Educational Needs and increasing employment and premises costs mean that budgets will continue to be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments. Recovery of any deficit must be planned into the three year budget profile.

At the year end, the Academy had no significant liabilities arising from trade creditors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its students at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy is actively seeking to join a Multi-Academy Trust and has received ESFA approval to join Excalibur Academies Trust, based in Marlborough. This will enable the Academy to continue its journey of rapid improvement and provide support to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our School Development Plan, which is available from the Clerk to the Trustees.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other charity.

**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as company directors, on 5th December 2018 and signed on the board's behalf by:



**P Baker**  
Chair of Trustees



**S Bareham**  
Accounting Officer

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Dorcan Academy 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 Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring 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 The Dorcan Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Baker	10	10
S Bareham	10	10
S Arthur	0	1
J Brookes	5	10
P Corkish	0	0
L Garrett	5	10
C Gee	9	10
F Hardcastle, (Staff Trustee up to 31 December 2017)	8	10
S Harvey	8	10
E Haynes, Staff Trustee	9	10
P Porter	10	10
D Tanner	10	10
S Taylor, Staff Trustee	1	2
A Thomas	6	10
J Walker	8	10

**Governance Reviews:**

A review of governance was carried out in September 2016, initiated by the new Chairperson, Phil Baker, appointed in May 2016. This review included a further audit of the skills of the Board of Trustees. Areas highlighted for Trustee recruitment and training have continued to be addressed in order to ensure that Trustees have suitable knowledge and skills. An evaluation of the impact has been carried out.

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management and premises and contract management, ensure compliance with reporting and regulatory requirements, receive the reports on internal assurance and draft the annual budget including setting staffing levels.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Baker	5	5
S Bareham	5	5
L Garrett	4	5
P Porter	5	5
J Walker	5	5

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

**Restructure:**

The Academy reviewed its operational structure and implemented changes for January 2018 and September 2018. This reduced teaching staffing levels where the timetable showed a surplus to requirement, and reduced support staff roles, combining some roles where work requirement had reduced. The review included a further reduction to the SLT, with the loss of an Assistant Head role and the promotion of an existing Assistant Head to a Deputy role.

**Focus on individual pupils:**

The Academy has continued to develop a wide range of intervention strategies to support all students and particularly those who attract pupil premium funding. This has involved the use of specialist therapeutic staff as well as extra 'one to one' support and innovative use of intervention teaching assistants with small groups of targeted students continuing in Mathematics and English. The Academy also continues to use support staff to address the social and emotional needs of the large cohort of students who, due to the new behaviour policy "Ready to Learn", introduced in June 2017, now show significantly improved behaviour and this ultimately should lead to better progress.

**Collaboration:**

In the context of a significant reduction in capacity of the local authority to support secondary schools, the trust has engaged a variety of external collaborations. As well as benefitting from support from The Excalibur Trust, the Academy is also part of the Swindon Secondary Teaching School Alliance which provides networking and professional development across the town. Visits to other schools have also taken place throughout the year, to continue to examine and adopt best practice models.

**New initiatives:**

The departure of the Finance and Facilities Manager in January 2017 gave the Academy the opportunity to assess requirements and a new Chief Financial and Operating Officer was appointed at the end of April 2017, with a brief to undertake a full review of the financial and operational side of the Academy. The Academy has continued an ongoing review of costs and has subsequently taken advantage of some contractual savings in FM services. An application for a CIF grant to replace heating systems in the region of £770k was successful and the project is ongoing at year end. Further capital grant is being sought. A future reduction in income is expected as a result of formula changes and an ongoing falling roll. This continues to make marketing a key area to ensure that pupil numbers are maximised in the future. Free blazers have been offered to the September 2019 intake at a recent very successful Open Evening at the start of the 2018-19 academic year.

Some staffing reductions have already been implemented during the financial year 2017-18 and this will reduce staffing costs for 2018-19. This will continue to mean a consolidation in both teaching and support staff numbers but with a continued focus on providing a better quality service and a rich and diverse curriculum and extending extra curricular opportunities. The focus in support staff has been to work with vulnerable student groups without significant erosion to the clerical and technical support provided in the Academy. This will continue to be achieved through a thorough review of roles and tasks, but keeping focus on efficiency and impact of student outcomes.



**GOVERNANCE STATEMENT (continued)**

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**Better purchasing:**

The Main Board of Trustees has approved the Academy's Financial Regulations Policy. The policy has in depth detail of procedures to ensure cost effective purchasing and states authorisation limits for budget holders as well as the Finance and Facilities Manager, the Head teacher, and the Finance and Premises Committee. The Financial Regulations also states the set expense thresholds for obtaining competitive quotations and formal tendering. The Academy has made substantial savings through adhering to this policy e.g. obtaining numerous quotations for various goods and ICT equipment from several suppliers, reviewing / renegotiation supplier contractual arrangements in order to agree better pricing and re tendering the energy and cleaning contracts. Review of contractual arrangements is an ongoing process in order to achieve costs savings wherever possible.

**Better income generation:**

The Academy continued to generate income throughout 2017/18 by way of providing consultancy, training and facilities for local institutions and lettings. In addition, other local support has provided ongoing professional development opportunities for both staff and students. Income generation is regularly reviewed at Finance and Premises Committee meetings. Lettings have been sustained in the year 2017/18 due to the regular visits of the Gateway Community Church Group.

Future focus will be centred on increased lettings and bidding for grants. Improvements in facilities will increase the possibilities of generating income from the premises.

**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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Dorcan Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Academy'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 Board of Trustees;
- regular reviews by the Finance and Premises 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 Board of Trustees has considered the need for a specific internal audit function and has appointed an independent internal audit process through FS4S who are contracted to provide financial support services to the Academy throughout the year. The Trustees are confident that the continued appointment of Bishop Fleming

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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Bath Limited, the external auditors, and regular visits made from FS4S will provide the required assurances.

The Auditors role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The Auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities, including:

- Payroll system;
- Income system;
- Expenditure system;
- Fixed asset system; and
- Accounting systems.

The Auditors delivered their schedule of work, in a detailed review of the financial processes at the end of the financial year to 31 August 2018. Where control issues were identified, changes in procedures have been suggested to address the weaknesses noted; however no major control issues were identified during the year.

On a quarterly basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

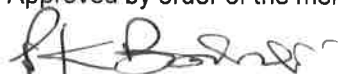
**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher 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 the external auditors;
- the work of the financial monitoring team from FS4S;
- the monitoring and review of the Finance and Premises Committee;
- the work of the executive managers within the Academy 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 Finance and Premises 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 Board of Trustees on <sup>5<sup>th</sup> Dec</sup> 2018 and signed on their behalf, by:



**P Baker**  
**Chair of Trustees**



**S Bareham**  
**Accounting Officer**

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Dorcan Academy I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees 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 2017.

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



**S Bareham  
Accounting Officer**

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees 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 ESFA/DfE have been applied for the purposes intended.

The Trustees 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 Board of Trustees and signed on its behalf by:



**P Baker  
Chair of Trustees**

Date:

18/12/18

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DORCAN ACADEMY**

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**OPINION**

We have audited the financial statements of The Dorcan Academy (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 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 Academy'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 FOR 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 Auditors' 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DORCAN ACADEMY**

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We have nothing to report in this regard.

**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 Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITORS' 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 Auditors' 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). This description forms part of our Auditors' Report.

**USE OF OUR REPORT**

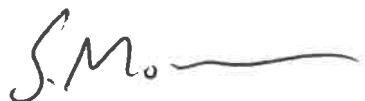
This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DORCAN ACADEMY**

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



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

20/12/2018

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE DORCAN ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Dorcan Academy during the year 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 Dorcan Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Dorcan Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Dorcan Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DORCAN ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Dorcan Academy's funding agreement with the Secretary of State for Education dated 27 October 2011, 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 work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.



**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE DORCAN  
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**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 year 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.



Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: 20/2/2018

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	43,886	-	43,886	781,298
Charitable activities	5	125,069	4,599,743	-	4,724,812	4,925,157
Other trading activities	3	8,413	-	-	8,413	14,022
Investments	4	674	-	-	674	378
<b>TOTAL INCOME</b>		<b>134,156</b>	<b>4,643,629</b>	<b>-</b>	<b>4,777,785</b>	<b>5,720,855</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	-	-	5,000
Charitable activities		130,295	4,786,968	167,940	5,085,203	4,965,073
<b>TOTAL EXPENDITURE</b>	6	<b>130,295</b>	<b>4,786,968</b>	<b>167,940</b>	<b>5,085,203</b>	<b>4,970,073</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	3,861	(143,339)	(167,940)	(307,418)	750,782
		-	(45,999)	45,999	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		3,861	(189,338)	(121,941)	(307,418)	750,782
Actuarial gains on defined benefit pension schemes	24	-	549,000	-	549,000	1,541,000
<b>NET MOVEMENT IN FUNDS</b>		<b>3,861</b>	<b>359,662</b>	<b>(121,941)</b>	<b>241,582</b>	<b>2,291,782</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		72,852	(572,246)	9,054,829	8,555,435	6,263,653
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>76,713</b>	<b>(212,584)</b>	<b>8,932,888</b>	<b>8,797,017</b>	<b>8,555,435</b>

The notes on pages 27 to 49 form part of these financial statements.

**THE DORCAN ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07831414**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>8,904,695</b>		8,296,678
<b>CURRENT ASSETS</b>					
Debtors	14	<b>507,259</b>		877,606	
Cash at bank and in hand		<b>614,724</b>		555,008	
			<u><b>1,121,983</b></u>	<u>1,432,614</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	<b>(701,393)</b>		<b>(247,984)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>420,590</b></u>		<u>1,184,630</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>9,325,285</b></u>		<u>9,481,308</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		<b>(67,268)</b>		<b>(72,873)</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u><b>9,258,017</b></u>		<u>9,408,435</u>
Defined benefit pension scheme liability	24		<b>(461,000)</b>		<b>(853,000)</b>
<b>NET ASSETS</b>			<u><u><b>8,797,017</b></u></u>		<u><u>8,555,435</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	<b>248,416</b>		280,754	
Fixed asset funds	18	<b>8,932,888</b>		9,054,829	
			<u><b>9,181,304</b></u>	<u>9,335,583</u>	
Restricted funds excluding pension liability					
Pension reserve		<b>(461,000)</b>		<b>(853,000)</b>	
			<u><b>8,720,304</b></u>	<u>8,482,583</u>	
Total restricted funds					
Unrestricted funds	18		<b>76,713</b>		72,852
<b>TOTAL FUNDS</b>			<u><u><b>8,797,017</b></u></u>		<u><u>8,555,435</u></u>

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



**P Baker**  
**Chair of Trustees**

The notes on pages 27 to 49 form part of these financial statements.

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>296,210</u>	<u>264,219</u>
<b>Cash flows from investing activities:</b>			
Interest received		674	378
Purchase of tangible fixed assets		(269,798)	(32,849)
Capital grants from DfE Group		41,096	18,580
<b>Net cash used in investing activities</b>		<u>(228,028)</u>	<u>(13,891)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(8,466)	(8,466)
<b>Net cash used in financing activities</b>		<u>(8,466)</u>	<u>(8,466)</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<u>555,008</u>	<u>313,146</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>614,724</u></u>	<u><u>555,008</u></u>

The notes on pages 27 to 49 form part of these financial statements.

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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.

The Dorcan Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 GOING CONCERN**

The Trustees 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 to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. As disclosed in the Trustees' Report, reductions in expected pupil numbers have led to the need to restructure staffing in recent years.

There is also a need for the Academy to address urgent buildings maintenance and renovation, highlighted in recently updated building condition surveys and reports. The Trustees are aware of this and there are plans in place to address these issues with a significant bid to the Capital Improvement Fund planned for 2018-19.

In addition, the Trustees are actively seeking to join a Multi-Academy Trust in order to further secure the future of the school, the expectation is that the Academy will likely join a Multi-Academy Trust in the next 12 months, with ESFA approval to join Excalibur Academies Trust received, this would also have a £2.2m rebrokerage grant attached to assist with the buildings maintenance and renovation.

The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2018.

**1.3 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 period is shown in the relevant funds 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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

**1.5 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 on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy apportioned to charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years
Furniture and fixtures	-	Straight line over 5 years
Motor vehicles	-	Straight line over 5 years
Office equipment	-	Straight line over 7 years
Computer equipment	-	Straight line over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**1.7 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 LIABILITIES AND PROVISIONS**

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

**1.10 FINANCIAL INSTRUMENTS**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. 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 instruments.

**1.11 TAXATION**

The Academy 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 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.

**1.12 PENSIONS**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 24, 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.



**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 net income / expenditure 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.

**1.13 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

THE DORCAN ACADEMY  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,790	-	2,790	1,717
Capital grants	41,096	-	41,096	779,581
	<u>43,886</u>	<u>-</u>	<u>43,886</u>	<u>781,298</u>
Total 2017	<u>20,297</u>	<u>761,001</u>	<u>781,298</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	8,413	-	8,413	12,914
Consultancy	-	-	-	1,108
	<u>8,413</u>	<u>-</u>	<u>8,413</u>	<u>14,022</u>
Total 2017	<u>14,022</u>	<u>-</u>	<u>14,022</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	674	-	674	378
	<u>674</u>	<u>-</u>	<u>674</u>	<u>378</u>
Total 2017	<u>378</u>	<u>-</u>	<u>378</u>	

THE DORCAN ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	4,240,955	4,240,955	4,411,155
Other DfE Group grants	-	305,956	305,956	313,775
	-	4,546,911	4,546,911	4,724,930
<b>Other Government grants</b>				
High Needs	-	45,087	45,087	44,584
Other government grants non capital	-	2,333	2,333	6,217
	-	47,420	47,420	50,801
<b>Other funding</b>				
Income for hosting trainee teachers	-	-	-	3,300
Sales to students	17,752	-	17,752	9,284
Educational visits, literary festival and other income	107,317	5,412	112,729	136,842
	125,069	5,412	130,481	149,426
	125,069	4,599,743	4,724,812	4,925,157
Total 2017	137,629	4,787,528	4,925,157	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Direct costs	-	-	-	-	5,000
Support costs	-	-	-	-	-
Education:					
Direct costs	3,247,398	153,139	455,339	3,855,876	3,822,575
Support costs	629,380	319,125	280,822	1,229,327	1,142,498
	3,876,778	472,264	736,161	5,085,203	4,970,073
Total 2017	3,713,474	488,706	767,893	4,970,073	

**THE DORCAN ACADEMY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**7. DIRECT COSTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension finance costs	11,000	27,000
Educational supplies	164,852	154,290
Examination fees	56,000	64,936
Staff development	14,465	5,962
Other costs	192,267	208,623
Supply teachers	18,726	47,373
Wages and salaries	2,505,383	2,416,198
National insurance	238,716	236,450
Pension cost	484,573	478,015
Depreciation	169,894	183,728
	<u><u>3,855,876</u></u>	<u><u>3,822,575</u></u>
 Total 2017	 <u><u>3,822,575</u></u>	

**8. SUPPORT COSTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension finance costs	12,000	21,000
Supply staff	12,426	219
Recruitment and support	5,904	9,079
Maintenance of premises and equipment	58,700	67,358
Cleaning	121,133	111,505
Rent and rates	80,758	86,467
Energy costs	58,534	33,785
Insurance	22,460	26,379
Security and transport	3,483	3,863
Catering	61,745	66,765
Technology costs	31,253	68,216
Office overheads	43,587	34,942
Legal and professional	87,449	64,815
Loan interest on equal pay loan	2,861	2,861
Governance	10,080	13,025
Wages and salaries	420,809	377,340
National insurance	33,285	29,627
Pension cost	162,860	125,252
	<u><u>1,229,327</u></u>	<u><u>1,142,498</u></u>
 Total 2017	 <u><u>1,142,498</u></u>	

**THE DORCAN ACADEMY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the Academy	<b>169,894</b>	<b>183,728</b>
Auditors' remuneration: audit	<b>7,600</b>	<b>7,410</b>
Auditors' remuneration: non-audit	<b>1,750</b>	<b>1,775</b>
Operating lease rentals	<b>50,660</b>	<b>57,282</b>
	<b><u>230,904</u></b>	<b><u>250,295</u></b>

**THE DORCAN ACADEMY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,833,475	2,796,538
Social security costs	272,001	266,077
Operating costs of defined benefit pension schemes	647,433	603,267
	<u>3,752,909</u>	<u>3,665,882</u>
Agency staff costs	31,152	47,592
Staff restructuring costs	92,717	-
	<u>3,876,778</u>	<u>3,713,474</u>

Staff restructuring costs comprise:

Statutory redundancy payments	71,382	-
Severance payments (1 payment)	21,335	-
	<u>92,717</u>	<u>-</u>

**b. Staff numbers**

The average number of persons employed by the Academy during the year was as follows:

	2018 No.	2017 No.
Teachers	57	62
Administration and support	18	19
Student support	28	25
Management	5	5
	<u>108</u>	<u>111</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	50	53
Administration and support	14	21
Student support	22	24
Management	5	6
	<u>91</u>	<u>104</u>

**THE DORCAN ACADEMY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS (continued)**

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>1</b>
In the band £70,001 - £80,000	<b>0</b>	<b>1</b>
In the band £80,001 - £90,000	<b>2</b>	<b>1</b>

**d. Key management personnel**

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

**11. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Bareham £80,000 - £85,000 (2017: £80,000 - £85,000), Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000), F Hardcastle £20,000 - £25,000 (2017: £20,000 - £25,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000), E Haynes £30,000 - £35,000 (2017: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000), D Tanner £40,000-£45,000 (2017: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000) and S Taylor £15,000 - £20,000 (2017: £Nil), Employer's pension contributions £0 - £5,000 (2017: £Nil).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £430 to 2 Trustees).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**THE DORCAN ACADEMY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and equipment £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>COST</b>						
At 1 September 2017	9,099,747	10,851	113,276	46,282	234,658	9,504,814
Additions	-	-	757,185	13,585	7,141	777,911
At 31 August 2018	9,099,747	10,851	870,461	59,867	241,799	10,282,725
<b>DEPRECIATION</b>						
At 1 September 2017	845,893	10,851	108,020	39,113	204,259	1,208,136
Charge for the year	147,112	-	4,073	2,539	16,170	169,894
At 31 August 2018	993,005	10,851	112,093	41,652	220,429	1,378,030
<b>NET BOOK VALUE</b>						
At 31 August 2018	8,106,742	-	758,368	18,215	21,370	8,904,695
At 31 August 2017	8,253,854	-	5,256	7,169	30,399	8,296,678

Included in land and buildings is freehold land at a valuation of £1,744,189 which is not depreciated.

**14. DEBTORS**

	2018 £	2017 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Accrued income	-	265,317
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	113	5,418
VAT recoverable	9,088	854
Prepayments and accrued income	498,058	606,017
	<u>507,259</u>	<u>877,606</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Other loans	5,605	5,605
Trade creditors	-	35,416
Other taxation and social security	69,562	68,606
Other creditors	62,969	64,886
Accruals and deferred income	563,257	73,471
	<u>701,393</u>	<u>247,984</u>



**THE DORCAN ACADEMY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

	2018 £	2017 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	37,272	114,651
Resources deferred during the year	32,885	37,272
Amounts released from previous years	(37,272)	(114,651)
	<u>32,885</u>	<u>37,272</u>
Deferred income at 31 August 2018	<u>32,885</u>	<u>37,272</u>

At the Balance Sheet date the Academy was holding funds received in advance for trips and events taking place in 2018/19 academic year.

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Other loans	<u>67,268</u>	<u>72,873</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
<b>BETWEEN ONE AND TWO YEARS</b>		
Other loans	<u>5,605</u>	<u>5,605</u>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Other loans	<u>16,815</u>	<u>16,815</u>
<b>OVER FIVE YEARS</b>		
Other loans	<u>44,848</u>	<u>50,453</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>44,848</u>	<u>50,453</u>

The amount included above is a single loan with Swindon Borough Council in respect of an Equal Pay Claim agreement prior to conversion. The loan is repayable in equal instalments over 18 years of which 12 years remain and the applicable rate of interest is 4.93%.

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**17. FINANCIAL INSTRUMENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Financial assets measured at fair value through income and expenditure	<b>614,724</b>	555,008
Financial assets measured at amortised cost	<b>1,088,734</b>	1,380,252
	<b>1,703,458</b>	1,935,260
Financial liabilities measured at amortised cost	<b>(666,214)</b>	(150,093)

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise long term loans, other creditors and accruals.

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**18. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	70,002	134,156	(128,341)	-	-	75,817
Unrestricted fixed assets	2,850	-	(1,954)	-	-	896
	<u>72,852</u>	<u>134,156</u>	<u>(130,295)</u>	<u>-</u>	<u>-</u>	<u>76,713</u>
<b>RESTRICTED FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General Annual Grant (GAG)	280,754	4,240,955	(4,268,390)	(4,903)	-	248,416
Rates Relief	-	22,124	(22,124)	-	-	-
High Needs	-	63,674	(40,787)	(22,887)	-	-
Other LA income	-	4,300	(4,300)	-	-	-
Pupil Premium	-	274,455	(274,455)	-	-	-
Year 7 Catch Up	-	11,710	(11,710)	-	-	-
Devolved Formula Capital	-	18,209	-	(18,209)	-	-
Educational visits	-	2,790	(2,790)	-	-	-
Other restricted income	-	5,412	(5,412)	-	-	-
Pension reserve	(853,000)	-	(157,000)	-	549,000	(461,000)
	<u>(572,246)</u>	<u>4,643,629</u>	<u>(4,786,968)</u>	<u>(45,999)</u>	<u>549,000</u>	<u>(212,584)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets transferred on conversion	8,220,858	-	(146,365)	-	-	8,074,493
Fixed assets purchased from GAG	38,597	-	(16,318)	45,999	-	68,278
DfE/ESFA Capital grants	795,374	-	(5,257)	-	-	790,117
	<u>9,054,829</u>	<u>-</u>	<u>(167,940)</u>	<u>45,999</u>	<u>-</u>	<u>8,932,888</u>
Total restricted funds	<u>8,482,583</u>	<u>4,643,629</u>	<u>(4,954,908)</u>	<u>-</u>	<u>549,000</u>	<u>8,720,304</u>
Total of funds	<u>8,555,435</u>	<u>4,777,785</u>	<u>(5,085,203)</u>	<u>-</u>	<u>549,000</u>	<u>8,797,017</u>

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

**RESTRICTED FUNDS**

General Annual Grant (GAG) is funding from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £4,903 (2017: £32,849) was

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**18. STATEMENT OF FUNDS (continued)**

transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Rates Relief is funding received from the ESFA to cover the cost of business rates incurred by the Academy.

High Needs funding is received by the Local Authority to fund further support for students with additional needs.

Pupil Premium funding represents amounts received from the ESFA and LA to cater for disadvantaged pupils.

Staff funding represents funding received to cover staff costs, such as maternity and supply cover.

Devolved Formula Capital is funding from the ESFA to cover costs of improvements to buildings and other facilities or capital repairs / refurbishment.

Educational visits is funding received from parents to pay for educational trips for children.

Other restricted income represents contributions to the Academy for specified purposes.

Pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Swindon Council on conversion to an academy.

Fixed assets purchased from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/ESFA Capital grants includes Devolved Formula Capital funding and amounts awarded by the Condition Improvement Fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**18. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>GENERAL FUNDS</b>						
General funds	56,096	152,029	(138,123)	-	-	70,002
Unrestricted fixed assets	5,432	-	(2,582)	-	-	2,850
<b>RESTRICTED FUNDS</b>						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	4,411,155	(4,097,552)	(32,849)	-	280,754
Rates Relief	-	22,394	(22,394)	-	-	-
High Needs	-	44,584	(44,584)	-	-	-
Pupil Premium	-	297,598	(297,598)	-	-	-
Staff funding	-	5,360	(5,360)	-	-	-
Devolved Formula Capital	-	18,580	(18,580)	-	-	-
Educational visits	-	1,717	(1,717)	-	-	-
Other restricted income	-	6,437	(6,437)	-	-	-
Pension reserve	(2,240,000)	-	(154,000)	-	1,541,000	(853,000)
	<u>(2,240,000)</u>	<u>4,807,825</u>	<u>(4,648,222)</u>	<u>(32,849)</u>	<u>1,541,000</u>	<u>(572,246)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	8,367,970	-	(147,112)	-	-	8,220,858
Fixed assets purchased from GAG	34,525	-	(28,777)	32,849	-	38,597
DfE/ESFA Capital grants	39,630	761,001	(5,257)	-	-	795,374
	<u>8,442,125</u>	<u>761,001</u>	<u>(181,146)</u>	<u>32,849</u>	<u>-</u>	<u>9,054,829</u>
Total restricted funds	<u>6,202,125</u>	<u>5,568,826</u>	<u>(4,829,368)</u>	<u>-</u>	<u>1,541,000</u>	<u>8,482,583</u>
Total of funds	<u>6,263,653</u>	<u>5,720,855</u>	<u>(4,970,073)</u>	<u>-</u>	<u>1,541,000</u>	<u>8,555,435</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,904,695	8,904,695
Current assets	109,598	984,192	28,193	1,121,983
Creditors due within one year	(32,885)	(668,508)	-	(701,393)
Creditors due in more than one year	-	(67,268)	-	(67,268)
Pension scheme liability	-	(461,000)	-	(461,000)
	<u>76,713</u>	<u>(212,584)</u>	<u>8,932,888</u>	<u>8,797,017</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	2,850	-	8,293,828	8,296,678
Debtors due after more than 1 year	-	-	265,317	265,317
Current assets	106,076	565,537	495,684	1,167,297
Creditors due within one year	(36,074)	(211,910)	-	(247,984)
Creditors due in more than one year	-	(72,873)	-	(72,873)
Pension scheme liability	-	(853,000)	-	(853,000)
	<u>72,852</u>	<u>(572,246)</u>	<u>9,054,829</u>	<u>8,555,435</u>

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(307,418)	750,782
<b>Adjustment for:</b>		
Depreciation charges	169,894	183,728
Interest received	(674)	(378)
Decrease in debtors	370,347	33,072
Decrease in creditors	(51,843)	(77,404)
Capital grants from DfE and other capital income	(41,096)	(779,581)
Defined benefit pension scheme cost less contributions payable	134,000	106,000
Defined benefit pension scheme finance cost	23,000	48,000
<b>Net cash provided by operating activities</b>	<u>296,210</u>	<u>264,219</u>

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**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	614,724	555,008
	<u>614,724</u>	<u>555,008</u>

**22. MEMBERS' LIABILITY**

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

**23. GENERAL INFORMATION**

The Dorcan Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is St Paul's Drive, Covingham, Swindon, Wiltshire, SN3 5DA.

**24. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Council. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £69,562 were payable to the schemes at 31 August 2018 (2017: £68,606) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The

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**24. PENSION COMMITMENTS (continued)**

valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £322,224 (2017: £319,929).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £241,000 (2017: £226,000), of which employer's contributions totalled £190,000 (2017: £179,000) and employees' contributions totalled £51,000 (2017: £47,000). The agreed contribution rates for future years are 24.8% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	2.50 %
Rate of increase in salaries	<b>2.70 %</b>	2.70 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.40 %



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**24. PENSION COMMITMENTS (continued)**

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

	2018	2017
Retiring today		
Males	<b>22.5 years</b>	22.5 years
Females	<b>24.9 years</b>	24.9 years
Retiring in 20 years		
Males	<b>24.1 years</b>	24.1 years
Females	<b>26.7 years</b>	26.7 years

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	<b>2,910,000</b>	2,553,000
Bonds	<b>574,000</b>	503,000
Property	<b>533,000</b>	468,000
Cash	<b>82,000</b>	72,000
Total market value of assets	<b>4,099,000</b>	3,596,000

The actual return on scheme assets was £328,000(2017:£579,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	<b>(324,000)</b>	(272,000)
Past service cost	-	(13,000)
Interest income	<b>92,000</b>	65,000
Interest cost	<b>(115,000)</b>	(113,000)
Total	<b>(347,000)</b>	(333,000)

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**24. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	4,449,000	5,365,000
Current service cost	324,000	272,000
Interest cost	115,000	113,000
Employee contributions	51,000	47,000
Actuarial gains	(324,000)	(1,115,000)
Benefits paid	(56,000)	(246,000)
Past service costs	-	13,000
	<u>4,559,000</u>	<u>4,449,000</u>

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	3,596,000	3,125,000
Interest income	92,000	65,000
Actuarial losses	225,000	426,000
Employer contributions	190,000	179,000
Employee contributions	51,000	47,000
Benefits paid	(56,000)	(246,000)
	<u>4,098,000</u>	<u>3,596,000</u>

**25. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	40,292	50,660
Between 1 and 5 years	97,403	45,849
	<u>137,695</u>	<u>96,509</u>

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**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Miss A Bareham, daughter of Mrs S Bareham, a Trustee, is employed as a Teaching Assistant and Casual Worker. Miss A Bareham's appointment was made in open competition and Mrs S Bareham was not involved in the decision making process. Miss A Bareham is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

Mr S Arthur, a Trustee for part of the year, is the General Manager at Greenwich Leisure Limited, a company with which the Academy has transactions. During the year Greenwich Leisure Limited charged the Academy £8,132 (2017: £39,670) for the use of sports facilities whilst S Arthur was a Trustee.

No other significant related party transactions took place in the period of account.