

Registered number: 07831414

THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members and Trustees	D Bell, Chair (resigned 18 May 2016) ^{1,6,7} P Baker, Chair (appointed 27 April 2016) ^{2,5,6} L Garrett, Vice Chair ^{1,2,7} S Bareham, Headteacher ^{1,2,7} S Arthur ¹ D Day ^{1,5,6} N Grace, Staff Trustee (resigned 11 February 2016) ^{4,8} F Hardcastle, Staff Trustee ^{3,8} SA Harvey ^{2,3,6,7} E Haynes, Staff Trustee ⁴ S Iwaniszyn (resigned 11 November 2015) ³ C Kent (resigned 23 September 2015) C Long (resigned 8 July 2016) ⁴ M Parry (resigned 6 December 2015) ^{1,6} Dr C T Ryan (resigned 16 October 2016) ³ M Sly ⁷ J Smith ^{2,6} Jo Smith (resigned 31 August 2016) ^{1,2,7} D Southern ³ D Tanner, Staff Trustee (appointed 27 April 2016) ^{3,8} Dr R Vowles (resigned 8 September 2016) ^{1,2,7}
	1 Finance and Premises Committee 2 Staffing Committee 3 Outcomes for Students, Achievement and SEN Committee 4 Student Welfare, Personal Development, Behaviour and SMSC Committee 5 Appeals Committee 6 Discipline Panel 7 Chairs Committee 8 Admissions Committee

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 M Coombes, Deputy Head P Morley, Assistant Head S Needs, Assistant Head M Shepherd, Assistant Head A Jefferies, Finance and Facilities Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

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

Sollcitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 950 and had a roll of 873 in the school census on 31 January 2016.

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. The limit of this indemnity is £5,000,000.

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.

**THE DORCAN ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 7 committees as follows:

- Finance and Premises Committee - this, 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 met 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 Outcomes for Students, Teaching and Learning, Achievement and SEN Committee (formerly Curriculum) - this met twice to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, target setting and assessment, examinations and all teaching & learning issues.
- The Student Welfare, Personal Development, Behaviour and SMSC Committee (formerly Student Support) - this met twice to monitor, evaluate and review academy policy, practice and performance in relation to behaviour, attendance, safeguarding & child protection, special educational needs and all pastoral issues.
- The Admissions Committee which meets weekly (as required) to deal with in year admissions requests and all matters relating to admissions.
- The Chairs Committee – this met once to plan monitor and evaluate the work of the other committees and the overall performance of the academy and its strategic direction.
- Discipline Panel – this meets six times a year to monitor behaviour of Academy students as required.

From September 2016 there is a new Committee that has been created 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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 Co-Ordinator (SENCO). The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The Senior 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 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 object 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 aims of the Academy during the year ended 31 August 2016 are summarised below:

- to continue to raise the standard of educational attainment and achievement so that all students achieve their full potential;
- to maximise the number of students who achieve 5 A*-C GCSE grades including English and Maths;
- to maximise the number of students who make expected and good progress from KS2 in English and Maths;
- to narrow the gaps in achievement between disadvantaged and non-disadvantaged students;
- to increase the number of more able students achieving A* and A grades;
- to narrow the gaps in achievement between boys and girls in English and Maths;
- to improve levels of literacy so that they are not a barrier to achievement;
- to improve the quality of teaching so that every child enjoys the same high quality of education;
- to ensure students are fully prepared for the new national curriculum and KS4 courses;
- to improve whole school attendance to 95.4%;
- to provide a broad and balanced curriculum, including extra-curricular activities;
- to develop students as more effective learners;
- to improve the effectiveness of the Academy by reviewing the curriculum to ensure it is fit for purpose and fully prepares students for further training, apprenticeship or employment;
- to review staffing structure to ensure it meets the needs of the Academy;
- to improve the Academy site so that it enables students to achieve their full potential;
- to provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to develop the Academy's capacity to manage change, and to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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.

A new Headteacher took up post in September 2015 and in the following November had a visit from the Department for Education to evaluate the progress of the school and predictions for pupil outcomes in July 2016. It was noted that 'the new Headteacher has made an accurate and detailed evaluation of the performance of the school and is taking swift and effective actions to address the issues across all areas'. It was also noted that 'the school has a strongly developing approach to raising attainment'. Despite continuing with these rapid improvements, in May 2016 the school had a section 5 Ofsted inspection where a team judged pupil outcomes to be inadequate, putting the Academy into a category of 'serious weaknesses'.

Students' achievement requires significant improvement in the number of students achieving 5 GCSEs including English and Mathematics and in the numbers of students achieving good and expected progress throughout all year groups, however, the school predictions for July 2016 were accurate and showed an 8% increase on the previous year's results demonstrating that our actions are having the required impact. We 'aspire to greatness' and that means we aspire to exceptional achievement for all our students, not just academically but in a range of areas. Our students excel in sports, drama and writing to maths, science and technology, many achieving success in both local and national competitions. Progression after leaving school is vital for our young people and we are proud that recently every student leaving The Dorcan Academy has either gone onto a college course, into employment or further training.

Objectives, Strategies and Activities

The overarching planning for the Academy is found in the Strategic Plan 2015-18 and key priorities for the year are contained in our annual School Development Plan, both of which are available from the Academy Office.

Strategic Plan Priorities 2015-18

Having achieved significantly lower than expected examination results in 2015 the Academy re-evaluated its priorities for the academic year 2015/16. The new priorities for the Academy were in a direct response to a detailed self-evaluation process which took place during the summer term 2015 involving all stakeholders and subsequent revisions based on our latest performance data. The priorities for the year 2015/16 reflected our strengths and weaknesses as a school and sought to build on a clear vision to become an outstanding school of first choice at the heart of our local community within the next three years.

The strategic priorities are focussed around improving achievement of all students and inspection judgements that become good and outstanding in all aspects. This model has four clear priorities 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:

- Exceptional achievement for every student links to Priority 1 : Outcomes for students;
- High quality teaching that inspires and engages minds through an exciting and creative curriculum links to Priority 2: The quality of teaching;
- An inclusive school where everyone is valued, cared for and nurtured in an extraordinary way links to Priority 3: Personal development, behaviour and welfare;
- Students stand out as model citizens, aspiring to make a difference through their exemplary behaviour and attitudes also links to Priority 3: Personal development, behaviour and welfare; and
- All stakeholders share an aspirational culture and vision to strive towards outstanding in all areas links to Priority 4: Leadership and Management.

For the academic year 2016/17 Social, Moral, Spiritual and Cultrual (SMSC) development has been included in Priority 3 as a major focus will be the personal development of students as leaders and the development of a 'growth mindset' in achieving success. Our Academy strapline 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Academy provides facilities for the community at large 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 fifth year of operation. The total number of students in the year was 882 at the time of the 2015 October census, reducing to 869 at 31 August 2016.

The 2016 examination window saw the Academy record 51% of students achieving 5 GCSEs at A* C including English and Maths (up 8% compared with 2015) with 62% achieving A*-C in English and 58% achieving A*-C in Maths. 61% of students made expected levels of progress in English and 54% made expected progress in Maths. There remains a significant gap in attainment between PP and non-PP students (5 A* - C: non-PP 58%, PP 33%) but the gap narrowed in comparison to 2015. In terms of attainment, there is no gender gap however girls significantly outperformed boys in terms of progress.

To ensure that standards are continually assessed, the Academy operates a detailed quality assurance system. This includes a whole school programme of lesson observations, lesson planning audits and work scrutiny carried out termly by a range of middle and senior leaders. This is supported by termly monitoring by Heads of Faculty and Subject Leaders of standards in each area of planning, marking and assessment. The Academy is data rich and monitors each student's progress against challenging targets on a termly/bi-termly basis. Tracking of all students and appropriate intervention ensures that individual students maintain good progress throughout their school careers.

Implementation and collaborative creation of the new Marking and Dialogue criteria, alongside Middle Leaders across the academy, has seen the quality of written feedback given to students in their books become more frequent, annotation based around a common language and focused on the development of a specific learning outcome – see the new Marking and Dialogue Policy. A tight and transparent QA process shared constantly with Middle Leaders and with all teaching staff during a Twilight session in Term 1 has been a key steer to its success. Students are responding to staff feedback and in doing so engaging in their learning and making stronger progress. Marking and dialogue was identified as a developing strength by Ofsted in their visit in Term 5 2015/16.

Past observations criteria and associated judgements made within the academy have been reviewed and brought up to date this year- they are now in line with the new Ofsted Teaching Standards. September inset and a Twilight session were utilised to share with staff the new higher standards and how they will be measured against them. A new observation template was implemented and Middle Leaders and SLT completed triangulated observations alongside one another, with the aim of moderating all judgments and developing Middle Leaders within the academy. A bespoke CPD training session for Middle Leaders and those aspiring to Lead was delivered around 'How and where to gather evidence from during an observation.' Progress data was set as a priority over all the teaching standards.

External triangulation alongside Peter Nathan and his team supplied confidence that all SLT judgements were accurate. Further joint observations alongside Ofsted inspectors undertaken in Term 5 also confirmed that the SLT were accurate in their assessment of teaching and learning within the lesson observed.

The observation procedure was reviewed leading to the implementation of a two day window of unannounced observations taking place during each cycle throughout the year. This replaced a process where staff were able to select the class and lesson they were to be observed.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

A common Teaching and Learning Charter with 12 Principles was developed during the September Inset days and implemented within the academy. This is now displayed in all class rooms and integrated into the schools observation template. Students were made aware of the Principles through assemblies delivered by a year 9 drama class and 3 year 8 girls who applied them to the story of Goldilocks. Further work is currently underway to embed the Principles within the Academy as it is being pushed forward to dissect each Principle in depth over the forthcoming year. Attachment of the Principles to the observation template has allowed understanding of the areas of strength held within the Academy and to set up the Excellent Practitioner Forum: which will run through 2016/17 and support the further development of the CPD provision within the Academy.

Continuing professional development has been provided for all staff through attendance at external courses, faculty CPD, bespoke projects and twilight CPD sessions. Staff Appraisal targets or Heads of Faculty/SLT requests have lead the CPD provision offered and staff have been made aware of their responsibility to ensure that they are met.

The CPD programme has met the requirements related to Academy status and investment was made to ensure Child Protection, Fire Training and Radicalisation training were complete and records up to date. Money was also used to ensure that site staff received Scaffold training to allow for the safe construction of 'The Wizard of Oz' scenery. A one day First Aid training provision for the PE department and staff involved in educational visits was provided alongside a refresher session delivered by the school nurse on administering medicines, which saw the largest uptake: with all faculties having at least one representative in attendance.

Second year Teach First candidates in Science and Modern Foreign Languages have successfully passed through their NQT program, with one participate having moved into a Middle Leadership role within the academy. The aim to retain excellent home grown talent. The second year of the 'Teach First' Programme has seen even greater strength brought into the Academy in both Maths and Modern Foreign Languages with this year's First Year participants having secured an 'outstanding' judgement in their final assessments from Bristol University. These staff will add further to the academy as they complete their NQT training program with us. Already they are contributing to the development of the training provision and one has taken the lead on PP progress within the academy.

A recent visit from Ofsted in Term 5 (2015/16) confirmed the provision offered to these participants within the Academy to be of an exemplary quality.

We have used our partnerships with Balcarras School to good effect with staff from our Middle leadership team, Maths and English department attending this school. We have continued to support the White Horse Federation training program and this year we successfully hosted 60 NQT candidates by allowing them to undertake an afternoon of observations within the Academy. We have stretched further afield this year to Sheldon School to seek further development for the English department on 'Stretching the More Able' and look to strengthening this link moving into 2016/17. We have supported and boosted the training of our Additional Needs staff by ensuring that all teaching assistants are enrolled on specialist courses and the SENCO is continuing to embed and secure all of the changes to the SEN code of Practice.

Implementation of the online CPD communication platform in 2014/15 continued to be implemented as part of the CPD package as requested by some staff during their Appraisal targets. This has yet again proved to be a great method of sharing new and innovating teaching and learning methods rapidly across the academy. IRIS has been utilised by trainees as a support tool and by Mr Robinson, to build a teaching and learning resource folder for all staff to use. Employment of Mr Robinson; Lead Practitioner built capacity for all of the above and allowed for the development of the 6 week Coaching Program for staff whose delivery was below expectation. Delivery of the program was intensive and involved weekly meeting and fortnightly observations.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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 £2,709.39 for the charities identified below:

<u>Date</u>	<u>Charity</u>	<u>Amount</u>
September 2015	Brain Tumour Research	£107.49
September 2015	Children's Ward GWH	£107.49
September 2015	Teenage Cancer Trust	£107.49
September 2015	Alzheimer's Society	£107.49
September 2015	Christmas Care (Swindon)	£107.49
September 2015	Swindon Women's Aid	£107.49
December 2015	Christmas Care (Swindon)	£118.00
December 2015	Teenage Cancer Trust	£301.20
April 2016	Sport Relief	£1,645.25
Total		£2,709.39

Key Performance Indicators

As funding is based on student numbers this is a key performance indicator. Student numbers for the year ended 31 August 2016 were 869, a decrease of 15 over 2015. It is anticipated that this number will stabilise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016 this was 86% compared to 93% in 2015. Staffing costs as a % of total income were 79% (2015: 83%).

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 has received a GAG £50,000 cash advance that was agreed and provided by the EFA in July 2016. The repayment of this advance is shown in the Academy's recovery plan and has been included in the Academy's budget for 2016/17. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA 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 2016 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 2016, total expenditure (excluding depreciation), of £4,994,915 was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,993,600. The deficit for the year (excluding restricted fixed asset funds) was £2,825, before a transfer to the restricted fixed asset fund for the cost of additions.

At 31 August 2016 the net book value of fixed assets was £8,447,557 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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 amount to £6,263,653, although £8,447,557 of this is invested in fixed asset. The remaining £56,096 (representing 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.

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.

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 98% 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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.

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.

Whilst the Academy is not over subscribed, there are risks to revenue funding from a falling roll. Additionally, the reduction in post funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will 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. The deficit in the year was expected and is 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 EFA approval to enter into a 6 month services agreement with 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.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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, approved by order of the Board of Trustees, as company directors, on 16 November 2016 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

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 11 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
D Bell, Chair until 18 May 2016	9	9
P Baker, Chair from 19 May 2016	4	4
L Garrett, Vice Chair	8	11
S Bareham, Headteacher	11	11
S Arthur	8	11
D Day	11	11
N Grace	5	5
F Hardcastle	11	11
SA Harvey	9	11
E Haynes	10	11
S Iwaniszyn	2	2
C Kent	0	0
C Long	5	11
M Parry	2	4
Dr C T Ryan	10	11
M Sly	2	11
J Smith	10	11
Jo Smith	6	11
D Southern	10	11
D Tanner	4	4
Dr R Vowles	7	11

Governance Reviews:

A review of governance was carried out in September 2015 which included an audit of the skills of the Board of Trustees. Following this an action plan was drawn up to highlight areas for Trustee training and also identify skills gaps so that the Academy could recruit trustees with suitable skills. The governance review highlighted weaknesses in the leadership of the Board of Trustees. Following the Ofsted visit in May 2016 the Chair of Trustees and Vice Chair resigned and there are now new members in post. An evaluation of the impact of actions from the review was carried out in November 2016.

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, to ensure compliance with reporting and regulatory requirements, to receive reports from the Internal Assurance Officer (via Board of Trustees) and draft the annual budget including set staffing levels.

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

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Bell	5	5
S Bareham	6	6
S Arthur	5	6
D Day	6	6
M Parry	1	3

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 has reviewed its operational structure and implemented changes for September 2016. The school will convert to a "4-house" system and operate as a new five-period day. This will improve efficiency by increasing some class sizes and providing more flexibility. There will also be a reduction to the number of options offered at KS4. These changes have enabled a new staffing model that has seen a reduction in staff headcount. Further savings have been made through re-scaled jobs and changing some support staff posts to term-time only. The review included a reduction to the SLT, which no longer includes a Deputy Head. There will be a new role for Marketing and Promotions, allocated to an existing member of staff, to generate additional income through new initiatives and lettings etc.

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 in Maths and English. The Academy also continues to use support staff to address the social and emotional needs of the large cohort of students who now show significantly improved attendance and behaviour; this will ultimately lead to more rapid and sustained progress. In the coming year focus will be upon providing revision and study skills to students, particularly those who attract pupil premium funding.

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 several good and outstanding schools in the area, the senior staff at the Academy has also provided support for other schools in specific areas. This involves a range of consultations and training opportunities that continue to provide mutual benefit. The cost effectiveness of this model is proving financially very effective in terms of both receiving and providing such services. The trust is also part of the newly created Swindon Secondary Teaching School Alliance which provides networking and professional development across the town as well as working in collaboration with the new Swindon Teaching School.

New initiatives:

The Academy has continued an ongoing review of costs with a further reduction in income as a result of local formula changes and an ongoing falling roll. This has seen a consolidation in both teaching and support staff numbers but with a focus on providing a better quality service and continuing to provide a rich and diverse curriculum and extend our 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 has been achieved through a thorough review of roles and tasks and a greater focus on efficiency and impact of student outcomes.

GOVERNANCE STATEMENT (continued)

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 Headteacher, 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.

Better income generation:

The Academy continued to generate additional income throughout 2015/16 by way of providing consultancy, training and facilities for local institutions and lettings. In addition, voluntary support from local businesses has been sought, which has provided ongoing professional development opportunities. Income generation is regularly reviewed at Finance and Premises Committee meetings.

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 2015 to 31 August 2016 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 2015 to 31 August 2016 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming Bath Limited, the external auditors, to perform additional checks.

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

GOVERNANCE STATEMENT (continued)

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 assets system; and
- Accounting systems.

The Auditors delivered their schedule of work, in two detailed review of the financial processes during the year to 31 August 2016. Where control issues were identified, procedures have been changed to address the weaknesses identified, however no major control issues were identified during the year.

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 Internal Assurance Officer;
- the work of the external auditors; and
- 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 16 November 2016 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

As Accounting Officer of The Dorcan Academy I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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.

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 EFA.



**S Bareham
Accounting Officer**

Date: 16 November 2016

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of The Dorcan Academy and 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 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/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: 16 November 2016

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

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

We have audited the financial statements of The Dorcan Academy for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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: 30/11/2016

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

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

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Dorcan Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Dorcan Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Dorcan Academy and EFA 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 EFA, 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 FUNDING AGENCY (continued)**

CONCLUSION

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



Simon Morrison FCA (Reporting Accountant)

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

Date: 30/11/2016

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	68,485	-	68,485	77,740
Charitable activities	5	37,201	4,885,355	-	4,922,556	5,029,316
Other trading activities	3	2,029	-	-	2,029	767
Investments	4	530	-	-	530	632
TOTAL INCOME		39,760	4,953,840	-	4,993,600	5,108,455
EXPENDITURE ON:						
Charitable activities		62,798	5,006,627	182,653	5,252,078	5,558,571
TOTAL EXPENDITURE	6	62,798	5,006,627	182,653	5,252,078	5,558,571
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	18	(23,038)	(52,787)	(182,653)	(258,478)	(450,116)
		-	(20,213)	20,213	-	-
NET EXPENDITURE BEFORE OTHER GAINS AND LOSSES						
		(23,038)	(73,000)	(162,440)	(258,478)	(450,116)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(1,091,000)	-	(1,091,000)	20,000
NET MOVEMENT IN FUNDS		(23,038)	(1,164,000)	(162,440)	(1,349,478)	(430,116)
RECONCILIATION OF FUNDS:						
Total funds brought forward		84,566	(1,076,000)	8,604,565	7,613,131	8,043,247
TOTAL FUNDS CARRIED FORWARD		61,528	(2,240,000)	8,442,125	6,263,653	7,613,131

The notes on pages 27 to 47 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		8,447,557		8,611,507
CURRENT ASSETS					
Debtors	14	149,677		117,875	
Cash at bank and in hand		313,146		239,505	
		<u>462,823</u>		<u>357,380</u>	
CREDITORS: amounts falling due within one year	15	(328,249)		(195,673)	
NET CURRENT ASSETS			134,574		161,707
TOTAL ASSETS LESS CURRENT LIABILITIES			8,582,131		8,773,214
CREDITORS: amounts falling due after more than one year	16		(78,478)		(84,083)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			8,503,653		8,689,131
Defined benefit pension scheme liability	24		(2,240,000)		(1,076,000)
TOTAL ASSETS			6,263,653		7,613,131
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds excluding pension liability		8,442,125		8,604,565	
Pension reserve		(2,240,000)		(1,076,000)	
Total restricted funds			6,202,125		7,528,565
Unrestricted funds	18		61,528		84,566
TOTAL FUNDS			6,263,653		7,613,131

The financial statements were approved by the Trustees, and authorised for issue, on 16 November 2016 and are signed on their behalf, by:



**P Baker
Chair of Trustees**

The notes on pages 27 to 47 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>74,491</u>	<u>(179,120)</u>
Cash flows from investing activities:			
Interest received		530	(2,229)
Purchase of tangible fixed assets		(20,213)	(8,452)
Capital grants from DfE/EFA		18,833	-
Net cash used in investing activities		<u>(850)</u>	<u>(10,681)</u>
Cash flows from financing activities:			
Repayments of borrowings		-	(5,605)
Net cash used in financing activities		<u>-</u>	<u>(5,605)</u>
Change in cash and cash equivalents in the year		<u>73,641</u>	<u>(195,406)</u>
Cash and cash equivalents brought forward	21	<u>239,505</u>	<u>434,911</u>
Cash and cash equivalents carried forward		<u><u>313,146</u></u>	<u><u>239,505</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

These financial statements are the first financial statements of The Dorcan Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Dorcan Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

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. The Academy has made an in year deficit (before depreciation) of £23,038 and so its level of free reserves continues to be below the level set in its Reserves Policy. The Trustees are aware of this and there are plans in place to address this deficit and increase the free reserves over the next 3 years. In addition, the Trustees are actively seeking to join a Multi-Academy Trust in order to further secure the future of the school. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2016.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

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 and include grants from the Education Funding Agency.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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 there is certainty of receipt 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. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

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

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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.

On conversion the Academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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
Motor vehicles	-	Straight line over 5 years
Fixtures and fittings	-	Straight line over 5 years
Office equipment	-	Straight line over 7 years
Computer equipment	-	Straight line over 3 years

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

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 Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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.

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	49,652	-	49,652	41,533
Capital Grants	18,833	-	18,833	19,204
SCITT	-	-	-	17,003
	<u>68,485</u>	<u>-</u>	<u>68,485</u>	<u>77,740</u>

In 2015, the total income from donations and capital grants was restricted.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	2,029	-	2,029	767
	<u>2,029</u>	<u>-</u>	<u>2,029</u>	<u>767</u>

In 2015, all income from other trading activities was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	530	-	530	632
	<u>530</u>	<u>-</u>	<u>530</u>	<u>632</u>

In 2015, all investment income was unrestricted.

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	4,487,849	4,487,849	4,533,988
Other DfE/EFA grants	-	320,677	320,677	334,145
	<u>-</u>	<u>4,808,526</u>	<u>4,808,526</u>	<u>4,868,133</u>
Other Government grants				
High Needs	-	50,121	50,121	43,244
Other Government grants: non-capital	-	15,671	15,671	15,910
	<u>-</u>	<u>65,792</u>	<u>65,792</u>	<u>59,154</u>
Other funding				
Internal catering income	-	-	-	98
Income for hosting trainee teachers	9,801	-	9,801	3,393
Sales to students	3,145	-	3,145	4,177
Other	24,255	11,037	35,292	94,361
	<u>37,201</u>	<u>11,037</u>	<u>48,238</u>	<u>102,029</u>
	<u><u>37,201</u></u>	<u><u>11,037</u></u>	<u><u>48,238</u></u>	<u><u>102,029</u></u>
	<u><u>37,201</u></u>	<u><u>4,885,355</u></u>	<u><u>4,922,556</u></u>	<u><u>5,029,316</u></u>

In 2015, of the total income from charitable activities, £39,266 was unrestricted and £4,990,050 was restricted, and £NIL was restricted fixed asset fund.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	3,524,707	203,361	396,789	4,124,857	4,292,832
Support costs	523,472	309,177	294,572	1,127,221	1,265,739
	<u>4,048,179</u>	<u>512,538</u>	<u>691,361</u>	<u>5,252,078</u>	<u>5,558,571</u>
	<u><u>4,048,179</u></u>	<u><u>512,538</u></u>	<u><u>691,361</u></u>	<u><u>5,252,078</u></u>	<u><u>5,558,571</u></u>

In 2015, of the total expenditure on charitable activities, £212,716 was unrestricted, £5,148,790 was restricted and £197,065 was restricted fixed assets.

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	24,000	22,000
Educational supplies	185,262	197,543
Examination fees	69,781	63,048
Staff development	5,857	16,198
Other costs	131,087	127,143
Supply teachers	95,932	39,912
Wages and salaries	2,734,701	2,926,310
National insurance	223,851	224,107
Pension cost	470,223	460,996
Depreciation	184,163	198,575
	4,124,857	4,275,832

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	17,000	17,000
Supply staff	2,675	1,000
Recruitment and support	11,031	9,457
Maintenance of premises and equipment	47,184	71,685
Cleaning	102,322	84,037
Rent and rates	77,594	80,384
Energy costs	82,077	87,999
Insurance	26,421	35,381
Security and transport	5,400	10,433
Catering	67,323	121,448
Technology costs	33,520	31,275
Office overheads	37,184	47,945
Legal and professional	80,652	99,693
Loan interest on equal pay loan	2,861	2,861
Governance	10,505	12,600
Wages and salaries	404,487	437,200
National insurance	24,902	22,799
Pension cost	94,083	109,542
	1,127,221	1,282,739

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	184,163	198,575
Auditors' remuneration: audit	7,125	7,250
Auditors' remuneration: non-audit	3,380	5,350
	<u>194,668</u>	<u>211,175</u>

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,038,436	3,357,010
Social security costs	248,753	246,906
Operating costs of defined benefit pension schemes	564,306	570,538
	<u>3,851,495</u>	<u>4,174,454</u>
Supply teacher costs	95,932	39,912
Staff restructuring costs	100,752	6,500
	<u>4,048,179</u>	<u>4,220,866</u>

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £20,810 (2015: £NIL). This was funded by GAG.

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

	2016 No.	2015 No.
Teachers	59	60
Administration and support	31	34
Student support	22	25
Management	6	6
	<u>118</u>	<u>125</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	53	54
Administration and support	21	28
Student support	24	23
Management	6	6
	<u>104</u>	<u>111</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	0
In the band £90,001 - £100,000	0	1

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £382,693 (2015: £472,325).

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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: Dr S Sissons (resigned 31 August 2015) £NIL (2015: £95,000 - £100,000), Employer's pension contributions £NIL (2015: £10,000 - £15,000), S Bareham £70,000-£75,000 (2015: £25,000-£30,000), Employer's pension contributions £10,000-£15,000 (2015: £0-£5,000), F Hardcastle £20,000 - £25,000 (2015: £20,000 - £25,000), Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), N Grace (resigned: 11 February 2016) £25,000 - £30,000 (2015: £25,000 - £30,000), Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), E Haynes £30,000 - £35,000 (2015: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2015: £0 - £5,000) and D Tanner £30,000-£35,000 (2015: £NIL), Employer's pension contributions £5,000-£10,000 (2015: £NIL).

During the year retirement benefits were accruing to 5 Trustees (2015: 5) in respect of defined contribution pension schemes.

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £214 (2015: £149) were reimbursed to 2 Trustees (2015: 2).

Other related party transactions involving the Trustees are set out in note 26.

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 2016

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST						
At 1 September 2015	9,099,747	10,851	106,754	41,452	192,948	9,451,752
Additions	-	-	6,522	4,830	8,861	20,213
At 31 August 2016	<u>9,099,747</u>	<u>10,851</u>	<u>113,276</u>	<u>46,282</u>	<u>201,809</u>	<u>9,471,965</u>
DEPRECIATION						
At 1 September 2015	551,669	10,851	94,066	32,683	150,976	840,245
Charge for the year	147,112	-	9,182	4,014	23,855	184,163
At 31 August 2016	<u>698,781</u>	<u>10,851</u>	<u>103,248</u>	<u>36,697</u>	<u>174,831</u>	<u>1,024,408</u>
NET BOOK VALUE						
At 31 August 2016	<u>8,400,966</u>	<u>-</u>	<u>10,028</u>	<u>9,585</u>	<u>26,978</u>	<u>8,447,557</u>
At 31 August 2015	<u>8,548,078</u>	<u>-</u>	<u>12,688</u>	<u>8,769</u>	<u>41,972</u>	<u>8,611,507</u>

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

14. DEBTORS

	2016 £	2015 £
Trade debtors	2,203	405
VAT recoverable	11,505	11,043
Prepayments and accrued income	135,969	106,427
	<u>149,677</u>	<u>117,875</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other loans	5,605	5,605
Other taxation and social security	73,391	73,968
Other creditors	64,584	24,704
Accruals and deferred income	184,669	91,396
	<u>328,249</u>	<u>195,673</u>

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	33,183	32,590
Resources deferred during the year	114,651	33,183
Amounts released from previous years	(33,183)	(32,590)
	<u>114,651</u>	<u>33,183</u>
Deferred income at 31 August 2016	<u><u>114,651</u></u>	<u><u>33,183</u></u>

At the Balance Sheet date the Academy was holding funds received in advance for trips and events taking place in 2016/17 academic year, rates funding from the EFA for the period from September 2015 to March 2016 and a cash advance of £50,000 of 2016/17 GAG funding.

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

	2016 £	2015 £
Other loans	<u>78,478</u>	<u>84,083</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
BETWEEN ONE AND TWO YEARS		
Other loans	<u>5,605</u>	<u>5,605</u>
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>16,815</u>	<u>16,815</u>
OVER FIVE YEARS		
Other loans	<u>56,058</u>	<u>61,663</u>

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

	2016 £	2015 £
Repayable by instalments	<u>56,058</u>	<u>61,663</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 14 years remain and the applicable rate of interest is 4.93%.

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	313,146	239,505
Financial assets measured at amortised cost	51,012	47,667
	<u>364,158</u>	<u>287,172</u>
Financial liabilities measured at amortised cost	<u>(154,826)</u>	<u>(149,664)</u>

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 of trade debtors, other debtors and accrued income.

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

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	84,566	39,760	(62,798)	-	-	61,528
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	4,526,905	(4,525,525)	(1,380)	-	-
High needs	-	50,121	(50,121)	-	-	-
Pupil Premium	-	297,292	(297,292)	-	-	-
Staff funding	-	11,037	(11,037)	-	-	-
Devolved Formula Capital	-	18,833	-	(18,833)	-	-
Educational visits	-	49,652	(49,652)	-	-	-
Pension reserve	(1,076,000)	-	(73,000)	-	(1,091,000)	(2,240,000)
	<u>(1,076,000)</u>	<u>4,953,840</u>	<u>(5,006,627)</u>	<u>(20,213)</u>	<u>(1,091,000)</u>	<u>(2,240,000)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	8,517,577	-	(149,607)	-	-	8,367,970
Fixed assets purchased from GAG	63,659	-	(30,514)	1,380	-	34,525
DfE/EFA Capital grants	23,329	-	(2,532)	18,833	-	39,630
	<u>8,604,565</u>	<u>-</u>	<u>(182,653)</u>	<u>20,213</u>	<u>-</u>	<u>8,442,125</u>
Total restricted funds	<u>7,528,565</u>	<u>4,953,840</u>	<u>(5,189,280)</u>	<u>-</u>	<u>(1,091,000)</u>	<u>6,202,125</u>
Total of funds	<u><u>7,613,131</u></u>	<u><u>4,993,600</u></u>	<u><u>(5,252,078)</u></u>	<u><u>-</u></u>	<u><u>(1,091,000)</u></u>	<u><u>6,263,653</u></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 EFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £1,380 (2015: £NIL) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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 EFA and LA to cater for disadvantaged pupils.

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

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18. STATEMENT OF FUNDS (continued)

Devolved Formula Capital is funding from the EFA to cover costs of improvements to buildings and other facilities or capital repairs / refurbishment. During the year £18,883 (2015: £NIL) was transferred to the restricted fixed asset fund to represent fixed assets purchased from DFC.

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

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/EFA Capital grants includes Devolved Formula Capital funding and amounts received from the Academies' Capital Maintenance Fund and Condition Improvement Fund.

OTHER INFORMATION

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 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	5,432	-	8,442,125	8,447,557	8,611,507
Current assets	56,096	406,728	-	462,824	357,380
Creditors due within one year	-	(328,250)	-	(328,250)	(195,673)
Creditors due in more than one year	-	(78,478)	-	(78,478)	(84,083)
Pension scheme liability	-	(2,240,000)	-	(2,240,000)	(1,076,000)
	<u>61,528</u>	<u>(2,240,000)</u>	<u>8,442,125</u>	<u>6,263,653</u>	<u>7,613,131</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of Financial Activities)	(258,478)	(450,116)
Adjustment for:		
Depreciation charges	184,163	198,575
Interest received	(530)	2,229
(Increase)/decrease in debtors	(31,803)	71,824
Increase/(decrease) in creditors	126,972	(82,632)
Capital grants from DfE and other capital income	(18,833)	-
Defined benefit pension scheme cost less contributions payable	32,000	42,000
Defined benefit pension scheme finance cost	41,000	39,000
Net cash provided by/(used in) operating activities	74,491	(179,120)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	313,146	239,505
Total	313,146	239,505

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 2013.

Contributions amounting to £63,860 were payable to the schemes at 31 August 2016 (2015: £22,941) and are included within creditors.

**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £332461 (2015: £313096).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £257000., of which employer's contributions totalled £199845 (2015: £217000) and employees' contributions totalled £56000 (2015: £60000). The agreed contribution rates for future years are 23.3% for employers and 5.5% to 12.5% for employees.

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24. PENSION COMMITMENTS (continued)

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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,250,000	1,845,000
Bonds	468,750	390,000
Property	375,000	312,000
Cash	31,250	52,000
Total market value of assets	<u>3,125,000</u>	<u>2,599,000</u>

The actual return on scheme assets was £331,000 (2015: £107,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(233,000)	(259,000)
Net interest cost	(41,000)	(39,000)
Total	<u>(274,000)</u>	<u>(298,000)</u>

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24. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,675,000	3,313,000
Current service cost	233,000	259,000
Interest cost	144,000	128,000
Contributions by employees	56,000	60,000
Actuarial losses/(gains)	1,314,000	(50,000)
Benefits paid	(57,000)	(35,000)
	<u>5,365,000</u>	<u>3,675,000</u>
Closing defined benefit obligation	<u>5,365,000</u>	<u>3,675,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	2,599,000	2,298,000
Interest income	103,000	89,000
Actuarial gains and (losses)	223,000	(30,000)
Contributions by employer	201,000	217,000
Contributions by employees	56,000	60,000
Benefits paid	(57,000)	(35,000)
	<u>3,125,000</u>	<u>2,599,000</u>
Closing fair value of scheme assets	<u>3,125,000</u>	<u>2,599,000</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	34,272	34,272
Between 1 and 5 years	23,101	30,992
	<u>57,373</u>	<u>65,264</u>
Total	<u>57,373</u>	<u>65,264</u>

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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.

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

27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		8,043,247	7,613,131
Total funds reported under FRS 102		<u>8,043,247</u>	<u>7,613,131</u>

Reconciliation of net income/ (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(404,116)
Pension interest cost		(46,000)
Net movement in funds reported under FRS 102		<u>(450,116)</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £46,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.