

Company Registration Number: 07831414 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members and Trustees P Baker, Chair^{2,5}
S Bareham, Headteacher^{4,5}
S Arthur (resigned 13 October 2017)⁴
J Brookes (appointed 16 November 2016)³
L Garrett, Vice Chair^{3,4}
C Gee (appointed 5 July 2017)
F Hardcastle, Staff Trustee^{1,3}
S Harvey⁵
E Haynes
P Porter (appointed 25 January 2017)⁴
D Southern (resigned 31 August 2017)³
D Tanner, Staff Trustee^{1,3}
A Thomas (appointed 17 May 2017)⁵
J Walker (appointed 17 May 2017)⁴
D Day (resigned 17 March 2017)^{2,4}
C Ryan (resigned 20 October 2016)
M Sly (resigned 15 May 2017)⁵
J Smith (resigned 26 April 2017)⁵
Dr R Vowles (resigned 8 September 2016)⁴

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

Company registered number 07831414

Company name The Dorcan Academy

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

Accounting officer S Bareham

Senior Leadership Team

S Bareham, Headteacher
P Morley, Assistant Head
S Neads, Assistant Head
M Shepherd, Assistant Head
A Pearson, Assistant Head
A Jefferies, Finance and Facilities Manager (resigned 13 January 2017)
A Broderstad, Chief Finance and Operations Officer (appointed 24 April 2017)

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
Bankers	Lloyds Bank Plc 5 High Street Swindon SN1 3EN
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 16 in Swindon. It has a pupil capacity of 1,234 (Edubase) and a PAN of 190 and had a roll of 846 in the school census on 31 January 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10,000,000.

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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

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

There are 5 committees as follows:

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

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

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

**THE DORCAN ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

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

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

Connected Organisations, including Related Party Relationships

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

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

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

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal 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 key aims of the Academy during the year ended 31 August 2017 are summarised below:

To improve outcomes from students of all starting points:

- To improve the percentage of students achieving 5 A*-C GCSEs including English and mathematics from 2016
- To improve progress from Key Stage 2 in mathematics and English for all groups of students to bring the percentage closer to the national averages

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- To improve Progress 8 score in light of 2016 so that it is closer to the national average.
- To significantly narrow gaps in achievement across all year groups and pupil groups so that they are at least in line with national figures; with particular focus on the disadvantaged, more able, and the gender gap between boys and girls.

To improve literacy so that it is not a barrier to learning

- To develop use of subject target language and extended writing further to raise levels of literacy across the academy

To improve the quality of teaching and learning to consistently good

- To ensure consistency of outcomes across all departments and subjects
- To introduce and implement a new homework policy
- To implement a new behaviour policy to tackle low level disruption in the classroom
- Develop students as curious, resilient learners, confident to ask and answer questions and take risks through opportunities for discovery based learning and problem solving
- Refine Life after Levels to ensure that it matches the content of the new curriculum and accurately reports students' progress
- To increase students' engagement in and attitude to their learning so that they are actively involved participants

To improve whole school attendance to 95.4% and to improve punctuality by 10% on 2016

To Increase the number of students involved in extra-curricular activities and evaluate the impact of such activities on students' achievement in the wider curriculum

To improve leadership and management

- To take the necessary steps to join a MAT
- To ensure the Governing Body is fit for purpose and enables governors to stringently hold the school to account.
- To monitor and evaluate the impact of the new curriculum and pathways on student outcomes
- To increase engagement of parents in supporting their child to excel
- To Implement SIMS management system and SISRA analytics to improve access and use of data across the Academy
- To ensure high expectations of staff through evidence based, robust appraisal process for all staff

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

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

The Academy received a 'requires improvement' judgement in November 2013 and a DfE monitoring inspection in 2014 reported that the school was successfully addressing areas of concern. The previous Headteacher, Dr. Scott Sissons retired in July 2015 and the new Headteacher, Sherryl Bareham took up post in September 2015. The Governing Body, new Head and senior staff worked together to set a new vision and strategic plan for the Academy which was shared with all staff, students and parents at the start of the Autumn term 2015. In May 2016, just two terms into the new leadership Ofsted visited and placed the academy into a category of 'serious weaknesses'. In the summer of 2016 the school achieved its best attainment results within the last 3 years, with no pupil group falling below the government Progress 8 target and 55% of students achieving A*-C in English and Maths.

In 2017, with a cohort with an average points score of 27.1 (against NA of 28.5) 58% of students achieved 9-4 in English and Maths, 75% achieved 9-4 in English (a rise of 13%) and 62% achieved 9-4 in Maths (a rise of 4%). Progress 8 has again improved. The Academy's results improved in all the government's Headline measures.

Objectives, Strategies and Activities

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

Strategic Plan Priorities 2016-19

The strategic priorities are focused around improving achievement of all students and inspection judgments 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 Cultural (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.

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 sixth year of operation. The total number of students in the year was 860 at the time of the 2016 October census, reducing to 835 at 31 August 2017.

The 2017 examination window saw the Academy record 58% of students achieving standard passes in both English and Maths (up 7% compared with 2016) with 75% achieving 9-4 (A*-C) in English and 62% achieving 9-4 (A*-C) in Maths. In terms of the government's new measures of 9-5 strong passes, 50% of students achieved 9-5 in English and 24% in Maths. 21.5% of students achieved English and Maths at grades 9-5. There remains a gap in attainment between PP and non-PP students (5 A* - C including English and Maths: non-PP 53%, PP 46%) although the gap narrowed in comparison to 2016.

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.

In order to ensure intervention is focused and targeted, all staff implemented a question-level analysis following each formal assessment to identify gaps in learning. This enables teaching to be adapted to address the gaps. In English, particular focus was given to ensuring each Key Stage 4 lesson focuses on the examination assessment criteria required; this led to significantly increased results. As an academy there was a focus on developing extended writing, particularly with regard to examination questions which require greater levels of literacy. This supports subjects like Physical Education which often rely on practical marks to improve their results.

In order to continue to improve the consistency in the quality of teaching, the Academy introduced a more structured approach to lessons, ensuring that all lessons have an objective displayed throughout and differentiated learning outcomes. A 'hands down' technique was implemented across the academy to secure greater student engagement in lessons and more reliable formative assessment. A new homework policy was implemented along with 'Show my homework' to enable all students and parents to access homework tasks online. The Life after levels assessment at Key Stage 3 has been evaluated, improved and milestones verified by outstanding schools and lead practitioners to ensure that it is robust and accurate. A coaching programme is in place to ensure all staff deliver consistently good and outstanding lessons.

CPD was delivered to all staff on improving literacy, extending the more able and the quality of questioning. This was followed up through learning breakfasts led by a lead practitioner.

During the latter half of the year a new behaviour policy was implemented to tackle low level disruption in the classroom. Recent reviews undertaken by Excalibur Multi-Academy Trust and the Regional Schools' Commissioner demonstrate the positive impact this has made. Attitude to learning scores and punctuality have improved significantly since the new policy. Attendance, despite a 3-year trend of being higher than the national average, dropped last academic year due to a loss of non-teaching pastoral staff. We are now addressing this issue and a recent strategy of daily phone calls to targeted students is already having a positive impact.

Extra-curricular activities are a strength of the Academy and, in particular the Duke of Edinburgh award scheme. Research undertaken showed that students who took part in the award had better attendance, attitudes to learning and made better progress than other students. We are therefore seeking to increase the numbers of students taking part and ensuring that disadvantaged students are proportionally represented.

The Governing Body has been strengthened with new governors recruited with specific skills and are becoming more confident and impactful in holding the school to account. Links with parents have been strengthened through parental forums and early meetings involving all Year 7 parents prior to starting at Dorcan.

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The second year Teach First candidates in Maths and Modern Foreign Languages successfully passed through their NQT program. The implementation of the Teach First program into the Academy has provided many benefits and last year was no exception, with one participant elevated into a Middle Leadership position as Head of Maths: a competent practitioner and developing leader within a National shortage area. Investment from the CPD budget was used to retain and develop excellent practitioners through the 2 year Ambition Leadership Program. This year we saw the introduction of another Teach First participant into the academy within Maths.

All NQT participants within the Academy were skillfully guided through their induction year by a lead practitioner with responsibility for initial teacher training and passed successfully. Four out of five NQTs have remained within the Academy and some have taken on key pastoral or middle leadership roles such as Head of Year 7 and Head of Art.

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 £4,801.23 for the charities identified below:

Date	Charity	Amount
November 2016	Movember	£88.41
March 2017	Red Nose Day	£786.52
	Swindon Carers	£471.93
	Make a Wish	£204.03
June 2017	Well Boring Charity Fete	£3,250.34
Total		£4,801.23

Key Performance Indicators

As funding is based on student numbers this is a key performance indicator. Student numbers for the year ended 31 August 2017 were 835, a decrease of 34 over 2016. It had been anticipated that this number would stabilize but free buses to surrounding schools have attracted pupils away from the catchment. Marketing improvements during the academic year should lead to more stability in numbers. A move to a 'Good' Ofsted would further assist growth of pupil numbers.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2017 this was 82% compared to 86% in 2016. Staffing costs as a % of total income were 75% (2016: 79%).

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. The Academy received a GAG £50,000 cash advance that was agreed and provided by the ESFA in July 2016. The repayment of this advance was made in June 2017 as planned. The Board continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

During the year ended 31 August 2017, total expenditure (excluding depreciation and pension deficit expenditure), of £4,632,345 was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,959,854. The surplus for the year (excluding restricted fixed asset funds) was £327,509, before a transfer to the restricted fixed asset fund for the cost of additions.

At 31 August 2017 the net book value of fixed assets was £8,296,678 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

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

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

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately £250,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Academy (excluding the pension deficit) amount to £9,408,435, although £9,057,679 of this is invested in fixed assets or restricted to purchase fixed assets. The remaining £350,756 (representing unrestricted and restricted funds available to spend) is the balance that the Trustees monitor in accordance with the Board's reserves policy. The level of reserves is monitored and reviewed by the Trustees at all committee and Board meetings in line with the Academy 3 year plan.

Reductions in expected pupil numbers have led to the need to restructure staffing in recent years. The trend has continued and a significant reduction this year will mean that the Academy reserves will have to be utilised to enable a balanced budget to be reached in the financial year 2017-18 and 2018-19. Further financial pressure is expected on reserves due to the directives from the DfE to join a Multi Academy Trust and the proposed annual management fee in the region of £200k from 2018-19. There is also a need to address urgent buildings maintenance and renovation, highlighted in recently updated building condition surveys and reports. In the longer term the Reserves Policy may have to be re-visited due to these pressures.

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

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 ESFA. In this year 97% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

Fixed Assets – Buildings, Mechanical and Electrical – Recently updated buildings reports and surveys undertaken by the DfE and surveyors commissioned by the Academy have identified a number of key concerns with the buildings, and the need for additional maintenance and renovation works in the region of £2m. A CIF grant has already been received to address issues of a mechanical nature, however, further capital funding needs to be sought to address urgent roof and electrical problems. The condition of the buildings could affect the Academy's ability to function effectively, and may be influential where parental choice is related to the quality of facility offered.

MAT – the costs of joining the MAT are not yet finalised and will most certainly put the Academy finances under pressure as there will be joining costs and a need to pay a management fee.

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and has received ESFA 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.

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 6.12.2017 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 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Baker	10	10
S Bareham	10	10
S Arthur	6	10
J Brookes	5	8
L Garrett	7	10
C Gee	1	1
F Hardcastle	10	10
S Harvey	6	10
E Haynes	10	10
P Porter	6	6
D Southern	5	10
D Tanner	10	10
A Thomas	3	3
J Walker	3	3
D Day	7	7
M Sly	4	7
J Smith	7	7

Governance Reviews:

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Bareham	5	5
L Garrett	4	5
D Day	3	3
P Porter	1	2
J Walker	1	1

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Restructure:

The Academy reviewed its operational structure and implemented changes for September 2016. The school converted to a "4 house" system and now operates as a new five period day. This has improved efficiency by increasing some class sizes and providing more flexibility. The number of options offered at KS4 was also reduced. These changes 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, some reductions in cost delayed until September 2017 due to pay protection. The review included a reduction to the SLT, which no longer includes a Deputy Head. A new role for Marketing and Promotions was allocated to an existing member of staff to generate additional income through new initiatives and lettings etc. Structural changes have led to pressure on staff to deliver, particularly where there has been a reduction in pastoral staffing.

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, due to the new behaviour policy "Ready to Learn", introduced in June 2017, now show significantly improved behaviour; this should ultimately lead to more rapid and sustained progress in the coming year.

Collaboration:

In the context of a significant reduction in capacity of the local authority to support secondary schools, the trust has engaged a variety of external collaborations. As well as benefitting from support from The Excalibur Trust, the Academy is also part of the newly created Swindon Secondary Teaching School Alliance which provides networking and professional development across the town. The Academy has worked with Swindon SCITT to place two teaching staff at the Dorcan Academy. Visits to St John's School in Marlborough, Fairfield High School in Bristol and Swindon Academy and Nova Hreod have also taken place throughout the year, to examine and adopt best practice models.

New initiatives:

The departure of the Finance and Facilities Manager in January 2017 gave the Academy the opportunity to assess requirements and a new Chief Financial and Operating Officer was appointed at the end of April 2017, with a brief to undertake a full review of the financial and operational side of the Academy. The Academy has continued an ongoing review of costs and has subsequently taken advantage of some contractual savings in FM services. An application for a CIF grant to replace heating systems in the region of £770k was successful and the project will be completed by the end of September 2018. A future reduction in income is expected as a result of formula changes and an ongoing falling roll. This makes marketing a key area on which to focus to ensure that pupil numbers are maximised in the future. Some staffing reductions have already been identified and planned for the financial year 2017-18 and 2018-19. This will continue to mean a consolidation in both teaching and support staff numbers but with a continued focus on providing a better quality service and a rich and diverse curriculum and extending extra curricular opportunities. The focus in support staff has been to work with vulnerable student groups without significant erosion to the clerical and technical support provided in the Academy. This will continue to be achieved through a thorough review of roles and tasks, but keeping focus on efficiency and impact of student outcomes.

GOVERNANCE STATEMENT (continued)

Better purchasing:

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

Better income generation:

The Academy continued to generate income throughout 2016/17 by way of providing consultancy, training and facilities for local institutions and lettings. In addition, voluntary support from local businesses has provided ongoing professional development opportunities for both staff and students. Income generation is regularly reviewed at Finance and Premises Committee meetings. Lettings have increased in the year 2016/17 due to the regular visits of a community Church Group.

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Dorcan Academy for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees are confident that the continued appointment of Bishop Fleming Bath Limited, the external auditors, and regular visits made from FS4S who are contracted to provide financial support services and interim financial monitoring reports to the Academy throughout the year, have provided the necessary 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 delivered their schedule of work, in a detailed review of the financial processes at the end of the financial year to 31 August 2017. Where control issues were identified, changes in procedures have been suggested to address the weaknesses noted; however no major control issues were identified during the year.

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 financial monitoring team from FS4S;
- the monitoring and review of the Finance and Premises Committee;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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 6/12/2017 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 oard of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy 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's funding agreement and the Academies Financial Handbook 2016.

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



**S Bareham
Accounting Officer**

6/12/2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**P Baker
Chair of Trustees**

Date: 6/12/2017

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

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

OPINION

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

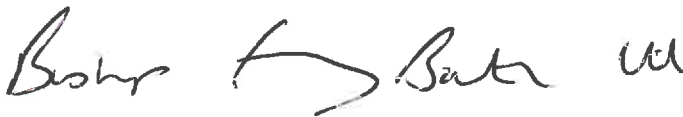
**THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



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: 19/12/2017

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

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

In accordance with the terms of our engagement letter dated 26 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Dorcan Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Dorcan Academy's funding agreement with the Secretary of State for Education dated 27 October 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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: 19/12/2017

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	20,297	761,001	781,298	68,485
Charitable activities	5	137,629	4,787,528	-	4,925,157	4,922,556
Other trading activities	3	14,022	-	-	14,022	2,029
Investments	4	378	-	-	378	530
TOTAL INCOME		152,029	4,807,825	761,001	5,720,855	4,993,600
EXPENDITURE ON:						
Raising funds		5,000	-	-	5,000	-
Charitable activities		135,705	4,648,222	181,146	4,965,073	5,252,078
TOTAL EXPENDITURE	6	140,705	4,648,222	181,146	4,970,073	5,252,078
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	11,324	159,603	579,855	750,782	(258,478)
		-	(32,849)	32,849	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		11,324	126,754	612,704	750,782	(258,478)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,541,000	-	1,541,000	(1,091,000)
NET MOVEMENT IN FUNDS		11,324	1,667,754	612,704	2,291,782	(1,349,478)
RECONCILIATION OF FUNDS:						
Total funds brought forward		61,528	(2,240,000)	8,442,125	6,263,653	7,613,131
TOTAL FUNDS CARRIED FORWARD		72,852	(572,246)	9,054,829	8,555,435	6,263,653

The notes on pages 27 to 48 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		8,296,678		8,447,557
CURRENT ASSETS					
Debtors	14	877,606		149,677	
Cash at bank and in hand		555,008		313,146	
		<u>1,432,614</u>		<u>462,823</u>	
CREDITORS: amounts falling due within one year	15	(247,984)		(328,249)	
NET CURRENT ASSETS			1,184,630		134,574
TOTAL ASSETS LESS CURRENT LIABILITIES			9,481,308		8,582,131
CREDITORS: amounts falling due after more than one year	16		(72,873)		(78,478)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			9,408,435		8,503,653
Defined benefit pension scheme liability	24		(853,000)		(2,240,000)
NET ASSETS			8,555,435		6,263,653
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	280,754		-	
Fixed asset funds	18	9,054,829		8,442,125	
Restricted funds excluding pension liability		<u>9,335,583</u>		<u>8,442,125</u>	
Pension reserve		<u>(853,000)</u>		<u>(2,240,000)</u>	
Total restricted funds			8,482,583		6,202,125
Unrestricted funds	18		72,852		61,528
TOTAL FUNDS			8,555,435		6,263,653

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



**P Baker
Chair of Trustees**

The notes on pages 27 to 48 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>264,219</u>	<u>74,491</u>
Cash flows from investing activities:			
Interest received		378	530
Purchase of tangible fixed assets		(32,849)	(20,213)
Capital grants from DfE/ESFA		18,580	18,833
Net cash used in investing activities		<u>(13,891)</u>	<u>(850)</u>
Cash flows from financing activities:			
Repayments of borrowings		(8,466)	-
Net cash used in financing activities		<u>(8,466)</u>	<u>-</u>
Change in cash and cash equivalents in the year		241,862	73,641
Cash and cash equivalents brought forward		<u>313,146</u>	<u>239,505</u>
Cash and cash equivalents carried forward	21	<u><u>555,008</u></u>	<u><u>313,146</u></u>

The notes on pages 27 to 48 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. As disclosed in the Trustees' Report, reductions in expected pupil numbers have led to the need to restructure staffing in recent years. There is also a need for the Academy to address urgent buildings maintenance and renovation, highlighted in recently updated building condition surveys and reports. The Trustees are aware of this and there are plans in place to address these issues with a significant bid to the Capital Improvement Fund planned for 2018-19. In addition, the Trustees are actively seeking to join a Multi-Academy Trust in order to further secure the future of the school. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2017.

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 and Skills Funding Agency.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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.

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.13 OPERATING LEASES

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

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	1,717	-	1,717	49,652
Capital grants	18,580	761,001	779,581	18,833
	<u>20,297</u>	<u>761,001</u>	<u>781,298</u>	<u>68,485</u>
<i>Total 2016</i>	<u>68,485</u>	<u>-</u>	<u>68,485</u>	

Included within capital grants for 2017 is £761,001 awarded by the Capital Investment Fund for essential heating and pipework replacement.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	12,914	-	12,914	2,029
Consultancy	1,108	-	1,108	-
	<u>14,022</u>	<u>-</u>	<u>14,022</u>	<u>2,029</u>
<i>Total 2016</i>	<u>2,029</u>	<u>-</u>	<u>2,029</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	378	-	378	530
	<u>378</u>	<u>-</u>	<u>378</u>	<u>530</u>
<i>Total 2016</i>	<u>530</u>	<u>-</u>	<u>530</u>	

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	4,411,155	4,411,155	4,487,849
Other DfE/ESFA grants	-	313,775	313,775	320,677
	<u>-</u>	<u>4,724,930</u>	<u>4,724,930</u>	<u>4,808,526</u>
Other Government grants				
High Needs	-	44,584	44,584	50,121
Other Government grants non capital	-	6,217	6,217	15,671
	<u>-</u>	<u>50,801</u>	<u>50,801</u>	<u>65,792</u>
Other funding				
Income for hosting trainee teachers	3,300	-	3,300	9,801
Sales to students	9,284	-	9,284	3,145
Educational visits, literary festival and other income	125,045	11,797	136,842	35,292
	<u>137,629</u>	<u>11,797</u>	<u>149,426</u>	<u>48,238</u>
	<u>137,629</u>	<u>4,787,528</u>	<u>4,925,157</u>	<u>4,922,556</u>
<i>Total 2016</i>	<u>37,201</u>	<u>4,885,355</u>	<u>4,922,556</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	3,000	2,000	-	5,000	-
Education:					
Direct costs	3,178,036	183,728	460,811	3,822,575	4,124,857
Support costs	532,438	302,978	307,082	1,142,498	1,127,221
	<u>3,713,474</u>	<u>488,706</u>	<u>767,893</u>	<u>4,970,073</u>	<u>5,252,078</u>
<i>Total 2016</i>	<u>4,048,179</u>	<u>512,538</u>	<u>691,361</u>	<u>5,252,078</u>	

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	27,000	24,000
Educational supplies	154,290	185,262
Examination fees	64,936	69,781
Staff development	5,962	5,857
Other costs	208,623	131,087
Supply teachers	47,373	95,932
Wages and salaries	2,416,198	2,734,701
National insurance	236,450	223,851
Pension cost	478,015	470,223
Depreciation	183,728	184,163
	<u>3,822,575</u>	<u>4,124,857</u>
<i>Total 2016</i>	<u>4,124,857</u>	

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	21,000	17,000
Supply staff	219	2,675
Recruitment and support	9,079	11,031
Maintenance of premises and equipment	67,358	47,184
Cleaning	111,505	102,322
Rent and rates	86,467	77,594
Energy costs	33,785	82,077
Insurance	26,379	26,421
Security and transport	3,863	5,400
Catering	66,765	67,323
Technology costs	68,216	33,520
Office overheads	34,942	37,184
Legal and professional	64,815	80,652
Loan interest on equal pay loan	2,861	2,861
Governance	13,025	10,505
Wages and salaries	377,340	404,487
National insurance	29,627	24,902
Pension cost	125,252	94,083
	<u>1,142,498</u>	<u>1,127,221</u>
<i>Total 2016</i>	<u>1,127,221</u>	

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy	183,728	184,163
Auditors' remuneration: audit	7,410	7,125
Auditors' remuneration: non-audit	1,775	3,380
Operating lease rentals	57,282	54,629
	=====	=====

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,796,538	3,038,436
Social security costs	266,077	248,753
Operating costs of defined benefit pension schemes	603,267	564,306
	<u>3,665,882</u>	<u>3,851,495</u>
Supply teacher costs	47,592	95,932
Staff restructuring costs	-	100,752
	<u>3,713,474</u>	<u>4,048,179</u>

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

	2017 No.	2016 No.
Teachers	62	59
Administration and support	19	31
Student support	25	22
Management	5	6
	<u>111</u>	<u>118</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	51	53
Administration and support	14	21
Student support	20	24
Management	5	6
	<u>90</u>	<u>104</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	0

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance) received by key management personnel for their services to the Academy was £439,209 (2016: £417,236).

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.

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Bareham £80,000 - £85,000 (2016: £70,000 - £75,000), Employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000), F Hardcastle £20,000 - £25,000 (2016: £20,000 - £25,000), Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000), E Haynes £30,000 - £35,000 (2016: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000) and D Tanner £30,000-£35,000 (2016: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £430 (2016: £214) were reimbursed to 2 Trustees (2016: 2).

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.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST						
At 1 September 2016	9,099,747	10,851	113,276	46,282	201,809	9,471,965
Additions	-	-	-	-	32,849	32,849
At 31 August 2017	9,099,747	10,851	113,276	46,282	234,658	9,504,814
DEPRECIATION						
At 1 September 2016	698,781	10,851	103,248	36,697	174,831	1,024,408
Charge for the year	147,112	-	4,772	2,416	29,428	183,728
At 31 August 2017	845,893	10,851	108,020	39,113	204,259	1,208,136
NET BOOK VALUE						
At 31 August 2017	8,253,854	-	5,256	7,169	30,399	8,296,678
At 31 August 2016	8,400,966	-	10,028	9,585	26,978	8,447,557

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

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. DEBTORS

	2017 £	2016 £
DUE AFTER MORE THAN ONE YEAR		
Accrued income	265,317	-
DUE WITHIN ONE YEAR		
Trade debtors	5,418	2,203
VAT recoverable	854	11,505
Prepayments and accrued income	606,017	135,969
	<u>877,606</u>	<u>149,677</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other loans	5,605	5,605
Trade creditors	35,416	-
Other taxation and social security	68,606	73,391
Other creditors	64,886	64,584
Accruals and deferred income	73,471	184,669
	<u>247,984</u>	<u>328,249</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	114,651	33,183
Resources deferred during the year	37,272	114,651
Amounts released from previous years	(114,651)	(33,183)
Deferred income at 31 August 2017	<u>37,272</u>	<u>114,651</u>

At the Balance Sheet date the Academy was holding funds received in advance for trips and events taking place in 2017/18 academic year.

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017 £	2016 £
Other loans	<u>72,873</u>	<u>78,478</u>

Included within the above are amounts falling due as follows:

	2017 £	2016 £
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>50,453</u>	<u>56,058</u>

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

	2017 £	2016 £
Repayable by instalments	<u>50,453</u>	<u>56,058</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 13 years remain and the applicable rate of interest is 4.93%.

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>1,380,252</u>	<u>364,158</u>
Financial liabilities measured at amortised cost	<u>(150,093)</u>	<u>(154,826)</u>

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

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

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	56,096	152,029	(138,123)	-	-	70,002
Unrestricted fixed assets	5,432	-	(2,582)	-	-	2,850
	<u>61,528</u>	<u>152,029</u>	<u>(140,705)</u>	<u>-</u>	<u>-</u>	<u>72,852</u>
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	4,411,155	(4,097,552)	(32,849)	-	280,754
Rates Relief	-	22,394	(22,394)	-	-	-
High Needs	-	44,584	(44,584)	-	-	-
Pupil Premium	-	297,598	(297,598)	-	-	-
Staff funding	-	5,360	(5,360)	-	-	-
Devolved Formula Capital	-	18,580	(18,580)	-	-	-
Educational visits	-	1,717	(1,717)	-	-	-
Other restricted income	-	6,437	(6,437)	-	-	-
Pension reserve	(2,240,000)	-	(154,000)	-	1,541,000	(853,000)
	<u>(2,240,000)</u>	<u>4,807,825</u>	<u>(4,648,222)</u>	<u>(32,849)</u>	<u>1,541,000</u>	<u>(572,246)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	8,367,970	-	(147,112)	-	-	8,220,858
Fixed assets purchased from GAG	34,525	-	(28,777)	32,849	-	38,597
DfE/ESFA Capital grants	39,630	761,001	(5,257)	-	-	795,374
	<u>8,442,125</u>	<u>761,001</u>	<u>(181,146)</u>	<u>32,849</u>	<u>-</u>	<u>9,054,829</u>
Total restricted funds	<u>6,202,125</u>	<u>5,568,826</u>	<u>(4,829,368)</u>	<u>-</u>	<u>1,541,000</u>	<u>8,482,583</u>
Total of funds	<u>6,263,653</u>	<u>5,720,855</u>	<u>(4,970,073)</u>	<u>-</u>	<u>1,541,000</u>	<u>8,555,435</u>

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	77,624	39,760	(61,288)	-	-	56,096
Unrestricted fixed assets	6,942	-	(1,510)	-	-	5,432
	<u>84,566</u>	<u>39,760</u>	<u>(62,798)</u>	<u>-</u>	<u>-</u>	<u>61,528</u>
RESTRICTED FUNDS						
	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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						
	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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/ESFA 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>7,613,131</u>	<u>4,993,600</u>	<u>(5,252,078)</u>	<u>-</u>	<u>(1,091,000)</u>	<u>6,263,653</u>

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18. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

General Annual Grant (GAG) is funding from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £32,849 (2016: £1,380) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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

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

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

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

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

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

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

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

FIXED ASSET FUNDS

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

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

DfE/ESFA Capital grants includes Devolved Formula Capital funding and amounts awarded by the Condition Improvement Fund. The current year income includes £761,001 awarded by the Capital Investment Fund for essential heating and pipework replacement.

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 2017.

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	5,432	-	8,442,125	8,447,557
Current assets	56,096	406,728	-	462,824
Creditors due within one year	-	(328,250)	-	(328,250)
Creditors due in more than one year	-	(78,478)	-	(78,478)
Pension scheme liability	-	(2,240,000)	-	(2,240,000)
	<u>61,528</u>	<u>(2,240,000)</u>	<u>8,442,125</u>	<u>6,263,653</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	750,782	(258,478)
Adjustment for:		
Depreciation charges	183,728	184,163
Interest received	(378)	(530)
Decrease/(increase) in debtors	33,072	(31,803)
(Decrease)/increase in creditors	(77,404)	126,972
Capital grants from DfE and other capital income	(779,581)	(18,833)
Defined benefit pension scheme cost less contributions payable	106,000	32,000
Defined benefit pension scheme finance cost	48,000	41,000
Net cash provided by operating activities	<u>264,219</u>	<u>74,491</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	555,008	313,146
	<u>555,008</u>	<u>313,146</u>

22. MEMBERS' LIABILITY

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

23. GENERAL INFORMATION

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

24. PENSION COMMITMENTS

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

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

Contributions amounting to £64,063 were payable to the schemes at 31 August 2017 (2016: £63,860) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £319,929 (2016: £332,461).

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

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 2017 was £226,000 (2016: £257,000), of which employer's contributions totalled £179,000 (2016: £201,000) and employees' contributions totalled £47,000 (2016: £56,000). The agreed contribution rates for future years are 24.8% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

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

	2017	2016
Retiring today		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,553,000	2,250,000
Bonds	503,000	469,000
Property	468,000	375,000
Cash	72,000	31,000
Total market value of assets	<u>3,596,000</u>	<u>3,125,000</u>

The actual return on scheme assets was £579,000 (2016: £331,000).

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

	2017 £	2016 £
Current service cost	(272,000)	(233,000)
Past service cost	(13,000)	-
Interest income	65,000	103,000
Interest cost	(113,000)	(144,000)
Total	<u>(333,000)</u>	<u>(274,000)</u>

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24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	5,365,000	3,675,000
Current service cost	272,000	233,000
Interest cost	113,000	144,000
Employee contributions	47,000	56,000
Actuarial (gains)/losses	(1,115,000)	1,314,000
Benefits paid	(246,000)	(57,000)
Past service costs	13,000	-
	<u>4,449,000</u>	<u>5,365,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	3,125,000	2,599,000
Interest income	65,000	103,000
Actuarial losses	426,000	223,000
Employer contributions	179,000	201,000
Employee contributions	47,000	56,000
Benefits paid	(246,000)	(57,000)
	<u>3,596,000</u>	<u>3,125,000</u>

25. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	50,660	34,272
Between 1 and 5 years	45,849	23,101
Total	<u>96,509</u>	<u>57,373</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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.

Mr S Arthur, a Trustee, is the General Manager at Greenwich Leisure Limited, a company with which the Academy has transactions. During the year Greenwich Leisure Limited charged the Academy £39,670 (2016: £44,551) for the use of sports facilities.

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