

THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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

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**THE DORCAN ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members and Trustees D Bell, Chair^{1,7}
Dr R Vowles^{2,5,7}
Dr S Sissons, Headteacher (resigned 31 August 2015)^{1,2}
S Bareham, (Headteacher from 1 September 2015) (appointed 22 April 2015)^{1,2,7}

Trustees S Arthur¹
Reverend E Brown (resigned 22 April 2015)²
D Day^{1,5,6,7}
N Grace, Staff Trustee^{4,7,8}
F Hardcastle, Staff Trustee^{4,8}
SA Harvey^{3,6,7}
E Haynes, Staff Trustee³
S Iwaniszyn (resigned 11 November 2015)³
C Kent (appointed 15 October 2014, resigned 23 September 2015)³
C Long⁴
M Parry^{1,6}
Dr C T Ryan³
M Sly^{4,7}
J Smith^{2,6}
Jo Smith²
D Southern³
L Garrett (appointed 22 April 2015)²

- ¹ Finance & Premises Committee
- ² Staffing Committee
- ³ Curriculum & SEN Committee
- ⁴ Student Support Committee
- ⁵ Appeals Committee
- ⁶ Discipline Committee
- ⁷ Chairs Committee
- ⁸ Admissions Committee

**Company registered
number** 07831414

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

Accounting officer S Bareham

Senior Leadership Team
Dr S Sissons, Headteacher (resigned 31 August 2015)
M Coombes, Deputy Head
J Aplin, Associate Head
M Shepherd, Acting Assistant Head
S Needs, Assistant Head
A Jefferies, Finance and Facilities Manager
S Bareham, Headteacher (from 1 September 2015)
C Rodway, Acting Assistant Head

**THE DORCAN ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
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Bankers	Lloyds Bank Plc 5 High Street Swindon SN1 3EN
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Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
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**THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in Swindon. It has a pupil capacity of 950 and had a roll of 884 in the school census on 1 October 2015.

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 cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust'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 Trust, 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 Trust. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of recruitment and appointment or election of Trustees

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

The Academy Trust 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 the Trustee board.
- up to 9 Community Trustees who are appointed by the Trustee board.
- 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 2015**

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

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 governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the Committee activities through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 7 committees as follows:

- Finance & Premises Committee - this 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, receiving reports from the Responsible Officer (via FGB) and drafting the annual budget including setting staffing levels.
- The Staffing Committee - this meets five times a year to monitor, evaluate and review academy policy, practice and performance in relation to staffing, appraisal & performance management and all staffing related issues.
- The Curriculum Committee - this meets five times a year to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, target setting and assessment, examinations and all teaching & learning issues.
- The Student Support Committee - this meets five times a year to monitor, evaluate and review academy policy, practice and performance in relation to behaviour, attendance, safeguarding & child protection, special educational needs and all pastoral issues.
- The Admissions Committee - this meets weekly to deal with in year admissions requests and all matters relating to admissions.
- The Chairs Committee - this meets three times a year to plan monitor and evaluate the work of the other committees and the overall performance of the academy and its strategic direction.
- The Discipline Committee - this meets six times a year to monitor behaviour of Academy students.

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 Chairman and/or Vice Chairman, 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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 Headteacher, Deputy Headteacher, one acting assistant, one assistant and one associate Headteacher, and the Finance and Facilities Manager. 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 SLT 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 & Facilities Manager and Finance & Premises Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The aims of the Academy during the year ended 31 August 2015 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all students.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 A* - C GCSE grades including English and Maths.
- to maximise the number of students who make expected and good progress in English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce.
- to develop the Academy's capacity to manage change, and to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Dorcan Academy is a school that has been recognised nationally as one of the most improved in the country (Department for Education 2012). We are building on this excellent foundation, whilst retaining the caring and supportive learning environment. It is our clear aim to be "an outstanding learning community where everyone

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

has the right to achieve their full potential and we will all be the best we can be." (The Dorcan Academy vision).

Our school is based on five principles: 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.

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 has always been 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. The high quality of teaching at the school means that students not only make good progress in their lessons but also enjoy their learning. We want our students not only to achieve academic excellence, but also to develop confidence and skills to equip them for life beyond school.

Students' achievement in the number of students achieving 5 GCSEs including English and Mathematics and in the numbers of students achieving good and expected progress throughout all year groups. We 'aspire to greatness' and that means we aspire to exceptional achievement for all our students. Our students excel in many other areas ranging from sports, drama and writing to maths, science and technology, many achieving success in both local and national competitions. Progression after leaving school is vital for our young people and we are proud that recently every student leaving The Dorcan Academy has either gone onto a college course, into employment or further training.

The school had a section 5 Ofsted inspection in November 2013 where a team found the school over all to Require Improvement, with the area of Behaviour and Safety being graded as Good. In January 2014 the school had a follow up visit from one of Her Majesty's Inspectors of Schools, Mr Simon Rowe. He noted in his section 8 Ofsted report that the School had 'made a very good start in addressing the areas for improvement' and that 'Expectations on what students are able to achieve have been raised significantly'. The School has continued to work with Mr Rowe HMI to build on this good work and seen improved examination results in 2014.

Objectives, Strategies and Activities

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

Strategic Plan Priorities 2015-18

Having been on a trajectory of improvement over the past three years the Academy's examination results in 2015 were significantly lower than expected which has demanded re-evaluation of our priorities for the coming year.

The new priorities for the Academy are in response to a detailed self-evaluation process which took place during the summer term 2015 involving all stakeholders and subsequent revisions based on our latest performance data. The priorities for the year 2015-16 reflect our strengths and weaknesses as a school and seek to build on a clear vision to become an outstanding school of first choice at the heart of our local community within the next three years.

The strategic priorities are focussed around the improving achievement of all students and inspection judgements that become good and outstanding in all aspects. This model has six 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. The first four priorities come directly from the Ofsted framework and the fifth is a key aspect of the framework, in that it contributes to the overall effectiveness judgment for the school. The sixth priority has been added to reflect the importance of raising aspirations amongst our student body to achieve great things. Our new Academy strapline is 'Aspire to Greatness'.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

- Strategic Priority 1: Outcomes for Students
- Strategic Priority 2: The Quality of Teaching, Learning and Assessment
- Strategic Priority 3: Personal Development, Behaviour and Welfare
- Strategic Priority 4: Leadership and Management
- Strategic Priority 5: SMSC
- Strategic Priority 6: Raising Aspirations

Priority 1: Outcomes for Students

- a) Meet or exceed examination and progress targets for end of Key stages.
- b) Significantly narrow gaps in achievement across all year groups so that they are at least in line with national figures: especially vulnerable groups: Disadvantaged, Able students.
- c) Ensure timely, robust and layered strategies are in place to challenge and overturn under-achievement in all Subjects, Year groups and Key Stages.
- d) Formulate and implement a whole school strategy to raise levels of literacy across the curriculum so that it is not a barrier to achievement.
- e) Increase engagement of parents in supporting their child to excel.

Priority 2: The Quality of Teaching, Learning and Assessment

- a) Improve the quality of teaching to ensure that lessons are consistently good.
- b) Develop Teaching and Learning Principles and a Learning Charter which are consistent in all lessons.
- c) Strengthen QA processes so that weaknesses are identified and addressed timely and effectively.
- d) Accelerate the progress of students through KS3 by managing effectively the transition in pedagogy and AfL practices to 'Life after levels'.
- e) Ensure students are fully prepared for the new National Curriculum and KS4 courses and have the necessary subject skills to achieve examination success.
- f) Develop effective, impact led, bespoke CPD.

Priority 3: Personal Development, Behaviour and Welfare

- a) Improve whole school attendance to 95.4% and FSM attendance to 92.9%.
- b) Increase students' preparedness for and engagement in learning so that they are ready to learn.
- c) Promote students' pride in their work, their appearance and their school.
- d) Ensure students' attitudes to all aspects of their learning are consistently positive and have a good impact on the progress they make.
- e) Decrease low level disruption in lessons so that students, staff and parents all report that behaviour is good.
- f) Improve student behaviour outside of lessons, including at lunchtimes.
- g) Ensure safeguarding policy and procedures meets the new Ofsted framework and government guidelines.

Priority 4: Leadership and Management

- a) Review current staffing structure to ensure it is efficient, fit for purpose and makes best use of resources.
- b) Effective leadership and management of the Appraisal policy leading to improvements in staff effectiveness.
- c) Ensure that the curriculum is fit for purpose and structured in such a way that enables maximum success at KS4, in the light of Progress and Attainment 8 measures and preparation for future studies or employment.
- d) Develop role of governors to be able to hold the school to account.
- e) Develop SLT and middle leaders as models of good practice across the Academy and, who demonstrate significant and measurable impact on raising student achievement.
- f) Develop a robust school evaluation cycle.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Priority 5: Social, Moral, Spiritual and Cultural (SMSC)

- a) Promote and establish the Academy's vision and values through all aspects of school life through the implementation of a whole school SMSC programme incorporating Personal, Social & Health Education (PSHE), Literacy and Careers Education and Guidance (CEG).
- b) Implement an effective tracking system of SMSC across the school curriculum.
- c) Ensure greater consistency and rigour of implementation of SMSC at tutor times in order to achieve outstanding provision.
- d) Create Student SMSC Ambassadors that assist the SMSC team and promote SMSC across the school.

Priority 6: Raising Aspirations

- a) Develop effective student voice mechanisms to ensure students are involved in their learning journey.
- b) Raise aspirations of students so that they are intrinsically motivated to succeed.
- c) Implement an effective rewards policy across the Academy.
- d) Raise the profile and aspirations of our Academy in the community.

Public Benefit

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 foregoing 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 fourth year of operation. The total number of students in the year ending 31 August 2015 was 882.

The 2015 examination window saw the Academy record 43% of students achieving 5 GCSEs at A* C including English and Maths, with 46% of students attaining a C grade in both Maths and English. The Class of 2015 were significantly weaker than the National Average for prior attainment as stated in RaiseOnline. 99% of students left the Academy with 5A* G. This was despite a further realignment of exam boundaries across all subjects and an OFQUAL statement that "year on year comparisons may not be comparing like with like". The progress of students in English and Maths was not as good as the previous year, however if the changes to grade boundaries had not occurred English would have been 4% below and Maths 2% better than 2014. The gap between PP and non PP increased due to grade boundary changes, a weaker PP cohort and a greater gap in prior attainment between the PP and Non PP cohorts. Without grade boundary changes English would have been 6% lower and Maths 1% lower than 2014.

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 twice each year by a range of middle and senior leaders. This is supported by termly monitoring by Heads of Faculty 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 basis. Tracking of all students and appropriate intervention ensures that individual students maintain good progress throughout their school careers. Last year, after suggestions from Ofsted, the SLT introduced a validation system for assuring that the data is accurate.

Continuing professional development for staff has been provided for all teaching staff through attendance at external courses, faculty CPD, bespoke projects and twilight CPD sessions. The induction programme for NQTs was again successful with a 100% pass rate, as usual and we have successfully taken candidates through their first year of the 'Teach First' Programme, with two new participants agreed for 2015-16. The CPD programme

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

has met the requirements related to Academy status and Child Protection training is up to date. Two teachers are enrolled on Masters level courses related to their subject area. The Academy has ensured middle and senior leadership attendance at key Ofsted courses. We have used our partnerships with Balcarras School to good effect with all staff attending staff development days at this school. We have supported and boosted the training of our Additional Needs staff by ensuring that all teaching assistants are enrolled on specialist courses and the SENCO has begun to implement all the necessary changes to the SEN code of Practice. An online CPD communication platform has been developed and implemented which has allowed staff to share and deploy new and innovating teaching and learning methods across the School more rapidly. An IRIS package has been used as a support tool for staff to observe and review their practice within a secure forum. We seek to further embed this package into our future coaching and faculty programmes. Teachers identified as underperforming specifically with in-lesson AFL took part in a bespoke CPD programme for the 6 weeks leading up to Christmas with noticeable impact.

Charity

The student councils take responsibility for all charity fund raising which includes non-uniform days. This year the charities identified by the students are listed below, including the amount of money that was raised by the students. This year the school has raised £2,444 for the charities identified below:

Charity	£
The Salvation Army	231
RSPCA	231
Red Nose 2015	626
Marie Curie	18
Brain Tumour Research	473
British Heart Foundation	158
Nepal Earthquake Appeal	707
Total	2,444

The students also raised a further £645, which was shared between the five charities below. Each charity received a donation of £129.

	Charity
Year 7	Childrens' Ward PMH
Year 8	Alzheimer's Society
Year 9	Teenage Cancer Trust
Year 10	Womens' Aid
Year 11	Christmas Care (Homeless Shelter)

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against the General Annual Grant (GAG) requires special attention. In the period under review £Nil (2014: £Nil) was carried forward on the GAG fund.

As funding is based on student numbers this is also a key performance indicator. Student numbers on the census as 1 October 2015 were 884, a decrease of 17 over 2014. It is anticipated that this number will stabilise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2015 this was 92.5%, compared to 91.6% in 2014. Staffing costs as a % of total income were 82.6% (2014: 79.0%).

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. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

the going concern basis can be found in the Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2015, total expenditure (before depreciation) of £5,322,506 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,115,455. The deficit for the year (excluding restricted fixed asset funds) was £205,541 before a transfer to the restricted fixed asset fund for the cost of additions.

At 31 August 2015 the net book value of fixed assets was £8,611,507 and movements in tangible fixed assets are shown in Note 14 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 amount to £7,613,131, of which £8,611,507 represents restricted funds invested in fixed assets and non GAG restricted funds and a deficit on the pension fund of £1,076,000. The remaining £77,624 (representing unrestricted funds available to spend) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust'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 Trust.

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 & 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 2015**

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 97.5% of the Academy's incoming resources were 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 a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

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

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

Whilst the Academy is not over subscribed, risks to revenue funding from a falling roll are small. However the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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 will continue to work with partner schools 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 30/11/2015 and signed on the board's behalf by:



D Bell
Chair of Trustees



S Bareham
Headteacher

**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 Trustees' responsibilities statement. 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
D Bell	10	10
Dr R Vowles	10	10
Dr S Sissons	10	10
S Bareham	3	3
S Arthur	8	10
Reverend E Brown	6	8
D Day	10	10
N Grace, Staff Trustee	9	10
F Hardcastle, Staff Trustee	9	10
SA Harvey	6	10
E Haynes, Staff Trustee	9	10
S Iwaniszyn	8	10
C Kent	5	9
C Long	4	10
M Parry	4	10
Dr C T Ryan	8	10
M Sly	6	10
Jo Smith	5	10
Jo Smith	8	10
D Southern	8	10
L Garrett	2	3

Governance reviews:

A review of governance was carried out in September 2015 which included an audit of the skills of the governing body. An action plan is to be drawn up to highlight areas for trustee training and also identifying skills gaps so that the Academy can recruit trustees with suitable skills.

The Finance & Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management and premises and contract management, to ensure compliance with reporting and regulatory requirements, to receive reports from the Responsible Officer (via FGB) and draft the annual budget including set staffing levels.

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

GOVERNANCE STATEMENT (continued)

Attendance at Finance & Premises Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Arthur	5	6
D Bell	6	6
D Day	6	6
M Parry	4	6
Dr S Sissons	6	6
S Bareham	2	2

REVIEW OF VALUE FOR MONEY

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

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

Targeted improvement:

- The trust has continued to review the staffing structure in line with a reducing budget and to meet the needs of the trust. The new Head teacher was appointed on a much lower salary scale which has subsequently led to a review of the pay of other senior and leadership posts and a re-structure of roles to focus on the key priorities of the academy. Support staff posts, particularly those in administration continue to be reviewed and re-distributed when employees resign.

Focus on individual pupils:

- The trust 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 trust also continues to use support staff to address the social and emotional needs of the large cohort of students who now show significantly improved attendance and behaviour; this will ultimately lead to more rapid and sustained progress.

Collaboration:

- In the context of a significant reduction in capacity of the local authority to support secondary schools, the trust has engaged a variety of external collaborations. As well as benefitting from support from several good and outstanding schools in the area, the senior staff at the academy has also provided support for other schools in specific areas. This involves a range of consultations and training opportunities that continue to provide mutual benefit. The cost effectiveness of this model is proving financially very effective in terms of both receiving and providing such services. The trust is also part of the newly created Swindon Secondary Teaching School Alliance which will provide networking and professional development across the town as well as working in collaboration with the new Swindon Teaching School.

New initiatives:

- The trust has continued an ongoing review of costs with a further reduction in income as a result of local formula changes and an ongoing falling roll. This has seen a consolidation in both teaching and support staff numbers but with a focus on providing a better quality service and continuing to provide a rich and diverse curriculum and extend our extra-curricular opportunities. The focus in support staff has been to work with vulnerable student groups without significant erosion to the clerical and technical support provided in the trust. This has been achieved through a thorough review of roles and tasks and a greater focus on efficiency and impact of student outcomes.

GOVERNANCE STATEMENT (continued)

Better purchasing:

- The Main Board of Trustees has approved the trust'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 & Facilities Manager, the Head Teacher, and the Finance & Premises Committee. The Financial Regulations also states the set expense thresholds for obtaining competitive quotations and formal tendering. The trust has made substantial savings through adhering to this policy e.g. obtaining numerous quotations for various goods & ICT equipment from several suppliers and reviewing / re-negotiation supplier contractual arrangements in order to agree a zero % annual increase. The trust has also pro-actively avoided deficit during the year, which was a potential threat due increased staff pension and national insurance costs.

Better income generation:

- The trust continued to generate additional income throughout 2014/2015 by way of providing consultancy, training and facilities for local institutions. In addition, voluntary support from local businesses has been sought, which has provided ongoing professional development opportunities as well as physical improvements to the trust's campus and accommodation. Income generation is regularly reviewed at Finance and Premises Committee meetings

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Dorcan Academy for the year 1 September 2014 to 31 August 2015 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 2014 to 31 August 2015 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 & 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 have appointed Richard Vowles, a Trustee, as Responsible Officer (RO).

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

GOVERNANCE STATEMENT (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- A review of accounting systems and internal controls
- A review of payroll
- A review of income and expenditure including fixed assets and ICT.

On a termly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During the year, the Trustees received 3 reports from the Responsible Officer which contained no matters of significance.

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 Responsible Officer;
- the work of the external auditors;
- 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 & 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 30 November 2015 and signed on its behalf, by:



D Bell
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 Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy 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.

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



S Bareham
Accounting Officer

Date: 30 November 2015

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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 Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

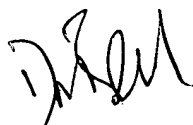
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

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



D Bell
Chair of Trustees

Date: 30 November 2015

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DORCAN ACADEMY

We have audited the financial statements of The Dorcan Academy for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DORCAN ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 9/12/2015

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

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

In accordance with the terms of our engagement letter dated 9 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Dorcan Academy's funding agreement with the Secretary of State for Education dated 27 October 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.[provide summary of work undertaken, demonstrating application of the principles outlined in ICAEW guidance]

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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: 9/12/2015

THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	58,536	-	58,536	242,387
Activities for generating funds	3	767	-	-	767	-
Investment income	4	632	7,000	-	7,632	858
Incoming resources from charitable activities	5	39,266	5,009,254	-	5,048,520	5,240,232
TOTAL INCOMING RESOURCES		40,665	5,074,790	-	5,115,455	5,483,477
RESOURCES EXPENDED						
Charitable activities	7,8	212,716	5,097,190	197,065	5,506,971	5,648,897
Governance costs	9	-	12,600	-	12,600	12,675
TOTAL RESOURCES EXPENDED	6	212,716	5,109,790	197,065	5,519,571	5,661,572
NET RESOURCES EXPENDED BEFORE REVALUATIONS		(172,051)	(35,000)	(197,065)	(404,116)	(178,095)
Actuarial gains and losses on defined benefit pension schemes		-	(26,000)	-	(26,000)	(441,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		(172,051)	(61,000)	(197,065)	(430,116)	(619,095)
Total funds at 1 September		256,617	(1,015,000)	8,801,630	8,043,247	8,662,342
TOTAL FUNDS AT 31 AUGUST		84,566	(1,076,000)	8,604,565	7,613,131	8,043,247

All of the Academy's activities derive from continuing operations during the current and prior year.

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 43 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		8,611,507		8,801,630
CURRENT ASSETS					
Debtors	15	117,875		189,573	
Cash at bank and in hand		239,505		434,911	
		<u>357,380</u>		<u>624,484</u>	
CREDITORS: amounts falling due within one year	16	(195,673)		(278,179)	
NET CURRENT ASSETS			161,707		346,305
TOTAL ASSETS LESS CURRENT LIABILITIES			8,773,214		9,147,935
CREDITORS: amounts falling due after more than one year	17		(84,083)		(89,688)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			8,689,131		9,058,247
Defined benefit pension scheme liability	24		(1,076,000)		(1,015,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>7,613,131</u>		<u>8,043,247</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds excluding pension liability		8,604,565		8,801,630	
Pension reserve		<u>(1,076,000)</u>		<u>(1,015,000)</u>	
Total restricted funds			7,528,565		7,786,630
Unrestricted funds	18		84,566		256,617
TOTAL FUNDS			<u>7,613,131</u>		<u>8,043,247</u>

The financial statements were approved by the Trustees, and authorised for issue, on 30 November 2015 and are signed on their behalf, by:



D Bell
Chair of Trustees

The notes on pages 26 to 43 form part of these financial statements.

THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	(179,120)	(19,721)
Returns on investments and servicing of finance	21	(2,229)	(2,003)
Capital expenditure and financial investment	21	(8,452)	(69,599)
CASH OUTFLOW BEFORE FINANCING		(189,801)	(91,323)
Financing	21	(5,605)	(5,605)
DECREASE IN CASH IN THE YEAR		(195,406)	(96,928)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Decrease in cash in the year	(195,406)	(96,928)
Cash outflow from decrease in debt and lease financing	5,605	5,605
MOVEMENT IN NET FUNDS IN THE YEAR	(189,801)	(91,323)
Net funds at 1 September 2014	339,618	430,941
NET FUNDS AT 31 AUGUST 2015	149,817	339,618

The notes on pages 26 to 43 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 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

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 one year from the date of approval of the financial statements. The Academy has made an in year deficit (before depreciation) of £233,051 and so its level of free reserves has fallen below the level set in its Reserves Policy. The Trustees are aware of this and there are plans in place to address this deficit and increase the free reserves over the next 3 years. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

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 and include grants from Education Funding Agency.

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

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.5 RESOURCES EXPENDED

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those 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

1.7 OPERATING LEASES

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

1.8 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.9 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	-	41,533	41,533	50,423
SCITT	-	17,003	17,003	191,964
	<u>-</u>	<u>58,536</u>	<u>58,536</u>	<u>242,387</u>
Voluntary income	-	58,536	58,536	242,387

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	767	-	767	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	632	-	632	858
Pension finance income	-	7,000	7,000	-
	<u>632</u>	<u>7,000</u>	<u>7,632</u>	<u>858</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	19,204	19,204	-
General Annual Grant	-	4,533,988	4,533,988	4,789,816
Other DfE/EFA grants	-	350,055	350,055	338,576
	<u>-</u>	<u>4,903,247</u>	<u>4,903,247</u>	<u>5,128,392</u>
Other government grants				
High Needs	-	43,244	43,244	30,864
Other government grants non capital	-	-	-	7,965
	<u>-</u>	<u>43,244</u>	<u>43,244</u>	<u>38,829</u>
Other funding				
Other income	98	-	98	-
Income for hosting trainee teachers	3,393	-	3,393	-
Sales to students	4,177	-	4,177	10,796
Other	31,598	62,763	94,361	62,215
	<u>39,266</u>	<u>62,763</u>	<u>102,029</u>	<u>73,011</u>
	<u>39,266</u>	<u>5,009,254</u>	<u>5,048,520</u>	<u>5,240,232</u>

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other	2015	2014
	£	2015	2015	£	£
		£	£		
Direct costs	3,651,325	224,094	378,413	4,253,832	4,399,110
Support costs	569,541	325,771	357,827	1,253,139	1,249,787
CHARITABLE ACTIVITIES	4,220,866	549,865	736,240	5,506,971	5,648,897
GOVERNANCE	-	-	12,600	12,600	12,675
	4,220,866	549,865	748,840	5,519,571	5,661,572

7. DIRECT COSTS

	Total	Total
	2015	2014
	£	£
Pension finance costs	-	1,650
Educational supplies	197,543	186,347
Examination fees	63,048	69,227
Staff development	16,198	15,426
Other costs	127,143	135,944
Supply teachers	39,912	53,663
Supply agency costs to cover vacant posts	-	48,873
Wages and salaries	2,926,310	3,012,509
National insurance	224,107	234,847
Pension cost	460,996	430,271
Depreciation	198,575	210,353
	4,253,832	4,399,110

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	-	1,350
Equal Pay NI costs	-	25,553
Supply staff	1,000	-
Recruitment and support	9,457	21,278
Maintenance of premises and equipment	71,685	86,924
Cleaning	84,037	97,758
Rent and rates	80,384	89,734
Energy costs	87,999	74,208
Insurance	35,381	44,145
Security and transport	10,433	7,178
Catering	121,448	99,896
Technology costs	31,275	26,780
Office overheads	47,945	39,848
Legal and professional	99,693	86,150
Loan interest on equal pay loan	2,861	2,861
Wages and salaries	437,200	441,557
National insurance	22,799	23,871
Pension cost	109,542	80,696
	<u>1,253,139</u>	<u>1,249,787</u>

9. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	7,250	7,225
Auditors' non audit costs	5,350	5,450
	<u>12,600</u>	<u>12,675</u>

10. NET RESOURCES EXPENDED

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	198,575	210,353
Auditors' remuneration	7,250	7,225
Auditors' remuneration - non-audit	5,350	5,450
Operating lease rentals:		
- plant and machinery	11,367	9,644
- other operating leases	44,551	33,774
	<u>267,093</u>	<u>276,446</u>

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,357,010	3,448,204
Social security costs	246,906	258,718
Pension costs (Note 24)	570,538	510,967
	<u>4,174,454</u>	<u>4,217,889</u>
Supply agency costs to cover vacant posts	-	48,873
Compensation payments	6,500	5,862
Supply costs	39,912	53,663
	<u>4,220,866</u>	<u>4,326,287</u>

b. Staff severance and compensation payments

Included in compensation payments is one (2014: one) non-statutory/non-contractual compensation payment totalling £6,500 (2014: £5,862).

c. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	54	58
Administration and support	28	28
Student support	23	22
Management	6	5
	<u>111</u>	<u>113</u>

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	2	1
In the band £90,001 - £100,000	1	1

The above employees (2014: 2 employees) participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff members amounted to £26,367 (2014: £22,827).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: Dr S Sissons £95,000 - £100,000 (2014: £90,000 - £95,000), Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000), S Bareham £25,000 - £30,000 (5 months) (2014: £Nil), Employer's pension contributions £0 - £5,000 (2014: £Nil), K Pakenham £Nil (2014: £35,000 - £40,000), Employer's pension contributions £Nil (2014: £5,000 - £10,000), A Matyla £Nil (2014: £35,000 - £40,000), Employer's pension contributions £Nil (2014: £5,000 - £10,000), F Hardcastle £20,000 - £25,000 (2014: £20,000 - £25,000), Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000), N Grace £25,000 - £30,000 (2014: £Nil), Employer's pension contributions £5,000 - £10,000 (2014: £Nil) and E Haynes £30,000 - £35,000 (2014: £Nil), Employer's pension contributions £0 - £5,000 (2014: £Nil).

During the year, no Trustees received any benefits in kind (2014: £Nil).

During the year ended 31 August 2015, expenses totalling £149 (2014: £548) were reimbursed to 2 Trustees (2014: 3).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2014: £2,000,000) on any one claim and the cost for the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the Trustee indemnity element is not separately identifiable (2014: £870).

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST						
At 1 September 2014	9,099,747	10,851	106,754	40,222	185,726	9,443,300
Additions	-	-	-	1,230	7,222	8,452
At 31 August 2015	9,099,747	10,851	106,754	41,452	192,948	9,451,752
DEPRECIATION						
At 1 September 2014	404,557	10,308	82,527	26,848	117,430	641,670
Charge for the year	147,112	543	11,539	5,835	33,546	198,575
At 31 August 2015	551,669	10,851	94,066	32,683	150,976	840,245
NET BOOK VALUE						
At 31 August 2015	8,548,078	-	12,688	8,769	41,972	8,611,507
At 31 August 2014	8,695,190	543	24,227	13,374	68,296	8,801,630

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

14. TANGIBLE FIXED ASSETS (continued)

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

15. DEBTORS

	2015 £	2014 £
Trade debtors	405	2,386
Other debtors	11,043	41,458
Prepayments and accrued income	106,427	145,729
	<u>117,875</u>	<u>189,573</u>

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

	2015 £	2014 £
Other loans	5,605	5,605
Other taxation and social security	73,968	88,798
Other creditors	24,704	73,501
Accruals and deferred income	91,396	110,275
	<u>195,673</u>	<u>278,179</u>

DEFERRED INCOME

	£
Deferred income at 1 September 2014	32,590
Resources deferred during the year	33,183
Amounts released from previous years	(32,590)
	<u>33,183</u>
Deferred income at 31 August 2015	<u>33,183</u>

At the balance sheet date the Academy was holding funds received in advance for trips and events taking place post year end as well as rates funding from the EFA for the period from September 2015 to March 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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

	2015 £	2014 £
Other loans	<u>84,083</u>	<u>89,688</u>

Included within the above are amounts falling due as follows:

	2015 £	2014 £
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>
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OVER FIVE YEARS

Other loans	<u>61,663</u>	<u>67,268</u>
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Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable by instalments	<u>61,663</u>	<u>67,268</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 15 years remain and the applicable rate of interest is 4.93%.

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General funds	256,617	40,665	(212,716)	-	84,566
RESTRICTED FUNDS					
General Annual Grant (GAG)	-	4,565,335	(4,565,335)	-	-
High needs	-	43,244	(43,244)	-	-
Pupil premium	-	318,708	(318,708)	-	-
SCITT	-	17,003	(17,003)	-	-
Staff funding	-	62,763	(62,763)	-	-
Devolved Capital	-	19,204	(19,204)	-	-
Educational visits	-	41,533	(41,533)	-	-
Pension reserve	(1,015,000)	7,000	(42,000)	(26,000)	(1,076,000)
	<u>(1,015,000)</u>	<u>5,074,790</u>	<u>(5,109,790)</u>	<u>(26,000)</u>	<u>(1,076,000)</u>
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	8,672,618	-	(155,041)	-	8,517,577
Fixed assets purchased from GAG	105,176	-	(41,517)	-	63,659
DfE/EFA Capital grants	23,836	-	(507)	-	23,329
	<u>8,801,630</u>	<u>-</u>	<u>(197,065)</u>	<u>-</u>	<u>8,604,565</u>
Total restricted funds	<u>7,786,630</u>	<u>5,074,790</u>	<u>(5,306,855)</u>	<u>(26,000)</u>	<u>7,528,565</u>
Total of funds	<u>8,043,247</u>	<u>5,115,455</u>	<u>(5,519,571)</u>	<u>(26,000)</u>	<u>7,613,131</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (EFA) during the year in order to fund the continuing activities of the school.

High Needs funding is received from Swindon Council to cater for pupils with learning difficulties and other disabilities.

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

SCITT represents monies received under the School Centre Initial Teacher Training initiative which The Dorcan Academy administered for Swindon Schools up to December 2014.

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

Other LEA grants represent amounts received from Swindon Council.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS (continued)

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

The pension reserve represents the Local Government Pension Scheme deficit.

FIXED ASSET FUNDS

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

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

DfE/EFA Capital grants includes devolved capital funding and amounts received from the Academies' Capital Maintenance Fund / Condition Improvement Fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	6,942	-	8,604,565	8,611,507	8,801,630
Current assets	97,334	260,046	-	357,380	624,484
Creditors due within one year	(19,710)	(175,963)	-	(195,673)	(278,179)
Creditors due in more than one year	-	(84,083)	-	(84,083)	(89,688)
Pension scheme liability	-	(1,076,000)	-	(1,076,000)	(1,015,000)
	<u>84,566</u>	<u>(1,076,000)</u>	<u>8,604,565</u>	<u>7,613,131</u>	<u>8,043,247</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(404,116)	(178,095)
Returns on investments and servicing of finance	2,229	2,003
Depreciation of tangible fixed assets	198,575	210,353
Decrease/(increase) in debtors	71,824	(14,607)
Decrease in creditors	(82,632)	(13,375)
Defined benefit pension scheme adjustments	35,000	(26,000)
NET CASH OUTFLOW FROM OPERATIONS	<u>(179,120)</u>	<u>(19,721)</u>

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	632	858
Interest paid	(2,861)	(2,861)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(2,229)	(2,003)
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(8,452)	(69,599)
	2015 £	2014 £
FINANCING		
Repayment of loans	(5,605)	(5,605)

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	434,911	(195,406)	-	239,505
DEBT:				
Debts due within one year	(5,605)	-	-	(5,605)
Debts falling due after more than one year	(89,688)	5,605	-	(84,083)
NET FUNDS	339,618	(189,801)	-	149,817

23. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £22,941 were payable to the scheme at 31 August 2015 (2014: 22,634) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £313,096 (2014: £325,697).

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2015 was £277,000, of which employer's contributions totalled £217,000 and employees' contributions totalled £60,000. The agreed contribution rates for future years are 23.3% 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.

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.80	1,845,000	6.30	1,631,000
Bonds	3.80	390,000	3.40	391,000
Property	3.80	312,000	4.50	230,000
Cash	3.80	52,000	3.30	46,000
Total market value of assets		2,599,000		2,298,000
Present value of scheme liabilities		(3,675,000)		(3,313,000)
Deficit in the scheme		(1,076,000)		(1,015,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,675,000)	(3,313,000)
Fair value of scheme assets	2,599,000	2,298,000
Net liability	(1,076,000)	(1,015,000)

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24. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(259,000)	(193,000)
Interest on obligation	(128,000)	(114,000)
Expected return on scheme assets	135,000	111,000
Total	(252,000)	(196,000)

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

	2015 £	2014 £
Opening defined benefit obligation	3,313,000	2,353,000
Current service cost	259,000	193,000
Interest cost	128,000	114,000
Contributions by scheme participants	60,000	54,000
Actuarial (Gains)/losses	(50,000)	602,000
Benefits paid	(35,000)	(3,000)
Liability transferred on conversion	-	-
Closing defined benefit obligation	3,675,000	3,313,000

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

	2015 £	2014 £
Opening fair value of scheme assets	2,298,000	1,753,000
Expected return on assets	135,000	111,000
Actuarial gains	(76,000)	161,000
Contributions by employer	217,000	222,000
Contributions by employees	60,000	54,000
Benefits paid	(35,000)	(3,000)
	2,599,000	2,298,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £416,000 losses (2014: £390,000 losses).

The Academy expects to contribute £221,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	71.00 %	71.00 %
Bonds	15.00 %	17.00 %
Property	12.00 %	10.00 %
Cash	2.00 %	2.00 %

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24. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.60 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(3,675,000)	(3,313,000)	(2,353,000)	(1,979,000)
Scheme assets	2,599,000	2,298,000	1,753,000	1,303,000
Deficit	(1,076,000)	(1,015,000)	(600,000)	(676,000)
Experience adjustments on scheme liabilities	50,000	(602,000)	(60,000)	(127,000)
Experience adjustments on scheme assets	(76,000)	161,000	111,000	(7,000)

25. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
EXPIRY DATE:				
Within 1 year	21,819	17,652	-	2,881
Between 2 and 5 years	-	-	12,454	120

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have 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.

No such transactions have occurred during the period.