

Company Registration Number: 07831414 (England & Wales)

THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members and Trustees P Baker, Chair (resigned 31 January 2019)^{2,4,5}
S Bareham, Head Teacher^{4,5}
J Brookes³
P Corkish, Staff Trustee (appointed 17 October 2018)¹
L Garrett, Vice Chair (resigned 30 April 2019)^{3,4}
C Gee^{3,4,5}
F Hardcastle^{1,3}
S Harvey⁵
E Haynes, Staff Trustee (resigned 26 September 2018)
A Martin (appointed 3 July 2019)
P Porter^{3,4,5}
D Tanner, Staff Trustee (resigned 8 January 2019)^{1,3}
S Taylor, Staff Trustee (resigned 26 September 2018)
A Thomas, Chair^{4,5}
J Walker⁴

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

Company registered number 07831414

Company name The Dorcan Academy

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

Chief executive officer S Bareham

Senior management team S Bareham, Headteacher
P Morley, Assistant Head
L Morgans, Assistant Head
M Shepherd, Deputy Head
A Broderstad, Chief Finance and Operations Officer

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditors Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Bankers Lloyds Bank Plc
5 High Street
Swindon
SN1 3EN

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in Swindon. It has a pupil capacity of 1,234 and had a roll of 764 in the school census on 19 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

Members' liability

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

Trustees' Indemnities

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

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

There are 5 committees as follows:

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

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

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). In 2018-19 the SLT comprised of the Head teacher, one Deputy Head, two assistant Heads and the Finance and Facilities Manager. The SLT implement the policies laid

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

down by the Trustees and report back to them on performance.

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

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

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

Connected Organisations, including Related Party Relationships

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

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

Any appointments will be made in open competition and the related Trustee would not be involved in the decision making process. The employee would be paid within the normal pay scales for their role and would receive no special treatment as a result of their relationship with a Trustee.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The two key aims of the Academy during the year ended 31 August 2019 are summarised below:

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

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

1. Ensure all members of staff demand the highest expectations and standards from all students – only the best is good enough, no excuses
2. Embed a positive culture for learning through

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- a) promoting a dynamic, effective House system that actively promotes, demonstrates and develops within students our Dorcan vision, British values and personal attributes and
- b) Promoting scholastic excellence and a 'Growth Mindset'

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

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

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

In the academic year ending 2018 the school increased again in all of the government headline measures with 78% achieving a 9-4 in English (a rise of 3%) and 66% achieving a 9-4 in Mathematics (a rise of 4%), 59% achieved a 9-4 in both Mathematics and English. In terms of the new government measures, 56% achieved a 9-5 in English, (a rise of 6%) and 39% achieved a 9-5 in Mathematics (a rise of 14%). 34% achieved a 9-5 in both English and Mathematics (a rise of 12%). Progress 8 improved again. In November 2018 Ofsted carried out a full inspection. The area of Leadership and Management was reported to be Good as was, Personal development, behaviour and safety. Outcomes were still considered to require improvement and therefore the Quality of teaching was also deemed to require improvement.

In the academic year ending 2019 overall outcomes improved or sustained in all of the government headline measures. 76% achieved a 9-4 in English, which although slightly lower than 2018 was 8% above the national average. 67% achieved a 9-4 in Mathematics (a rise of 1%) which was 6% above the NA. 59% achieved a 9-4 in both Mathematics and English. 55% achieved a 9-5 in English (which puts us in the top 20% of similar schools nationally) and 44% achieved a 9-5 in Mathematics (a 5% rise) which was a national positive progress score. 37% achieved a 9-5 in both English and Mathematics (which was a rise of 3%). Our progress score as it stands (unvalidated) is -0.18 (this will increase slightly with further successful remarks) which has improved from -0.29 in 2018. It should be noted that in this cohort of students there were 9 students who had very low attendance (and very significant mental health issues) which impacted adversely on our progress outcomes. With these students taken out, the academy's progress would be positive. The government reporting measures currently do not adequately take into account such outliers on a school's results. Nevertheless, the academy is now in a position that its results are in the broadly average range compared to other schools nationally. It should also be noted that The Dorcan Academy has entered a higher number than the national average to the EBacc qualification, demonstrating that students are being offered a rigorous curriculum. At The Dorcan Academy all students have been required to choose History or Geography and all more able students have been required to take a language. This we believe, will enable them to compete more favourably against other similar students should they wish to attend university, and in particular, a Russell Group university. However, it does mean that progress scores suffer because of this and our research shows that similar schools which have achieved higher progress scores have done so by limiting students' entry to the EBacc.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Objectives, Strategies and Activities

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

Strategic Plan Priorities 2019-21

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

Priority 1: Quality of teaching (links to vision statements: Exceptional achievement for every student and High-Quality teaching that inspires and engages minds through an exciting and creative curriculum)

- a) Continue to improve outcomes and improve rates of progress in all subjects for all students from their starting points
- b) Ensure all students are well prepared for work, the world and their wellbeing through strategic curriculum planning and delivery of consistently high - quality lessons
- c) Raise standards of literacy and oracy in all subjects to reduce the vocabulary gap and ensure all students are word rich

Priority 2: Behaviour and attitudes (links to vision statement: Students stand out as model citizens, aspiring to make a difference to the lives of others through their exemplary behaviour and attitudes).

- a) Increase attendance to at least 95% for all students
- b) Reduce fixed term exclusions and isolations by at least 10% from 2019
- c) Ensure bullying incidences are dealt with/resolved promptly and effectively

Priority 3: Personal development (links to vision statements: An inclusive school, where everyone is valued, cared for and nurtured in an extraordinary way, Students stand out as model citizens, aspiring to make a difference to the lives of others and High levels of wellbeing enable all members of the school community to flourish)

- a) All tutors deliver to the same high standards as the best tutors
- b) Continue to raise expectations, aspirations and promote the wellbeing of all students
- c) Strengthen student leadership to encourage their fullest participation in their learning

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

- a) Improve the profile and perception of the academy within the local community and amongst stakeholders and increase student numbers
- b) Recruit and retain quality staff through a commitment to reducing staff workload, promoting wellbeing and fostering collaborative CPD opportunities
- c) Ensure all governors are fully aware of and trained in their strategic roles
- d) Maintain high levels of safeguarding

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

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

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

**TRUSTEES' REPORT (CONTINUED)
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The Academy provides facilities for the community in the interests of social welfare and with the interest of improving the life of the said community.

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.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its seventh year of operation. The total number of students in the year was 764 at the time of the 2018 October census, reducing to 747 at 31 August 2019. Our current numbers stand at 769 (Nov 19).

The 2019 examination window saw the Academy record 59% of students achieving standard passes in both English and Mathematics with 76% achieving 9-4 in English (8% above NA) and 67% achieving 9-4 in Mathematics (up 1% on 2018 and 6% above NA). In terms of 9-5 strong passes, 55% of students achieved 9-5 in English and 44% in Mathematics (up 5%). 37% of students achieved English and Mathematics at grades 9-5 (up 3% on 2018). There remains a gap in attainment between PP and non-PP students (9-5 English and Mathematics, and 9-4 English and Mathematics; however, the gap has decreased significantly. There was a 12.8% increase of PP students achieving 9-5 English and Mathematics and an 11.2% increase in 9-4. Progress 8 also improved slightly. Particular strengths were evident in Sports Studies (P.E.) which achieved results in line with the top 5% of similar schools and above national average, Design Technology: Graphics and Textiles and Psychology which achieved results in line with the top 20% of similar schools, and Music and Drama, both which achieved results above National average.

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

The quality of teaching and planning is monitored and measured through the whole school coaching programme which provides bespoke CPD for every teacher to work on identified leverage points to secure greater progress in learning. Senior leaders, Heads of Faculty and Subject leaders scrutinise marking and dialogue, assessments, schemes of work and Home Learning as part of a regular monitoring cycle. The Academy has adopted 'Teach like a Champion' strategies (Doug Lemov) to enable a common language for discussing approaches used by the best teachers to secure rapid progress. In the last academic year there has been a particular focus on developing oracy as a means of articulating thinking as well as a pre-requisite for high quality writing. This has seen the academy adopt approaches such as 'Hands down' and 'No opt out'. Teachers are mindful of the ratio of thinking and participation within their lessons, ensuring that assessment for learning is accurate and rigorous. Students' books are expected to be well presented and teachers are held to account for challenging correct spelling, grammar and punctuation.

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

A new behaviour policy was launched in May 2017 which is now well established and largely consistent throughout the academy. As a result of this there was a significant reduction in exclusions (39%) and isolations (13%) during the academic year 2018-19. A visit from Ofsted in November 2018 deemed Personal development, behaviour and welfare to be Good. Attendance, although below National average improved slightly from the previous year; it was recognized by Ofsted that the academy was doing everything within its power to promote

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

and support good attendance. In addition, training for tutors was provided to ensure consistency in all aspects of the tutor programme. Raising the quality of tutoring continues to be a focus for the next academic year. The rewards policy is now fully embedded and sits alongside an established leadership award which challenges students to show greater independence and scholarship.

Ofsted reported the curriculum as being strong, including extra-curricular activities which are a strength of the academy; in particular the Duke of Edinburgh (DoE) award scheme. Research undertaken showed that students who took part in the award had better attendance, attitudes to learning and made better progress than other students. Although there has been a focus on increasing the numbers of students taking part in extra-curricular activities, currently the numbers are similar to last academic year. However, it was found that a significant number of students take part in extra-curricular activities outside of the Academy. The academy is focused on increasing the cultural capital of all our students, but in particular, the disadvantaged, and it therefore ensures that for every trip/event, Pupil Premium students are proportionally represented and the PP funding is used to ensure this.

The Academy is committed to the Continuing professional development of its staff and during the last academic year a number of staff have completed middle and senior leadership courses such as the NPQML, NPQSL and NPQH, taking advantage of the free funding available to all Swindon schools. In addition, our own CPD funding has enabled Head of Mathematics and Head of Global Learning to undertake the Ambition Leaders course for aspirant senior leaders which has now developed into the NPQSL. The impact of these courses have strengthened leadership to at least good across the academy (endorsed by Ofsted 2018) and secured retention of key staff and succession planning. The CPD program has met the requirements related to Academy status and investment was made to ensure Child Protection, First Aid, Fire Training and Restraint training were complete and records up to date.

The teacher training provision provided within the Academy, which includes newly qualified teachers and Teach First trainees has been reviewed externally and deemed to provide a Good plus provision.

A full CPD report 2018-19 is available from the Academy which provides a comprehensive record of the objectives, actions and impact on the academy outcomes. All CPD was delivered within budget.

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

The perception of the Academy within the community has improved significantly over the past year, as a result of our excellent transition programme and our trend of improved outcomes. As a result, numbers in Year 7 have increased this year to a 6 form entry. Our improved Ofsted report has since helped this further and the academy is projecting increased numbers year on year for the foreseeable future. In a survey taken during 2018-19, 98% of staff reported that they were proud to be a member of staff at The Dorcan Academy and 93% said they enjoyed working at the school. 100% understood the vision and said they knew what the school was trying to achieve.

Charity

The student councils take responsibility for all charity fund raising which includes non uniform days. This year the charities identified by the students are listed below, including the amount of money that was raised by the students. This year the school has raised £3,049.86 for the charities identified below:

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Date	Charity	Amount raised
December 2018	Wiltshire Air Ambulance	£865.00
January 2019	Wiltshire Air Ambulance	£162.70
January 2019	Cancer Research	674.5
March 2019	Threshold Housing	261.93
March 2019	Book Aid International	35.9
April/May 2019	Swindon Women's Aid	480.54
May 2019	MIND	569.29
	TOTAL	£3,049.86

Key Performance Indicators

As funding is based on student numbers this is a key performance indicator. Student numbers for the year ended 31 August 2019 were 747, a decrease of 17 over the year. It had been anticipated that numbers would stabilise but free transport to other schools with more modern premises or higher academic achievement have continued to attract pupils away from the catchment. Additional marketing during the year and better results has led to increased numbers in year 7 and the Open Evening held in October 2019 was again well-attended. Free blazers have been offered to Year 7 pupils and this has met with positive feedback from parents. The Ofsted inspection in November 2018 showed an improvement to Good in two categories: Leadership and Management and Student Behaviour and Welfare, with an overall positive change to a grade of 'Requires Improvement', moving the Academy up from being previously rated 'Inadequate'. A 'Good' Ofsted grade would further assist growth of pupil numbers. Year 7 numbers are growing slowly year by year and further increases in pupil numbers are predicted as the eastern Swindon development commences. Swindon Borough Council pupil number predictions suggest that the Academy growth is sustainable for the future, however, trustees are aware for the need to continue to closely monitor this and to continue with improvements and efficient marketing. Investments in the premises should also assist with parent choice.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2018-19 this was 84% compared to 91% in 2017-18 and 82% in 2016-17. Staffing costs as a % of total income were 73% (2017-18: 91%).

As funding is based on student numbers this is a key performance indicator. Student numbers for the year ended 31 August 2019 were 747, a decrease of 29 over August 2018 (776). It is anticipated that this number will stabilise and increase over time, particularly when the smaller existing year groups leave.

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 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 2019, total expenditure (excluding depreciation), of £4,687,605 was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,741,060. The surplus for the year (excluding restricted fixed asset funds) was £53,455, before a transfer to the restricted fixed asset fund for the cost of additions.

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At 31 August 2019 the net book value of fixed assets was £8,763,560 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

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

Key financial policies adopted or reviewed during the year include The Dorcan Academy Financial regulations Policy 2018 which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. The Academy has a rolling program of policy review to ensure all policies are up to date.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately £250,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Academy amount to £6,263,653, although £8,447,557 of this is invested in fixed asset. The remaining £56,096 (representing unrestricted funds available to spend) is the balance that the Trustees monitor in accordance with the Board's reserves policy. The level of reserves is monitored and reviewed by the Trustees at all committee and Board meetings in line with the Academy 3 year plan.

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

Investment Policy

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

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

Principal Risks And Uncertainties

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

Fraud and mismanagement of funds - The Academy has appointed an external company to provide internal assurance and carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff must keep 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 reviewing awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy continues to review a Risk Management Strategy through a Risk Register. This has been discussed by Trustees and include the financial risks to the Academy. The register is 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, the Trustees are aware of risks to revenue funding from a falling roll. Additionally, the reduction in funding levels, changes to the Government's overall education budget, changes in funding arrangements for Special and Additional Educational Needs and increasing employment and premises costs mean that budgets will continue to be challenging in coming years.

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

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

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

PLANS FOR FUTURE PERIODS

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

Trustees have had numerous discussions and given considerable thought to joining a Multi-Academy Trust (MAT), but have decided by a majority decision not to join a MAT at this time, therefore the Academy has remained as a Single Academy Trust (SAT) for the financial year 2018-19 though there may be increased pressure to join a multi-academy trust in the future. In spite of currently remaining as a SAT the Academy continues to improve the educational opportunities for students in the wider community.

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on _____ and signed on its behalf by:

19 December 2019



**A Thomas
Chair of Trustees**

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Dorcan Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Dorcan Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 10 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Baker, Chair	5	5
S Bareham, Head Teacher	10	10
J Brookes	7	10
P Corkish	6	10
L Garrett, Vice Chair	2	7
C Gee	9	10
F Hardcastle	10	10
S Harvey	8	10
P Porter	10	10
D Tanner, Staff Trustee	4	4
A Thomas, Chair	8	10
J Walker	9	10

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Baker	3	3
S Bareham	6	6
L Garrett	1	4
C Gee	3	3
P Porter	6	6
A Thomas	1	1
J Walker	6	6

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed an independent audit process through FS4S who are contracted to provide financial support services to the Academy throughout the year. The trustees are confident that the continued appointment of Bishop Fleming Bath Limited, the external auditors, and regular visits from FS4S will prove the required assurances.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

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

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the financial monitoring team from FS4S;
- 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 and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

19 December 2019

Approved by order of the members of the board of Trustees on and signed on their behalf by:



A Thomas
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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



S Bareham
Accounting Officer

Date: 19 December 2019

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

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

OPINION

We have audited the financial statements of The Dorcan Academy (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

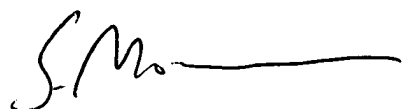
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Simon Morrison FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 19 December 2019

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

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

In accordance with the terms of our engagement letter dated 01 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Dorcan Academy's funding agreement with the Secretary of State for Education dated 27 October 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

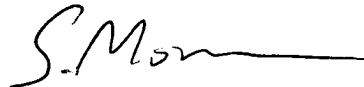
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 19 December 2019

THE DORCAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	920	73,584	-	74,504	43,886
Charitable activities		166,541	4,483,070	-	4,649,611	4,724,812
Other trading activities		16,580	-	-	16,580	8,413
Investments	6	365	-	-	365	674
Total income		184,406	4,556,654	-	4,741,060	4,777,785
Expenditure on:						
Charitable activities		87,548	4,600,057	200,375	4,887,980	5,085,203
Total expenditure		87,548	4,600,057	200,375	4,887,980	5,085,203
Net income/ (expenditure)		96,858	(43,403)	(200,375)	(146,920)	(307,418)
Transfers between funds	18	-	(31,047)	31,047	-	-
Net movement in funds before other recognised gains/ (losses)		96,858	(74,450)	(169,328)	(146,920)	(307,418)
Other recognised gains/ (losses):						
Actuarial losses on defined benefit pension schemes	24	-	(666,000)	-	(666,000)	549,000
Net movement in funds		96,858	(740,450)	(169,328)	(812,920)	241,582
Reconciliation of funds:						
Total funds brought forward		76,713	(212,584)	8,932,888	8,797,017	8,555,435
Net movement in funds		96,858	(740,450)	(169,328)	(812,920)	241,582
Total funds carried forward		173,571	(953,034)	8,763,560	7,984,097	8,797,017

The notes on pages 26 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	13	8,763,560	8,904,695
		<u>8,763,560</u>	<u>8,904,695</u>
Current Assets			
Debtors	14	171,380	507,259
Cash at bank and in hand		685,412	614,724
		<u>856,792</u>	<u>1,121,983</u>
Creditors: amounts falling due within one year	15	(290,867)	(701,393)
Net Current Assets		<u>565,925</u>	<u>420,590</u>
Total Assets Less Current Liabilities		<u>9,329,485</u>	<u>9,325,285</u>
Creditors: amounts falling due after more than one year	16	(79,388)	(67,268)
Net Assets excluding Pension Liability		<u>9,250,097</u>	<u>9,258,017</u>
Defined benefit pension scheme liability	24	(1,266,000)	(461,000)
Total Net Assets		<u><u>7,984,097</u></u>	<u><u>8,797,017</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	8,763,560	8,932,888
Restricted income funds	18	312,966	248,416
		<u>9,076,526</u>	<u>9,181,304</u>
Restricted funds excluding pension asset	18	9,076,526	9,181,304
Pension reserve	18	(1,266,000)	(461,000)
Total restricted funds	18	<u>7,810,526</u>	<u>8,720,304</u>
Unrestricted income funds	18	<u>173,571</u>	<u>76,713</u>
Total funds		<u><u>7,984,097</u></u>	<u><u>8,797,017</u></u>

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:


A Thomas
Chair of Trustees

19 December
2019

The notes on pages 26 to 48 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	73,086	296,210
CASH FLOWS FROM INVESTING ACTIVITIES	22	13,813	(228,028)
CASH FLOWS FROM FINANCING ACTIVITIES	21	(16,211)	(8,466)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		70,688	59,716
Cash and cash equivalents at the beginning of the year		614,724	555,008
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	685,412	614,724

The notes on pages 26 to 48 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Dorcan Academy meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy has provided the goods or services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

1.7 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Freehold property	- Straight line over 50 years
Furniture and fixtures	- Straight line over 5 years
Plant and machinery	- Straight line over 30 years
Computer equipment	- Straight line over 3 years
Motor vehicles	- Straight line over 5 years
Office equipment	- Straight line over 7 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES

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

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.12 OPERATING LEASES

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

1.13 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 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 the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	920	-	920	2,790
Capital Grants	-	73,584	73,584	41,096
	<u>920</u>	<u>73,584</u>	<u>74,504</u>	<u>43,886</u>
TOTAL 2018	<u>-</u>	<u>43,886</u>	<u>43,886</u>	

THE DORCAN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. FUNDING FOR THE ACADEMY'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	4,110,652	4,110,652	4,240,955
Other DfE Group Grants	-	325,924	325,924	305,956
High Needs	-	42,198	42,198	45,087
Other government grants non capital	-	-	-	2,333
Sales to students	11,674	-	11,674	17,752
Educational visits, literature festival and other income	154,867	4,296	159,163	112,729
	<u>166,541</u>	<u>4,483,070</u>	<u>4,649,611</u>	<u>4,724,812</u>
TOTAL 2018	<u>125,069</u>	<u>4,599,743</u>	<u>4,724,812</u>	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	<u>16,580</u>	<u>16,580</u>	<u>8,413</u>

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank Interest	<u>365</u>	<u>365</u>	<u>674</u>

All previous year amounts relate to unrestricted income.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	2,893,891	201,271	455,952	3,551,114	3,855,876
Support costs	560,281	488,662	287,923	1,336,866	1,229,327
TOTAL 2019	3,454,172	689,933	743,875	4,887,980	5,085,203
TOTAL 2018	3,876,778	472,264	736,161	5,085,203	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	3,551,114	1,336,866	4,887,980	5,085,203
TOTAL 2018	3,855,876	1,229,327	5,085,203	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	8,000	11,000
Staff costs	2,893,891	3,228,672
Depreciation	201,271	169,894
Educational supplies	148,503	164,852
Examination fees	75,925	56,000
Staff development	14,903	14,465
Other costs	178,488	192,267
Supply teachers	30,133	18,726
	3,551,114	3,855,876

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	6,000	12,000
Staff costs	560,281	616,954
Supply staff	5,756	12,426
Recruitment and support	13,488	5,904
Maintenance of premises and equipment	186,594	58,700
Cleaning	131,880	121,133
Rent and rates	81,447	80,758
Energy costs	87,545	58,534
Insurance	17,068	22,460
Security and transport	4,979	3,483
Catering	62,293	61,745
Technology costs	34,639	31,253
Office overheads	46,236	43,587
Legal and professional	95,799	87,449
Loan interest on equal pay loan	2,861	2,861
Governance	-	10,080
	1,336,866	1,229,327

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**NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs (continued)

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	201,271	169,894
Fees paid to auditors for:		
- audit	7,750	7,600
	<u>7,750</u>	<u>7,600</u>

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,605,946	2,926,192
Social security costs	248,670	272,001
Pension costs	599,556	647,433
	<u>3,454,172</u>	<u>3,845,626</u>
Agency staff costs	-	31,152
	<u>3,454,172</u>	<u>3,876,778</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (CONTINUED)

b. STAFF NUMBERS

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

	2019	2018
	No.	No.
Teachers	45	57
Administration and Support	15	18
Educational Support	31	28
Management	5	5
	96	108

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	44	50
Administration and Support	23	14
Educational Support	15	22
Management	5	5
	87	91

c. HIGHER PAID STAFF

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	1	2

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, [other than expenses,]1 from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Bareham: Remuneration £85,000 - £90,000 (2018: £80,000 - £85,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000), E Haynes: Remuneration £30,000 - £35,000 (2018: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000), D Tanner: Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000), Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000), S Taylor: Remuneration £15,000 - £20,000 (2018: £15,000 - £20,000), Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000).

During the year, no Trustees received any benefits in kind (2018: £NIL).

During the year ended 31 August 2019, expenses totalling £318.95 (2018: NIL) were reimbursed or paid directly to 3 trustees (2018: £NIL to 2 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2018	9,099,747	941,179	-	241,799	10,282,725
Additions	-	49,919	-	10,217	60,136
Transfers between classes	-	(731,913)	731,913	-	-
At 31 August 2019	9,099,747	259,185	731,913	252,016	10,342,861

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. TANGIBLE FIXED ASSETS (CONTINUED)

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
DEPRECIATION					
At 1 September 2018	993,005	164,596	-	220,429	1,378,030
Charge for the year	147,112	13,392	24,397	16,370	201,271
At 31 August 2019	<u>1,140,117</u>	<u>177,988</u>	<u>24,397</u>	<u>236,799</u>	<u>1,579,301</u>
NET BOOK VALUE					
At 31 August 2019	<u>7,959,630</u>	<u>81,197</u>	<u>707,516</u>	<u>15,217</u>	<u>8,763,560</u>
At 31 August 2018	<u>8,106,742</u>	<u>776,583</u>	<u>-</u>	<u>21,370</u>	<u>8,904,695</u>

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

The academy transferred an item on the fixed asset register relating to capital expenditure in 2017/18 was to ensure that correct depreciation policies have been applied.

14. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	35,044	113
VAT Recoverable	11,353	9,088
Prepayments and accrued income	124,983	498,058
	<u>171,380</u>	<u>507,259</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other loans	9,696	5,605
Trade creditors	2,844	-
Other taxation and social security	64,536	69,562
Other creditors	59,209	62,969
Accruals and deferred income	154,582	563,257
	<u>290,867</u>	<u>701,393</u>
	2019 £	2018 £
Deferred income at 1 September 2018	37,272	37,272
Resources deferred during the year	20,418	32,885
Amounts released from previous periods	(37,272)	(32,885)
Deferred income at 31 August 2019	<u>20,418</u>	<u>37,272</u>

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

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

	2019 £	2018 £
Other loans	<u>79,388</u>	<u>67,268</u>
Included within the above are amounts falling due as follows:		
	2019 £	2018 £
BETWEEN ONE AND TWO YEARS		
Other loans	<u>8,332</u>	<u>5,605</u>
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>30,450</u>	<u>16,815</u>
OVER FIVE YEARS		
Other loans	<u>40,606</u>	<u>44,848</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets that are debt instruments measured at amortised cost	809,058	1,087,954
	<u>809,058</u>	<u>1,087,954</u>

	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(218,342)	(603,245)
	<u>(218,342)</u>	<u>(603,245)</u>

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

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	75,817	184,406	(86,652)	-	-	173,571
Unrestricted fixed assets	896	-	(896)	-	-	-
	<u>76,713</u>	<u>184,406</u>	<u>(87,548)</u>	<u>-</u>	<u>-</u>	<u>173,571</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	248,416	4,088,836	(3,993,239)	(31,047)	-	312,966
Rates Relief	-	43,874	(43,874)	-	-	-
High Needs	-	132,630	(132,630)	-	-	-
Other LA income	-	4,968	(4,968)	-	-	-
Pupil Premium	-	269,542	(269,542)	-	-	-
Year 7 Catch Up	-	12,508	(12,508)	-	-	-
Other Restricted Income	-	4,296	(4,296)	-	-	-
Pension reserve	(461,000)	-	(139,000)	-	(666,000)	(1,266,000)
	<u>(212,584)</u>	<u>4,556,654</u>	<u>(4,600,057)</u>	<u>(31,047)</u>	<u>(666,000)</u>	<u>(953,034)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	8,074,493	-	(146,403)	-	-	7,928,090
Fixed assets purchased from GAG	68,278	-	(23,448)	31,047	-	75,877
DfE/ESFA Capital grants	790,117	-	(30,524)	-	-	759,593
	<u>8,932,888</u>	<u>-</u>	<u>(200,375)</u>	<u>31,047</u>	<u>-</u>	<u>8,763,560</u>
TOTAL RESTRICTED FUNDS	<u>8,720,304</u>	<u>4,556,654</u>	<u>(4,800,432)</u>	<u>-</u>	<u>(666,000)</u>	<u>7,810,526</u>

**THE DORCAN ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
TOTAL FUNDS	8,797,017	4,741,060	(4,887,980)	-	(666,000)	7,984,097

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

RESTRICTED FUNDS

General Annual Grant (GAG) is funding from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £31,047 (2018: £4,903) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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

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

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

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

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

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

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

FIXED ASSET FUNDS

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Comparative information in respect of the preceding year is as follows:

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	70,002	134,156	(128,341)	-	-	75,817
Unrestricted fixed assets	2,850	-	(1,954)	-	-	896
	<u>72,852</u>	<u>134,156</u>	<u>(130,295)</u>	<u>-</u>	<u>-</u>	<u>76,713</u>
Restricted Gener Funds						
General Annual Grant (GAG)	280,754	4,240,955	(4,268,390)	(4,903)	-	248,416
Rates Relief	-	22,124	(22,124)	-	-	-
High Needs	-	63,674	(40,787)	(22,887)	-	-
Other LA income	-	4,300	(4,300)	-	-	-
Pupil Premium	-	274,455	(274,455)	-	-	-
Year 7 Catch Up	-	11,710	(11,710)	-	-	-
Devolved Formula Capital	-	18,209	-	(18,209)	-	-
Educational Visits	-	2,790	(2,790)	-	-	-
Other Restricted Income	-	5,412	(5,412)	-	-	-
Pension Reserve	(853,000)	-	(157,000)	-	549,000	(461,000)
	<u>(572,246)</u>	<u>4,643,629</u>	<u>(4,786,968)</u>	<u>(45,999)</u>	<u>549,000</u>	<u>(212,584)</u>
Restricted Fixed Asset Funds						
Fixed assets transferred on conversion	8,220,858	-	(146,365)	-	-	8,074,493
Fixed assets purchased from GAG	38,597	-	(16,318)	45,999	-	68,278
DfE/ESFA Capital grants	795,374	-	(5,257)	-	-	790,117

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18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
	9,054,829	-	(167,940)	45,999	-	8,932,888
TOTAL RESTRICTED FUNDS	8,482,583	4,643,629	(4,954,908)	-	549,000	8,720,304
TOTAL FUNDS	8,555,435	4,777,785	(5,085,203)	-	549,000	8,797,017

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	8,763,560	8,763,560
Current assets	173,571	683,221	-	856,792
Creditors due within one year	-	(290,867)	-	(290,867)
Creditors due in more than one year	-	(79,388)	-	(79,388)
Provisions for liabilities and charges	-	(1,266,000)	-	(1,266,000)
TOTAL	173,571	(953,034)	8,763,560	7,984,097

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(146,920)	(307,418)
ADJUSTMENTS FOR:		
Depreciation charges	201,271	169,894
Interest received	(365)	(674)
Decrease in debtors	335,879	370,347
Decrease in creditors	(382,195)	(51,843)
Capital grants from DfE and other capital income	(73,584)	(41,096)
Defined benefit pension scheme cost less contributions payable	125,000	134,000
Defined benefit pension scheme finance cost	14,000	23,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	73,086	296,210

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Cash inflows from new borrowing	(24,677)	-
Repayments of borrowing	8,466	(8,466)
NET CASH USED IN FINANCING ACTIVITIES	(16,211)	(8,466)

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	365	674
Purchase of tangible fixed assets	(60,136)	(269,798)
Capital grants from DfE Group	73,584	41,096
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	13,813	(228,028)

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23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	685,412	614,724
TOTAL CASH AND CASH EQUIVALENTS	685,412	614,724

24. PENSION COMMITMENTS

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

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

Contributions amounting to £58,465 were payable to the schemes at 31 August 2019 (2018 - £62,275) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £337,752 (2018 - £322,224).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £251,000 (2018 - £241,000), of which employer's contributions totalled £199,000 (2018 - £190,000) and employees' contributions totalled £ 52,000 (2018 - £51,000). The agreed contribution rates for future years are 16.48% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of Increase in Salaries	2.6	2.7
Rate of increase for pensions in payment/ inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.4	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25.1	26.7

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24. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,227,000	2,910,000
Bonds	636,000	574,000
Property	591,000	533,000
Cash	91,000	82,000
TOTAL MARKET VALUE OF ASSETS	4,545,000	4,099,000

The actual return on scheme assets was £291,000 (2018 - £328,000).

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

	2019 £	2018 £
Current Service Cost	(304,000)	(324,000)
Past Service Cost	(11,000)	-
Interest Income	117,000	92,000
Interest Cost	(131,000)	(115,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(329,000)	(347,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
Opening defined benefit obligation	4,559,000	4,449,000
Interest Cost	131,000	115,000
Employee Contributions	52,000	51,000
Actuarial losses/(gains)	826,000	(324,000)
Benefits paid	(81,000)	(56,000)
Current Service Cost	304,000	324,000
Past Service Costs	20,000	-
AT 31 AUGUST	5,811,000	4,559,000

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24. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the academy's share of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	4,098,000	3,596,000
Interest income	117,000	92,000
Actuarial losses	160,000	225,000
Employer contributions	199,000	190,000
Employee contributions	52,000	51,000
Benefits Paid	(81,000)	(56,000)
AT 31 AUGUST	4,545,000	4,098,000

25. OPERATING LEASE COMMITMENTS

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	43,476	50,660
Later than 1 year and not later than 5 years	73,424	45,849
	116,900	96,509

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.