

**DIXONS ACADEMIES TRUST LTD
(A Company limited by Guarantee)**

**Annual Report and Financial Statements
For the Year Ended 31 August 2020**

**Company Registration Number 02303464
(England and Wales)**

Dixons Academies Trust Ltd

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Dixons Academies Trust Ltd

Reference and Administrative Details for the Year Ended 31 August 2020

Members	Joanne Williams Sir James Hill Bryan Collins
Trustees	John Bowers MBE – Interim Chair, Trust Board (appointed 12 September 2019) and Chair, Dixons City Academy/Dixons Kings Academy Local Governing Body and Chair, Dixons Unity Local Governing Body (resigned 31 August 2020) Lynn Barrett OBE – Chair, Dixons Allerton Academy Local Governing Body; Local Governing Body at Dixons Cottingley Academy/Dixons Sixth Form Academy Ruby Bhatti – Chair, Dixons Marchbank Primary/Dixons Manningham Primary Local Governing Body David Clayton Bryan Collins – Chair, Dixons McMillan Academy (resigned 31 August 2020), Chair, Dixons Sixth Form Local Governing Body Brent Fitzpatrick MBE – Chair, Finance Committee Susan Richardson – Chair, Dixons Trinity Chapeltown Academy Sarah Elizabeth Young (appointed 1 October 2019)
Senior Management Team	Sir Nick Weller – Chief Executive Officer Jo Lynch – Chief Operating Officer (resigned 31 October 2019) Luke Sparkes – Executive Director Shirley Watson – Executive Director Natalie Brookshaw – Principal, Dixons Trinity Chapeltown Secondary Academy Daniel Carr – Principal, Dixons Unity Academy Wesley Davies – Executive Principal, Dixons McMillan Academy and Dixons Sixth Form Academy Mike Feely – Principal, Dixons City Academy Rebecca Greenwood – Primary Principal, Dixons Allerton Academy Helen Haunch – Principal, Dixons Marchbank Primary Terri Leighton – Principal, Dixons Manningham Primary Michelle Long – Executive Principal, Dixons Music Primary (resigned 31 August 2020) Neil Miley – Executive Principal, Dixons Kings Academy and Dixons Unity Academy Justine Oldham – Principal, Dixons Trinity Chapeltown Primary Academy Jason Patterson – Principal, Dixons Cottingley Academy (appointed 1 September 2019) Luke Robbins-Ross – Principal, Dixons Music Primary Mark Rothery – Principal, Dixons Sixth Form Academy Laura Senior – Principal, Dixons McMillan Academy Clare Skelding – Executive Principal, Dixons Allerton Academy (appointed 1 September 2019) Emma Steele – Head of School, Dixons Trinity Academy Jennifer Thompson – Executive Principal, Dixons Trinity Academy (appointed 1 September 2020) Richard Wilson – Principal, Dixons Kings Academy
Company Secretary	Jo Lynch (resigned 31 October 2019)
Accounting Officer	Sir Nick Weller (CEO)
Registered Principal Office	Dixons Academies Trust Ltd Ripley Street Bradford West Yorkshire BD5 7RR



Dixons Academies Trust Ltd

Reference and Administrative Details for the Year Ended 31 August 2020

Company Registration Number	02303464 (England and Wales)
Bankers	Lloyds Bank City Office 45 Hustlergate Bradford BD1 1NT
Solicitors	Browne Jacobson LLP 18-22 Bridge Street Manchester M3 3BZ
Independent Auditors	BHP LLP Mayesbrook House Leeds LS16 6QY



Dixons Academies Trust Ltd

Trustees' Report for the Year Ended 31 August 2020

Structure, governance and management

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report, together with the financial statements and auditor's report, of the Dixons Academies Trust Ltd for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates academies for students aged 3 to 19 serving a catchment area in the inner-city communities of Bradford and Leeds. It has a student capacity of 9,509 and had a roll of 9,076 in the school census on 1 October 2020.

a. Constitution

Dixons Academies Charitable Trust Ltd, a company incorporated as private limited by guarantee and an exempt charity, having its registered office situated in England and Wales, has changed its name to Dixons Academies Trust Ltd on 7 July 2020. The company was first established on 6 October 1988. The Charitable Company's Memorandum and Articles of Association (dated 28 March 2018) are the primary governing documents of the Trust.

The Trustees are responsible for the charitable activities of the Trust Ltd and are the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Dixons Academies Trust Ltd.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative details on page 3.

The principal activities and objectives of the Trust are the advancement of education for public benefit in the United Kingdom by establishing, maintaining and developing high performing schools.

Our schools are nationally recognised for offering a broad curriculum underpinned by our core values and a relentless focus on the highest standards of student achievement.

Our students meet and work together in a harmonious and happy community drawn from all cultures and backgrounds across the region. We believe our students have a key role to play in the economic development and social regeneration of our cities in the next generation and beyond.

b. Members' liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease 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.

c. Trustees' indemnities

There are no qualifying third-party indemnity provisions in place in respect of Trustees, other than Trustees and Officers' insurance, which is in place.

d. Method of recruitment and appointment or election of Trustees

The Members of Dixons Academies Trust Ltd are responsible for the appointment of the Trust Board and the Chairs of the local governing bodies who in turn are responsible for appointments to their respective boards.

All Trustees/Governors are appointed based upon the contribution they can make to the development and future success of the Trust. Except for staff governors, no Trustees/Governors receive remuneration for their services other than reasonable out of pocket expenses.

In order to keep a balance of skills and expertise on each Trust Board, Trustees consider any skill gaps and may approach individuals (this may include parents) explaining the type of skills set or expertise the Trust is looking for. Identified individuals will be invited to put their names forward. In the case of parent governors, if more than one parent expresses an interest, then it may be necessary to hold an election within the parent body of the academy in question.

In order to find the people with the appropriate skills, there may be occasions where agencies, e.g. Academy Ambassadors and other such organisations, are approached to see if they can help the Trust to find potential governors with the required skill sets.

A short application form will be completed and the individual will be invited to meet key staff and governors. If an appointment is made, the successful individual will receive an induction appropriate to their new role.

A decision was made to outsource governance services to a third party company and from 1 September 2019; all director meetings and the induction of new Trustees/Governors will be managed by this agency.



Dixons Academies Trust Ltd

Trustees' Report for the Year Ended 31 August 2020

e. Policies and procedures adopted for the induction and training of Trustees

New Trustees are inducted into the working of the Trust, including policies and procedures, at arranged meetings with the Chief Executive Officer (CEO) with support from the Head of Executive Services. The training and induction provided will depend on the individual Trustees' skill set and experience. Where appropriate, induction will include training on educational, charity, legal and financial matters (with copies of policies, procedures, minutes, budget plans, management accounts and other appropriate documentation).

f. Organisational structure

The organisational structure of the Trust is based on the principles that:

- The Members of the Company define the Object, Purpose and Ethos of the Company.
- The Trustees, who form the Trust Board, have overall responsibility and ultimate decision-making authority for all the work of the Company, including the establishing and running of schools and, in particular, each academy as a school. This is largely exercised through strategic planning and the setting of policy. It is managed through the business planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes.
- The Trustees have the power to direct change where required to ensure that the Object, Purpose and Ethos of the Company are met.
- The Trustees delegate their responsibilities for the day-to-day operation of each academy and the whole of the funding granted by the Department of Education for the benefit of that academy directly to a Local Governing Body (LGB) through a Scheme of Delegation (the Scheme). A single Local Governing Body may manage more than one academy, but the funding granted for each academy must be applied only to that academy subject to the requirements of the Scheme. The Principal of each academy is an ex officio member of the LGB.
- The Executive Team, consisting of the CEO and the Executive leaders, control the Trust/academies at an executive level by implementing the policies laid down by the Trustees and reporting back to them regularly. The Principals across the Trust are responsible for the authorisation of spending within agreed budgets and the appointment of staff at their academy. Some spending control is devolved to members of their Senior Leadership Team with financial limits above which a Senior Manager must countersign.
- Individual academy Senior Leadership Teams (SLTs) include the Principal, Vice Principals, Assistant Principals and the Operations/Business Manager. These managers are responsible for the day-to-day operation of the academy, in particular organising teaching staff, facilities and students.

To assist the Trustees in their work, the Trust has established the two following sub-committees:

- Audit and Risk Committee
- Finance Committee
- Remuneration Committee

During the year, the Trust consisted of the following academies:

Academy	Date Joined	Type
Dixons City Academy	September 2012	Secondary
Dixons Trinity Academy	September 2012	Secondary
Dixons Music Primary	September 2012	Primary
Dixons Allerton Academy	September 2012	All-through Academy
Dixons Marchbank Primary	January 2014	Primary
Dixons McMillan Academy	September 2014	Secondary
Dixons Manningham Primary	January 2015	Primary
Dixons Kings Academy	January 2015	Secondary
Dixons Trinity Chapeltown Academy	September 2017	All-through Academy
Dixons Cottingley Academy	July 2018	Secondary
Dixons Unity Academy	October 2018	Secondary
Dixons Sixth Form	September 2019	Post-16



Dixons Academies Trust Ltd

Trustees' Report for the Year Ended 31 August 2020

g. Pay policy for key management personnel

Principals and other educational senior leaders are paid by reference to national leadership pay scales. Salary ranges are consistent across the Trust and are dependent on seniority of position and size of school. The CEO is on a salary agreed by the Remuneration Committee after benchmarking against similar sized Trusts. The Remuneration Committee meets annually to review all key personnel salaries.

Trade union facility time

Dixons Academies Trust Ltd published its trade union facility time below for the period ending 31 August 2020:

Relevant union officials	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2
Percentage of time spent on facility time	
Percentage of time	Number of employees
0%	1
1% - 50%	1
51% - 99%	0
100%	0
Percentage of pay bill spent on facility time	
Provide the total cost of facility time	£8,716
Provide the total pay bill	£42,399,732.85
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x 100	0.02%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	100%

Related parties and other connected charities and organisations

The Trust has connections with the following organisations:

- The Interim Chair of the Trust Board, J Bowers MBE, is an educational consultant for Ambition Institute.
- The Chair of the Finance Committee, B Fitzpatrick MBE, is a Member of Exceed Academies Trust (which is exempt charity) and a member of National Governor Association.
- The Chair of Governors for Dixons Marchbank/Dixons Manningham Primary and a member of the audit committee, R Bhatti OBE, is a Non-Executive Director of Carlisle Business Centre.
- Dixons CEO, Sir N Weller, was a member of Bradford Partnership Ltd (resigned 30 November 2019) and is a Trustee of New Schools Network.
- Dixons Executive Director, L Sparkes, is a Trustee of the Confederation of School Trusts (CST).
- Any transactions with the above connected organisations comply with the requirements set out in the Academies Financial Handbook.



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Trustees' Report for the Year Ended 31 August 2020

Engagement with employees (including disabled persons)

The Trust continuously seeks to encourage the involvement of its employees in its management through regular staff meetings in order to challenge educational and social disadvantage. Employees are consulted on issues of concern to them through consultative meetings and are kept informed of specific policies directly by management.

The Trust will employ disabled persons when they appear to be suitable for the role and every effort is made to ensure they are given full and fair consideration. There are policies in place (Equality and Diversity policy, Health and Safety policy etc.) so that employees, who have been injured or disabled during the course of their employment can, where possible, continue with their employment.

During the employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Section 172 Statement

As the Trust Board at Dixons Academies Trust Ltd, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which, as a Trust board, we carry out this responsibility.

Promoting the Trust's success

The Trust is strongly committed to serving areas in the North to transform the life chances of children and their communities through the highest quality teaching. Dixons academies serve areas with high levels of students eligible for Free School Meals and with Special Educational Needs and is continually looking to expand to reach as many children as possible to improve their quality of life. Strategic decisions are based on the long-term objective of growth for the Trust, maximizing the number of children whose life chances can be improved.

Our students and parents

As a Trust, we put our students at the heart of everything we do. That is part of the Trust's culture: the parents of the students in our academies are continuously informed of the progress of their children and the safeguarding measures in place to ensure the safety of their children. We communicate with parents through letters, telephone or emails to ensure that they are constantly aware of the activities of the Trust. We organise parent-teacher meetings and listen to parents' concerns to improve the service we provide.

Our employees

The Trustees recognise that employees are fundamental and key to delivering the strategic plan of the Trust. The success of the Trust depends on attracting, retaining and motivating employees. We help to engage with our employees by setting remuneration at the national level, and rewarding performance with bonuses at a senior level, and providing a rigorous professional development review process and relevant training. The Trust has introduced an Employee Assistance Programme (EAP) for all our staff. The EAP is a confidential counselling and information service, which is available 24/7, to assist staff with personal or work related problems that may affect their health, wellbeing and performance.

Our suppliers

As a Trust, we aim to maintain the highest possible standards of integrity in business relationships with suppliers. We rely on our suppliers to deliver learning materials and catering and food supplies to our individual academies on a timely manner, which are key to the service we provide.

We communicate with our suppliers through emails, specifically designed supplier forms and letters to update on any changes on terms and conditions. Our suppliers all have a direct channel of contacting the Trust for any changes on their supplier accounts, which are actioned promptly to avoid any delay in payment. During the Coronavirus pandemic, the Trust has considered carefully the procurement policy notes (PPN02/20 and PPN 04/20) and has made prompt payments to suppliers for the continuity of supply of critical services to avoid any cash flow problems with our suppliers. During the financial year, the Trust remained committed to prompt payment terms to ensure fair payment practices.

Our regulatory funding partners

The Trust Board believes that constant engagement with the ESFA, Local Authorities and other government agencies is vital to our success. We continue to engage with our donors and sponsors through reports, online meetings and publications on our website. During the year, we have complied with all the financial and non-financial requirements of our donors and sponsors and submitted timely reports and returns. Our CEO and Executive Directors have ensured that our Trust adheres to all regulatory and legal requirements in delivering educational service and activities.



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Trustees' Report for the Year Ended 31 August 2020

Our planet

The Trust Board is committed to reducing our carbon footprint. We are installing LED lights on a rolling basis across our academies and working with an energy consultant to improve the energy efficiency of our buildings where possible. This includes improving the insulation of our buildings and updating heating equipment to more energy efficient plant. We dispose of waste responsibly and recycle materials where possible.

Public benefit

The Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to public benefit in determining the activities undertaken by the Trust and have complied with the guidance issued by the Charity Commission relating to public benefit. The Trust is keen to emphasise the public benefit provided by the Trust, which can be seen by the activities, and performance outlined within the Trustees' report.

Strategic Report prepared by the Chief Executive Officer

About our Trust

The Trust Board and leadership team are strongly committed to serving areas in the North with a history of poor education to transform the life chances of children and their communities. Our academies serve areas with high levels of students eligible for Free School Meals and with Special Educational Needs.

The Trust was built around the high-performing Dixons City Academy, which was one of the first City Technology Colleges, which were the early blueprint for the academy programme. Our Trust has also developed brand new schools through the free school programme and turned around failing schools in special measures.

Over the past five years, our Trust has doubled in size, growing to serve around 9,000 students, supported by around 1000 staff, and with a budget of almost £60m. We cater for children aged 3-19 in twelve schools in the inner-city communities of Bradford and Leeds. There are six secondary academies, three primaries, two all-through academies and a sixth form academy. Five of our academies are judged Outstanding; three are now judged Good having been sponsored from Special Measures; and a further four academies are awaiting their first inspection once Ofsted's programme re-starts in 2021.

Over the next five years, our Trust again plans to double in size, adding hubs along the M62 in Liverpool and Manchester. It is likely that the majority of the additional schools will be secondaries. Two schools in Liverpool have already been identified to join our Trust in the next academic year and we have bid for a free school in Manchester and are building links to another school in that city.

Why do we exist?

Our Trust's mission is to challenge educational and social disadvantage in the North. All of our academies serve areas of deprivation and communities with higher levels of Free School Meals than the national average. By the age of 18, we want every student to have the choice of university or a high quality apprenticeship.

How do we behave?

We are a values-driven organisation, and our academies are communities with a strong sense of moral purpose. We expect staff and students to work hard: to be determined to get things done. We expect everyone to be good: to behave with integrity and honesty at all times. In addition, we expect all of our people to be nice: to show humility, to be fair, and to be a positive team player.

What do we do?

We establish high-performing non-faith academies, which maximise attainment, value diversity, develop character and build cultural capital. We are ambitious and make no excuses based on our students' backgrounds. All students are expected to make outstanding progress that will enable them to succeed in further or higher education and in the world of work. We spend more on teaching than other Trusts and cut costs elsewhere. The extended school week offers students more time in the classroom, as well as more opportunities to broaden their horizons and engage in a wider range of co-curricular experiences. We see diversity as a strength, and want all students to value and to learn from the diversity around them.

How will we succeed?

The first of our strategic anchors is academic rigour because we believe that children need powerful knowledge to understand and interpret the world: without it, they remain dependent upon those who have it. Powerful knowledge is cognitively superior to that needed for daily life, transcending and liberating students from their daily experience. Our curriculum is designed to be remembered, and is led by, collaborated on, and delivered by high-quality subject specialists. It is owned by students from all faiths and backgrounds and is the entitlement of all: we resist parental opt-outs.



Dixons Academies Trust Ltd

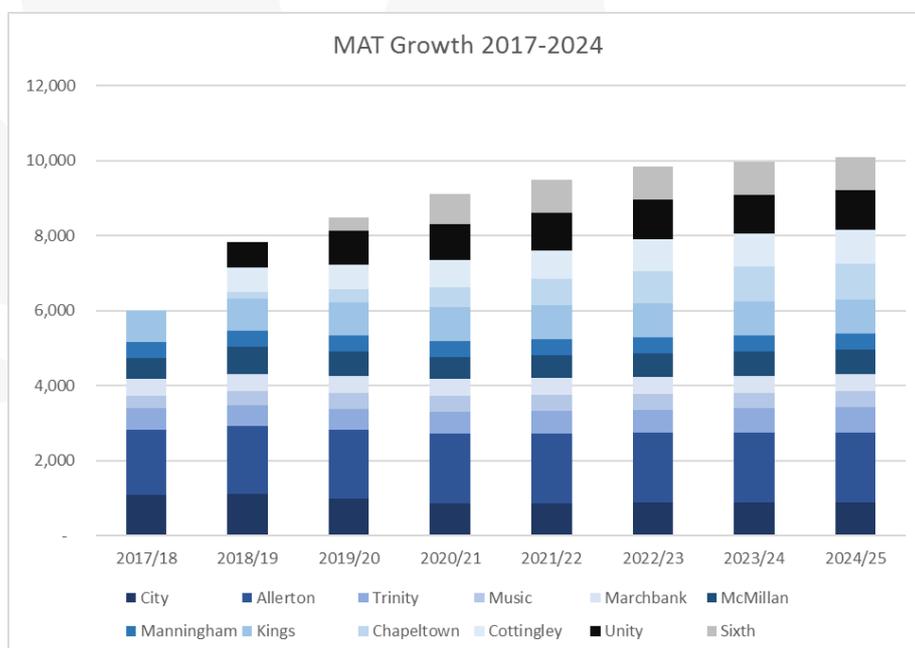
Trustees' Report for the Year Ended 31 August 2020

Our operational model is one of aligned autonomy across our academies. We are aligned because we all share the same mission and values; because we want all our Trust's students and staff to benefit from our best collective practice; because we all benefit from the collective Trust's resources, brand and reputation; because central services become simpler to deliver and more efficient; and because growth can be better controlled, supported and managed. We value autonomy because leadership and personal accountability are founded on ownership and self-direction; because conformity kills innovation and drives away the best staff, and because standardisation fails to respond to changing needs and fails to adapt to a changing environment. Therefore, we seek to find the optimal balance between consistency across our academies and self-determination by their leaders.

Talent is the third of our strategic anchors and also one strand of our strategic plan. There is a pressing business-need to ensure that our people-brand is as attractive as our educational brand. Our sector particularly has an issue of recruitment and retention and, although we fair better than many other Trusts, despite our location, it is vital that we recognise that we must recruit, retain and motivate talent in order to continue to challenge educational and social disadvantage.

Educational performance

It has been another very successful year for the Dixons Academies Trust despite the challenges of COVID-19, and all of our internal quality assurance demonstrates that we have maintained the very high standards we have set in previous years, now during a period of significant growth. With around 9,000 students this year, our Trust has grown in size by over 50% over the three years and will continue to grow as our new start-up schools and our undersubscribed new sponsored academies fill to their full capacity.



Dixons Sixth Form Academy has launched very successfully, and is now heavily oversubscribed. Both Dixons Unity and Dixons Cottingley performed ahead of expectation and budget in terms of student numbers, illustrating the strength of parental and local support for these new ventures, even in communities such as those in Leeds where we are new to them. Together with Dixons Trinity Chapeltown, all four new academies are headed up by exceptional school leaders: our focus on growing and attracting high-quality academy leadership has been, and will continue to be, the very foundation of our success, in turn attracting and retaining high-quality teachers and support staff.

As indicated above, expansion along the M62 to Liverpool and Manchester will continue to drive our growth over the next 3-5 years. Growth, and growth at a greater distance than hitherto, will bring both greater complexity and the potential for economies of scale. In response, we continue to build the efficiency and efficacy of our central services to free up school leaders to do what they do best: to lead learning in their academies and to drive up outcomes for their students.

Our priorities now are to build a more robust and resilient IT network across more sites and wider geographical locations; to refocus the whole Trust on developing our most valuable resource which is our talent; and to expand the role of the Dixons Teaching Institute, not only providing Initial Teacher Training, but also delivering teaching and leadership development, codifying our culture, and also, as a Research School, supporting school improvement within and beyond the Bradford Opportunity Area.

In terms of nationally accredited educational performance, there was of course no Phonics Test in 2020, nor were there any KS1 or KS2 SATs this summer. At GCSE, all our academies reported better results than last year, in line with the national pattern. This is to be expected, as all a teacher can do is report the grade a student is currently working at: no one can predict which students would have underperformed on the day of their examination in a subject.



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KS4 Overall	DAA	DCA	DCO	DKA	DMA	DTA	DUA
P8 [2020]	0.78	1.02	0.37	1.21	1.01	1.36	0.18
2019	0.38	0.59	-0.50	1.07	0.68	1.21	-0.49
A8 2020	47.6	56.6	43.0	56.0	52.7	61.3	39.6
2019	44.4	53.1	32.2	56.0	56.1	59.4	33.9
5+ Basics 2020	42%	64%	32%	68%	56%	77%	32%
2019	33%	56%	14%	66%	52%	66%	20%

The Progress 8 scores are based on last year's formula and would not be as high had they been recalculated nationally; nevertheless, they do offer a like-for-like comparison with 2019. Key to our mission, disadvantaged students also did well.

KS4 Disadv	DAA	DCA	DCO	DKA	DMA	DTA	DUA
P8 [2020]	0.46	0.77	0.22	1.13	0.7	1.17	-0.14
2019	0.12	0.07	-0.76	0.91	0.81	1.21	-0.73
A8	42.3	53.4	41.9	53.3	46.9	52.0	35.5
2019	40.1	46.8	28.5	52.0	50.7	55.9	29.1
Basics 5+	42%	64%	32%	64%	56%	62%	23%
2019	25%	45%	12%	53%	54%	60%	4%

The awarding of the Centre Assessed Grades (CAGs) was undoubtedly the right decision; even though it took some time and some political pressure to get there. The awarding of the CAGs was especially pleasing for Dixons Unity and Dixons Cottingley students who otherwise would have seen their much better performance this year go unrecognised had their results been limited to those awarded by an algorithm based on the predecessor schools' much weaker results.

Ofqual's insistence on awarding grades generated by the algorithm where they were higher than the CAGs was, however, an error, which generated some quite extraordinary anomalies. This will do students no favours where they are allowed access courses which they are no way near qualified for in reality. We have made additional provision in our Sixth Form Academy for those students who may need to switch to more appropriate courses later in the year.

Post 16	DAA	DCA	DMA
Academic Points (Grade) 2020	41.57 (B)	35.77 (B-)	33.3 (C+)
2019	32.44 (C+)	30.69 (C)	27.29 (C-)
Academic - VA 2020	0.34	-0.16	-0.29
2019	0.21	-0.05	-0.7
Applied General Points (Grade) 2020	33.53 (Dis)	33.02 (Dist-)	-
2019	33.62 (Distn)	30.94 (Distn-)	-
Applied General - VA 2020	0.02	0.06	-
2019	0.48	0.18	-
Tech Level Points (Grade) 2020	28.54 (M+)	-	-
2019	29.49	-	-



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Trustees' Report for the Year Ended 31 August 2020

Much the same comments could be made about Post 16 results, although the CAGs were not always awarded in vocational courses, and overall, the grades awarded are in some cases disappointing.

Overall, neither the Year 11 nor Year 13 cohorts were disadvantaged in terms of grading this year. However, the delay in awarding CAGs at A Level meant that some students found that their university places had been offered to others by the time the CAGs were released. It is important that this summer's examinations are held, or that any alternative system is designed and established early, and then stuck to.

2019/20 was again a very successful year for the Dixons Academies Trust. School improvement is strong across our Trust, and we continue to benefit from our work on curriculum change and early anticipation of changes to national frameworks and standards, especially at secondary level. As a Trust, we shall continue to do all we can to serve areas of significant social and educational disadvantage effectively, transforming life chances and improving social mobility.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust 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 Statement of Accounting Policies (Note 1.5).

Financial review

The responsibility for the monitoring and support of open academies lies with the Education and Skills Funding Agency (ESFA), which handles the funding for all 4-19 education.

Most of the Trust's income is obtained from the ESFA and the Local Education Authority in the form of recurrent grants, the use of which is restricted as defined by its Memorandum and Articles of Association. The grants received from the ESFA and Education Authority during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the Department for Education. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants 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 expected useful life of the assets concerned.

Incoming resources (excluding Restricted Fixed Asset Funding) amounted to £53.4 million and were sufficient to cover all outgoings to produce an operating in year surplus of £0.200 million (before FRS102 pension costs).

The restricted general fund as reported in note 19 excluding pension liability is £3.628 million and the unrestricted fund balance is £187K as at 31 August 2020 giving an actual reserve balance of £3.815 million.

During the year, one new building constructed and funded directly by the DfE was transferred to Dixons Trinity Chapeltown and opened to the students from the 1 September 2020. The value of the land and building and FFE was recognised in the accounts at the total cost of £21.843 million. An existing leasehold land and building was also transferred to Dixons Sixth Form Academy from the Local Authority at a value of £18.155 million and recognised in the accounts.

The net book value of tangible and intangible fixed assets at 31 August 2020 was £112.7 million (2019 £73.7 million). Movements in tangible fixed assets are shown in note 14 to the accounts. The increase was due to the transfer of the two buildings and the normal additions during the year. The restricted fixed asset fund is then reduced by annual depreciation charges over the expected useful life of the assets concerned. The assets were used exclusively for providing education and associated support services to academy students.

The deficit in LGPS pension funds is recognised on the balance sheet in accordance with the provisions of FRS102. The total deficit in the scheme as at 31 August 2020 was £22.114m (2019: £13.531m). Movements in the pension fund are reported in note 30 of the Financial Statements. The pension liability is underwritten by the Government if settlement was ever required.

The balance sheet discloses cash and bank balances of £6.668 million (2019 £6.106 million).

Reserves and Investment policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of reserves, excluding restricted fixed asset funding, should be equivalent to at least 5% of total turnover. 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. The Trustees have taken the decision to centralise all reserves in respect of the Trust.

The Trust's level of free reserves (total funds less the amount held in fixed assets and general restricted funds), as at 31 August 2020, were £0.187 million (2019 £0.100 million).



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The Trustee's investment powers are governed by the Memorandum and Articles of Association and allow the charity's funds to be invested in a wide range of investment vehicles without restriction. The Trustees have approved the investment of surplus cash into Flagstone, a bank deposit platform across a number of banks and for varying terms non greater than twelve months. This will be managed through closely monitored cashflow forecasting and working capital analysis.

Details of the funds held by the Trust are set out in notes 19 and 20 of the attached financial statements.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular to those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have adopted policies and procedures to mitigate these risks for the Executive team to implement and report to the Audit and Risk committee for any non-compliance. The key risks fall into four categories:

People

The Trust's success is very much dependent on recruiting, developing and retaining the very best people in every position in its academies and central services. One of the specific risks is the failure to recruit the agreed school staffing structure in numbers or capacity, especially in core subjects, Directors and/or Members to the agreed board structure, and the IT team and infrastructure. These risks could have a significant impact on teaching quality, governance and risk of failure to comply with EFA and DfE required standards. The Trust has implemented a people strategy to address the identified risks with a varied programme of first class regular training and wide range of opportunities for greater career development. In addition, the Trust also conducts an independent review of IT infrastructure and ensures that the right calibre of IT staff is recruited. The Head of IT was recruited in September 2018 to oversee the whole IT strategy and implementation to ensure that high quality learning and teaching support is achieved.

Safeguarding

The safety of students and staff is of paramount importance to the Trust. The risks of failure to protect and or safeguard the students and staff could have a detrimental impact on the reputation of the Trust. Therefore, the Trust places the highest importance on the safety and wellbeing of students and staff within its academies and central team. The Trust has in place robust safeguarding and child protection policies and procedures to support academies in ensuring that students are safe and feel supported, and everyone working in the Trust is trained and know when and how to raise any concerns that they may have about safeguarding. Implementation and effectiveness of these policies, which conform to DfE guidance, are monitored regularly. The Trust has in each of its academies a Designated Safeguarding Lead (DSL) who ensures consistent best practice in safeguarding and child protection.

Finance and operations

The education sector faces uncertainty over the level of future funding. Changes in the basis of funding for academies reduces funding or creates financial challenges. Consequently, squeeze in academy budgets results in staffing cuts and other compromises to educational quality thus leading to loss of quality education. The Trust has relatively high cash reserves that could be drawn upon to mitigate the risk in the short term. In the long term, the Trust has in place strong financial planning and a budget maximisation strategy to ensure that educational needs are met. There is also a risk of fall in roll in some of the Trust's catchment areas due to fall in birth rate and other surrounding schools. This could lead to insufficient funding and hamper school improvement. The Trust has improved local reputation and student recruitment in line with other local schools that could attract students.

Education

There is a risk of exam results falling below expectation within an academy or more generally a failure to secure good or outstanding from Ofsted. This could cause the loss of stakeholder confidence in the quality of education provided. The Trust has in place experienced and qualified SLT, middle management and support staff driving high standards in all its academies and continuous improvement and new systems being embedded in its programme.

Coronavirus (COVID-19) impact

The outbreak of the COVID-19 virus has had a significant impact on both staff and students. From March until the end of the year, the majority of students missed out on face-to-face contact with members of staff. Students and families have had to navigate remote learning. Families with limited IT facilities and more than one child have found remote learning particularly challenging. Designated Safeguarding Leads have experienced particular pressures during the pandemic in supporting students who are not actually in the building. Most academies have seen an increase in students with a low mood and reports of domestic abuse at home. This has led to academies having to support students and families in new ways and the Trust providing strong direction to academies on the importance of reconnecting with students at the start of 2020/21.

Staff have also had a challenging period often managing the home learning of their own children at home whilst providing learning tasks for the students. The end of the academic year was largely taken up with the planning for the full opening of schools in September. Academy and Trust leaders worked hard to produce various guidance and training for staff to follow to ensure they are working safely in the workplace in line with national recommendations. We planned to open academies in September following the systems of control put in place by the Department for Education and informed by Public Health England, notably: organising students



Dixons Academies Trust Ltd

Trustees' Report for the Year Ended 31 August 2020

into 'bubbles', wearing face coverings in communal spaces for adults and secondary students, washing hands more frequently, demonstrating good respiratory hygiene and enhanced cleaning of all sites.

The outbreak of the virus led to the Trust producing a specific COVID-19 risk register which identifies the principal risks and mitigation. In addition to the COVID-19 risk register, a risk assessment was established for all schools. The creation of the site risk assessment involved Trust Executive leaders and Head of Estates along with consultation with staff and unions.

Trustees approved the risk assessment and embraced the wider opening of schools in the summer term and the full opening of schools in September 2020. Student safety and staff well-being have been firmly identified as a risk and this will continue into 2020/21. However, systems have been put in place to mitigate those risks.

Fundraising

The Trust does not engage in raising funds directly from the general public and does not use a professional fundraiser or consider fundraising activity to be significant. The Trust will continue to monitor its sources of income and, should it start to generate significant funds from fundraising activities, will inform the fundraising regulator and take all necessary measures to ensure it complies with guidance issued.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/20
Energy consumption used to calculate emissions (kWh)	4,651,734
Energy consumption break down (kWh) (optional)	
• Gas	954,341
• Electricity	3,648,015
• Transport fuel	49,378
<u>Scope 1 emissions in metric tonnes CO₂e</u>	
Gas consumption	175.48
Owned transport – mini-buses	7.26
<u>Total scope 1</u>	182.74
<u>Scope 2 emissions in metric tonnes CO₂</u>	
Purchased electricity	850.50
<u>Scope 3 emissions in metric tonnes CO₂e</u>	
Business travel in employee owned vehicles	5.03
Total gross emissions in metric tonnes CO ₂ e	1,038.27
Intensity ratio Tonnes CO ₂ e per student	0.12

Qualification and reporting methodology

- We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per student, the recommended ratio for the sector.

Measurement taken to improve energy efficiency

We have installed energy efficient lights and smart metering and monitoring systems across many of our sites and increased video conferencing technology through Teams for staff and LGB meetings in order to reduce the need for travel between sites. We have put plans in place to invest in energy efficient technology to reduce carbon emissions.



Dixons Academies Trust Ltd

Trustees' Report for the Year Ended 31 August 2020

Plans for the future

As a sponsor of academies, the Trust has ambitions to support even more young people by bringing other schools into the Trust's family of schools and by establishing new academies.

The Trust aims to achieve the highest educational outcomes for all its students as well as providing professional development opportunities for its staff so that all academies can continue to grow and become self-supporting.

The Trust will continue to build upon the educational success and financial stability of its academies by:

- ensuring all schools are assessed as outstanding by taking action on those issues raised by Ofsted during their various inspections
- improving teaching and, therefore, learning and achievement through targeted internal and external training
- continuing to review and evaluate the effectiveness of governance throughout the Trust and implement a programme of support for improvement as appropriate
- further developing its central procurement strategies by utilising specific external advice and support
- further refining its Scheme of Delegation so as to reduce exposure to risk and to achieve best value
- expansion of its Teaching Institute programme
- continue the planned investment in IT over the next four years to ensure that high quality learning and teaching support is achieved
- Ongoing negotiations to take over two new schools in Liverpool

Funds held as custodian on behalf of others and agency arrangements

The Trust receives 16-19 bursary payments from the Education Funding Agency. The Trust does not recognise this income as its own income and pays out all monies received for its primary purpose to the relevant parties. Other than this agency arrangement, the Trust does not act as a custodian trustee on behalf of others.

Pension reserve

The presence of a pension surplus or deficit does not constitute an immediate realisable asset or liability and does not mean the equivalent amount is already committed or no longer available.

The presence of a pension surplus or deficit will generally result in a cash flow effect for the Trust in the form of a decrease or increase in the employer's pension contributions over a period of years. The Trust is confident that it can meet the required pension contributions from projected future income without a significant impact on its planned level of activity.

The risk surrounding the Trust's pension liability has been taken into consideration when preparing the annual budgets and, therefore, the Trust's reserves requirement will continue to be calculated without setting aside a designated reserve to cover the pension liability.

Disclosure of information to auditors

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

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

This report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2020, signed on its behalf by:



J Bowers MBE
Interim Chair of Trust Board



Dixons Academies Trust Ltd

Governance Statement for the Year Ended 31 August 2020

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Dixons Academies Trust Ltd 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Trust Board has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Dixons Academies Trust Ltd and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Governors' Responsibilities. The Trust Board has formally met six times during the year.

The Finance and Audit Committees, which meets at least three times per year, are sub-committees of the main Trust Board. Its purpose is to assist the Trust Board in fulfilling its oversight responsibilities with regard to the financial management of the Trust. It does this through the review of financial projections, management accounts and balance sheet reconciliations and to make recommendations to the Trust Board. In addition, it reviews the financial statements and accounting policies, receives and reviews the internal and external auditors report and ensures that recommendations are actioned and risk managed.

Attendance during the year at meetings of the Trust Board, Finance Committee and Audit Committee was as follows:

Name	Trust Board	Audit Committee	Finance Committee
Lynn Barrett	6/6	-	-
Ruby Bhatti OBE	4/6	3/3	-
John Bowers MBE	6/6	-	-
David Clayton	5/6	-	-
Bryan Collins	6/6	-	-
Brent Fitzpatrick MBE (Chair, Finance Committee)	4/6	-	3/3
Nancy O'Neil	-	3/3	-
Jo Lynch	-	2/2	-
Susan Richardson	6/6	-	-
Sarah Young	5/5	-	1/1
James Wilkinson	-	-	3/3
John Holroyd	-	-	3/3

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Trust Board where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year through improved procurement initiatives and centralisation of support functions, where appropriate.

Financial governance and oversight

The Trust benefits from the provision of an independent internal audit service provided by RSM. RSM reports directly to the Audit Committee on all systems and procedures together with other areas identified in the 3-year Internal Audit Programme e.g. Governance, Health and Safety, Safeguarding, Risk Management etc.



Dixons Academies Trust Ltd

Governance Statement for the Year Ended 31 August 2020

The Trust receives support throughout the year from its External Auditors on compliance and accounting practices.

The Finance Committee receives monthly management accounts and balance sheet reports, including cashflow statements and working capital analysis, together with a detailed analysis of all significant variances. Compliance with the Scheme of Delegation is also monitored by the Finance and Audit Committees, which reviews the Scheme annually.

The Trust Board approves the budget each year bearing in mind the requirement to achieve a balanced budget and to ensure that the Trust remains a “going concern”. The Trust Board also receives and approves the Trustees’ annual report and accounts together with external auditor’s management Letter.

Better purchasing – ensuring value for money

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. The Trust takes advantage of consortia, when appropriate, to obtain economies of scale. During COVID-19, the Trust followed the guidance given in PPN 02/20 and paid suppliers who were unable to continue supplying the Trust as normal and paid them as normal for the three months to 30 June 2020. This included catering suppliers, agency staff and companies supplying exam enrolment for students.

Reviewing controls and managing risk

Monthly budget monitoring reports are prepared for review by the Trust’s Head of Finance and academy Principals; appropriate action is taken to address any variances that may have an impact on the budget out-turn. The Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Investment institutions are selected carefully to provide the most acceptable balance of return and risk.

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; therefore, it can 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 Trust policies, aims and objectives. Also, to evaluate the likelihood of those risks being realised, the impact should they be realised and to manage them efficiently, effectively and economically. The Trust’s system of internal control has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trust Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for risks management that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Audit Committee and the Trust Board.

The risk and control framework

The Trust’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 Trust Board
- regular reviews by the Finance Committee of reports which indicate financial performance against the budget/forecasts and of major purchase plans, capital works and expenditure programmes in line with the Scheme of Delegation
- 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 Trust Board has considered the need for a specific Internal Audit function and has appointed BDO from 1 September 2020 after going through a successful tender process to carry out internal scrutiny and the nature of work that they have been engaged to perform. The current internal auditors are RSM and their term expired on the 31 August 2020. The Internal Audit function reports directly to the Audit Committee.

The internal auditor’s role includes giving advice on financial and other matters and performing a range of checks on the Trust’s financial and other systems. In particular, the checks carried out in the current period included:

- testing of payroll systems (new iTrent system) checking staff were paid correct monies due to them in a timely manner



Dixons Academies Trust Ltd

Governance Statement for the Year Ended 31 August 2020

- testing purchasing systems including ordering, receipts and payments
- testing of internal controls

Review of effectiveness

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

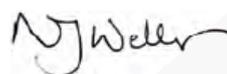
- the work of the Internal Auditor
- the work of the External Auditor
- the financial management and governance self-assessment process
- the work of the Executive Directors within the Trust who have responsibility for the development and maintenance of the internal control framework

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 Audit Committee's and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 3 December 2020 and signed on its behalf by:



J Bowers MBE
Interim Chair of Trust Board



Sir N Weller
Chief Executive Officer
Accounting Officer



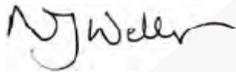
Dixons Academies Trust Ltd

Statement on Regularity, Propriety and Compliance for the Year Ended 31 August 2020

As Accounting Officer of Dixons Academies Trust Ltd, I have considered my responsibility to notify the Trust Board and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I, and the Trust Board, are able to identify any material irregular, or improper use of funds by the Trust or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

I can confirm that no instances of material irregularity, impropriety, or funding non-compliance 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.



Sir N Weller
Chief Executive Officer
Accounting Officer

Date: 3 December 2020



The Trustees (who act as Governors for charitable activities of Dixons Academies Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 3 December 2020 and signed on its behalf by:



J Bowers MBE
Interim Chair of Trust Board



Opinion

We have audited the financial statements of Dixons Academies Trust Ltd (the 'Trust') for the year ended to 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020, 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
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements



Dixons Academies Trust Ltd

Independent Auditor's Report on the Financial Statements to the Members of Dixons Academies Trust Ltd

Matters on which we are required to report by exception

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 auditor's report.

Use of our report

This report is made solely to the Trust'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 Trust's members those matters we are required to state to them in an auditor's 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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.


Mike Jackson (Date: 6/12/2020 12:01 GMT)

Michael Jackson (Senior Statutory Auditor)
For and on behalf of BHP LLP, Statutory Auditor
BHP LLP
1st Floor
Mayesbrook House
Leeds
LS16 6QY

Date: 6/12/2020



Dixons Academies Trust Ltd

Independent Reporting Accountant's Assurance report on Regularity to Dixons Academies Trust Ltd and the Education & Skills Funding Agency for the Year Ended 31 August 2020

In accordance with the terms of our engagement letter dated 20 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dixons Academies Trust Ltd during the period 1 September 2019 to 31 August 2020 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 Dixons Academies Trust Ltd and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dixons Academies Trust Ltd 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 Dixons Academies Trust Ltd and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Dixons Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Trust's funding agreement with the Secretary of State for Education dated 1 December 2016 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 1 September 2019 to 31 August 2020 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 2019 to 2020 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 Trust's income and expenditure.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- A bottle of wine costing £10 was purchased as a gift for a school governor.


Mike Jackson (Date: 6/12/2020 12:01 GMT)

Michael Jackson
Reporting Accountant
BHP LLP
1st Floor
Mayesbrook House
Leeds
LS16 6QY

Date: 6/12/2020



Dixons Academies Trust Ltd

Statement of Financial Activities for the Year Ended 31 August 2020

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	3	6		2,104	2,110	507
Transfer in of buildings/FFE	3,14			39,998	39,998	-
Charitable activities:						
- Funding for the Trust's						
- educational operations	4	48	51,954		52,002	47,105
Teaching School	33	39	239		278	242
Other trading activities	5	1,140			1,140	1,622
Investments	6	18			18	12
Total		1,251	52,193	42,102	95,546	49,488
Expenditure on:						
Raising funds						
Charitable activities: Trust educational operations						
Teaching School	7	1,164	54,354	3,528	59,046	52,095
Other	33	-	261	-	261	244
Total		1,164	54,615	3,528	59,307	52,339
Net income/(expenditure)		87	(2,422)	38,574	36,239	(2,851)
Transfers between funds	19	-	-	-	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	19,30	-	(6,047)		(6,047)	(6,900)
Net movement in funds		87	(8,469)	38,574	30,192	(9,751)
Reconciliation of funds						
Total funds brought forward		100	(10,017)	74,318	64,401	74,152
Total funds carried forward		187	(18,486)	112,892	94,593	64,401

All of the Trusts' activities derive from continuing operations during the above two financial periods.



Dixons Academies Trust Ltd
Balance Sheet as at 31 August 2020 – Company Number 02303464

		2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Intangible assets	13		78		166
Tangible assets	14		112,640		73,563
Current assets					
Stock	15	70		85	
Debtors	16	2,459		1,702	
Cash at bank and in hand		6,668		6,106	
		<u>9,197</u>		<u>7,893</u>	
Liabilities					
Creditors: amounts falling due within one year	17	<u>(5,208)</u>		<u>(3,690)</u>	
Net current assets			<u>3,989</u>		<u>4,203</u>
Total assets less current liabilities			<u>116,707</u>		<u>77,932</u>
Net assets excluding pension liability			<u>116,707</u>		<u>77,932</u>
Defined benefit pension scheme liability	19,30		<u>(22,114)</u>		<u>(13,531)</u>
Total net assets			<u>94,593</u>		<u>64,401</u>
Funds of the Trust:					
Restricted funds					
. Fixed asset fund	19	112,892		74,318	
. Restricted income fund	19	3,628		3,514	
. Pension reserve	19,30	<u>(22,114)</u>		<u>(13,531)</u>	
Total restricted funds			<u>94,406</u>		<u>64,301</u>
Unrestricted income funds	19		<u>187</u>		<u>100</u>
Total funds			<u>94,593</u>		<u>64,401</u>

The financial statements on pages 23 to 46 were approved by the Trustees and authorised for issue on 3 December 2020 and are signed on their behalf by:

J. Bowers

J Bowers MBE
Interim Chair of Trust Board



Dixons Academies Trust Ltd
Cash Flow Statement for the Year Ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	959	1,488
Net Cash flows from investing activities	24	(397)	474
Change in cash and cash equivalents in the reporting period		562	1,962
Cash and cash equivalents at 1 September 2019		6,106	4,144
Cash and cash equivalents at 31 August 2020	25	6,668	6,106



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

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

Dixons Academies Trust Ltd is a private limited company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 3 of these financial statements. The nature of the Trust's operations and principal activities are set out in the Trustees' Report on page 5.

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £1,000.

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.

1.2 Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency/Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and other funders, where the asset acquired or created is held for a specific purpose on a continuing basis.

1.3 Incoming resources

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

The general annual grant ('the GAG') is recognised in full in the Statement of Financial Activities in the year for which it is receivable, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet on 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.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Sponsorship income provided to the Trust, which amounts to a donation, is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable in incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate category and depreciated over the useful economic life in accordance with Trust policies.



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

During the year ended 31 August 2020, two buildings were transferred to the Trust for Dixons Trinity Chapeltown Academy and Dixons Sixth Form at nil consideration. The two properties are recognised in the accounts at a cost to the donor rather than fair value. One of the buildings is newly constructed and the other has been refurbished. The total costs that are directly attributable to bringing the assets into working condition for their intended use was recognised in the accounts and depreciated over their expected useful life.

1.4 Resources expended

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 benefit 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 shared 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 assets' use.

Charitable activities and Governance costs are incurred on the Trusts' educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

1.5 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust to continue as a going concern, thus they continue to adopt a going concern basis in preparing the financial statements.

1.6 Intangible fixed assets and amortisation

Intangible assets costing more than £500 are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Intangible assets are amortised at 25% straight line.

1.7 Tangible fixed assets

All assets costing more than £500 and with a useful life of more than three years are capitalised.

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 realisable. Shortfalls between the carrying value of a fixed asset and their realisable value are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Software purchased independently of computers is included in Intangible fixed assets in accordance with FRS 102.

Tangible fixed assets are carried at cost net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Freehold land	Nil
Freehold buildings	1.67% – 10% straight line
Leasehold Property	2% – 10% straight Line
Plant and machinery	10% – 20% straight line
Furniture and equipment	10% – 20% straight line
Computer equipment	25% – 33% straight line
Motor Vehicles	25% straight Line



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust, this is normally upon notification of the interest paid or payable by the bank.

1.9 Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for obsolete or slow moving stock. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discount.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and highly liquid investments with a short maturity of 12 months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

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 the Trust anticipates it will pay to settle the debt or the amount it has received as advance payments for the goods or services it must provide.

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which is likely to result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts discounted at the pre-tax discount rate that reflects the risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term. There were no benefits received as an incentive to sign an operating lease contract.

The Trust has two academies where the buildings are subject to a contract under the Private Finance Initiative (PFI). This transaction is accounted for as a leasing transaction as the Trust only enjoys the benefit of the premises subject to the restrictions under the PFI agreement. The Trust does not hold substantially all the risks and rewards of ownership of the premises and the property is, therefore, accounted for as an operating lease. Consequently, the premises are not recognised as assets in the financial statements of the Trust.

The annual charges under the PFI agreement are subject to a fixed formula but will vary over time, therefore, the annual charges are expensed to the income and expenditure account in the year they relate to as this treatment is considered more appropriate than recognition on a straight-line basis.

1.14 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Investments

Investments are carried at cost. The Trustees' investment powers are governed by the Memorandum and Articles of Association and allow the Trust to invest in a wide range of investment vehicles without restriction.

1.16 Taxation

The Trust 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 Trust is potentially exempt from taxation, in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

1.17 Pensions

Retirement benefits to employees of the Trust 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 to spread the cost of pensions over employees' working lives with the Trust 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 based on 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 scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance date. The amounts charged to operating surplus are the current service costs, and the cost 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 incorporating income and expenditure accounts 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.

1.18 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based upon 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 Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual result. 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 highlighted below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions.

The assumptions used in determining the net cost (income) for pensions include the discount factor rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest performed at 31 March 2016, has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

1.19 Reserves and Investment policy

The Trustees have accepted the need for general long-term reserves to be maintained at a level approximately equal to 5% of turnover.

To help fund short and medium term investment, the Trustees may transfer to restricted funds an annual variable sum up to a maximum of 12% of government funds. This has not been necessary for the year ending 31 August 2020.

1.20 Redundancy and severance payments

Where the Trust has a constructive liability to make a redundancy payment, this is recognised as and when the liability arises. Where the Trustees have agreed that it is in the interest of the Trust to make a severance payment which is not contractual, this is recognised as a liability once the decision to make a payment has been ratified at a meeting of the Board of Trustees.

1.21 Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust is not subject to limits on the amount of GAG that can be carried forward from one year to the next.

3 Donations and capital grants

	Unrestricted funds £000	Restricted fixed asset funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	2,104	2,104	1,538
Donated fixed assets	-	39,998	39,998	-
Defined pensions obligation inherited	-	-	-	(1,040)
Other donations	6	-	6	9
	<u>6</u>	<u>42,102</u>	<u>42,108</u>	<u>507</u>

The income from donations and capital grants, excluding defined pensions obligation inherited and donated assets, was £2,110K (2019: £1,547K) of which £6K was unrestricted (2019: £9K) and £2,104K was restricted fixed assets (2019: £1,538K).

4 Funding for the Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	43,855	43,855	40,493
Start up grants	-	529	529	286
Other DfE/EFA grants	-	3,856	3,856	2,566
Pupil Premium	-	2,711	2,711	2,645
	<u>-</u>	<u>50,951</u>	<u>50,951</u>	<u>45,990</u>
Other Government grants				
Local authority grants	-	978	978	1,025
	<u>-</u>	<u>978</u>	<u>978</u>	<u>1,025</u>
Other funding for the Trust's educational operations	48	-	48	90
Exceptional government funding				
Coronavirus exceptional support	-	25	25	-
Total	<u>48</u>	<u>51,954</u>	<u>52,002</u>	<u>47,105</u>

The income from funding for educational operations was £52,002K (2019: £47,105K) of which £48K was unrestricted (2019: £nil) and £51,954K was restricted (2019: £47,105K).

The other DfE/EFA grants above includes PE and Sports Grant, Y7 Catch up Grant, Universal Infant Free School Meals, Teacher's pay grant, Teachers pension grant, Project development grant, Rates relief and Free School Supplementary Grant.

The Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus (COVID-19) outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for COVID-19 exceptional support covers £25K of free school meal vouchers and deep cleaning costs. These costs are included in notes 7 below as appropriate.
- The Trust has not furloughed any of its staff during the pandemic and, therefore, no claim was made under the Coronavirus Job Retention Scheme.



Dixons Academies Trust Ltd
Notes to the Financial Statements for the Year Ended 31 August 2020

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Lettings income	19		19	45
Music income	28	-	28	34
Catering income	702	-	702	1,000
Other income	391	-	391	543
	<u>1,140</u>	<u>-</u>	<u>1,140</u>	<u>1,622</u>

The income from other trading activities was £1,140K (2019: £1,622K) of which £1,140 was unrestricted (2019: £1,622) and £nil was restricted (2019: £nil).

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	18	-	18	12
	<u>18</u>	<u>-</u>	<u>18</u>	<u>12</u>

The income from investment income was £18K (2019: £12K) of which 18K was unrestricted (2019: £12K) and £nil was restricted (2019: £nil).

7 Expenditure

Non Pay Expenditure

	Staff costs £000	Premises £000	Other £000	Total 2019/20 £000	Total 2018/19 £000
Trust's educational operations:					
- direct costs	35,652	-	3,364	39,016	34,401
- allocated support costs	7,450	591	11,989	20,030	17,694
Teaching School	224	-	37	261	244
	<u>43,326</u>	<u>591</u>	<u>15,390</u>	<u>59,307</u>	<u>52,339</u>

Net income/(expenditure) for the period includes:

	2019/20 £000	2018/19 £000
Operating lease rentals:		
PFI	1,362	1,031
Other operating leases	156	380
Depreciation	3,438	2,851
(Gain)/loss on disposal of fixed assets	-	1
Amortisation of intangible fixed assets (included within Charitable Activities – Trust's educational operations)	90	93
Fees payable to auditor for:		
- audit	35	29
- other services	21	27



Dixons Academies Trust Ltd
Notes to the Financial Statements for the Year Ended 31 August 2020

7 Expenditure on charitable activities (continued)

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	39,016	34,401
Support costs – educational operations	19,974	17,638
Support costs – governance	56	56
	<u>59,046</u>	<u>52,095</u>

Direct costs – educational operations	Total 2020 £000	Total 2019 £000
Wages and salaries	27,139	24,208
National insurance	2,687	2,342
Pensions costs	5,268	3,307
Supply teachers	344	599
Staff development	214	170
Educational supplies	2,713	3,027
Examination fees	609	694
Other costs	42	54
Total	<u>39,016</u>	<u>34,401</u>

Support costs – educational operations	Total 2020 £000	Total 2019 £000
Wages and salaries	6,046	5,416
National Insurance	406	375
Pensions costs	714	568
Supply staff	84	136
Recruitment and other staff costs	200	144
Technology costs	409	420
Maintenance of premises and equipment	592	564
Cleaning	211	187
Rent and rates	588	709
Heat and light	756	777
Insurance	172	175
Security and transport	131	159
Catering	1,136	1,502
Operating leases	1,519	988
Office overheads	811	799
Depreciation	3,528	2,944
Education supplies	122	132
FRS102 pension costs	2,536	1,627
Bank charges	13	16
Total	<u>19,974</u>	<u>17,638</u>

Support costs - Governance	2020 £000	2019 £000
Auditors' remuneration	35	29
Other costs	21	27
Total	<u>56</u>	<u>56</u>



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

8 Staff and Staff Costs

Staff costs

Staff costs during the period were:	Total 2020 £000	Total 2019 £000
Wages and salaries	33,315	29,818
Social security costs (Includes Apprenticeship Levy)	3,111	2,717
Pension costs	6,016	3,874
	42,442	36,409
Supply staff costs	428	735
Staff restructuring costs	42	30
FRS102 pension adjustment	247	125
	43,159	37,299

Staff restructuring costs comprise:

Redundancy payments	15	1
Severance payments	27	29
	42	30

Included in staff restructuring costs are non-statutory and or non-contractual severance payments totalling £27,337 (2019: £29,143). Individually the payments were: £2,172, £4,165, £8,000 and £13,000.

Staff numbers

The average number of persons employed by the Trust during the period was as follows:

	2020 No.	2019 No.
Teachers	618	612
Administration and support	602	556
Management	21	23
	1,241	1,191
	2020 FTE	2019 FTE
Teachers	596	565
Administration and support	440	426
Management	21	22
	1,057	1,013

Higher paid staff

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

	2020 No.	Restated 2019 No.
£60,001 – £70,000	13	3
£70,001 – £80,000	8	4
£80,001 – £90,000	3	2
£90,001 – £100,000	2	4
£100,001 – £110,000	3	2
£110,001 – £120,000	-	2
£130,001 – £140,000	2	-
£170,001 – £180,000	-	1
£180,001 – £190,000	1	-



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and NI) received by key management personnel for their services to the Trust was £2.542 million (2019 £1.977 million).

9 Trustees' remuneration and expenses

The Chief Executive Officer only receives remuneration in respect of services he provides undertaking his role of Chief Executive Officer. Trustees did not receive any payments other than reimbursed expenses from Dixons Academies Trust Ltd in respect of their role as Trustees.

During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid to Trustees (2019 £1,331 to 2 Trustees). No remuneration was paid to any Trustee in the year nor in the prior year.

The CEO was the highest paid employee during the year ended 31 August 2020 and received remunerations as follows: 2020 £185K-£190K (Restated: 2019: £175K-£180K) and pension contribution £40K-£45K (2019: £25K-£30K).

10 Trustees and Officers insurance (RPA)

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where the 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 Trust 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.

11 Central services

The Trust has provided the following central services to its academies during the year:

- Chief Executive Officer
- Finance services
- HR and payroll services
- Admissions management and appeals management
- ICT network and services
- Estate and site management
- Marketing, communications and design services
- Legal services
- Procurement services
- Governance services (01 September 2019)
- Website management and compliance
- School improvement

The Trust charges for these services at 5% of GAG income with the exception of Unity charged at 7% to cover additional SLT support (2019 – 5%). The actual amounts charged during the year were:

	2020 £000	2019 £000
Dixons City Academy	258	310
Dixons Allerton Academy	481	498
Dixons Trinity Academy	157	168
Dixons McMillan Academy	182	212
Dixons Kings Academy	226	246
Dixons Music Primary	83	85
Dixons Marchbank Primary	105	102
Dixons Trinity Chapeltown Academy	113	70
Dixons Manningham Primary	88	88
Dixons Cottingley Academy	212	223
Dixons Sixth Form Academy	93	-
	335	224



Dixons Academies Trust Ltd
Notes to the Financial Statements for the Year Ended 31 August 2020

	2020	2019
	£000	£000
Dixons Unity Academy		
Total	2,333	2,226

A summarised Income and Expenditure Account for the year ended 31 August 2020 in respect of the above is as follows:

	2020	2019
	£000	£000
Income		
Recharge to academies	2,333	2,226
Sponsorship income	-	200
Teaching school income	-	242
Other DfE grant	276	83
Trust development grant and appeals	65	86
Other income	49	15
Total	2,723	2,852

	£000	£000
Staff costs	2,784	2,714
Consultancy	26	25
HR and legal services	14	52
Audit and accountancy	5	56
IT licensing and software	29	114
Recruitment and advertising	29	13
Admissions	56	59
Capital purchase	-	1
Other	137	100
Total	3,080	3,134

12 Other financial income

	2020	2019
	£000	£000
Investment income on pension scheme assets	488	647
Interest on pension scheme liabilities	(735)	(772)
Total	(247)	(125)

13 Intangible fixed assets

	Computer software
	£000
Cost	
At 1 September 2019	540
Additions	2
Re classification	-
At 31 August 2020	542
Amortisation	
At 1 September 2019	374
Charged in year	90
Re classification	-
At 31 August 2020	464
Carrying amount	
At 31 August 2019	166
At 31 August 2020	78



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

14 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings
	£000	£000	£000	£000	£000
Cost					
At 1 September 2019	36,178	50,597	2,288	48	5,576
Transfer in of buildings/FFE	-	38,390	-	-	1,608
Additions	78	501	-	-	375
At 31 August 2020	36,256	89,488	2,288	48	7,559
Depreciation					
At 1 September 2019	8,004	8,062	1,774	23	4,166
Charged in year	719	1,400	157	9	349
At 31 August 2020	8,723	9,462	1,931	32	4,515
Net book values					
At 31 August 2019	28,174	42,535	514	25	1,410
At 31 August 2020	27,533	80,026	357	16	3,044

	Computer equipment	Total
Cost		
At 1 September 2019	7,363	102,050
Transfer in of buildings/FFE	-	39,998
Additions	1,563	2,517
At 31 August 2020	8,926	144,565
Depreciation		
At 1 September 2019	6,458	28,487
Charged in year	804	3,438
At 31 August 2020	7,262	31,925
Net book values		
At 31 August 2019	905	73,563
At 31 August 2020	1,664	112,640

The Trust's transactions relating to land and buildings included:

- The transfer in of one new building constructed with capital grant paid directly by the DfE. The building was transferred upon completion and recognised as leasehold tangible fixed assets. The fixed asset costs recognised in the accounts are those costs that are directly attributable to bringing the asset into working condition for its intended use at a value of £21,113K for Dixons Trinity Chapeltown Academy.
- An existing leasehold land and building was also transferred by the Ministry for Housing, Communities and Local government at a value of £17,277K for Dixons Sixth Form Academy.
- The Trust's Freehold Properties are subject to charges held by the Secretary of State for Education. Leasehold Properties are held on a 125-year lease from the Local Authority and/or Department for Education.

15 Stock

	2020	2019
	£000	£000
Finished goods and goods for resale	70	85
	70	85

The stock of goods consists of books, stationery, teaching consumables etc. purchased in 2019/20 for use in the next financial year 2020/21.



Dixons Academies Trust Ltd
Notes to the Financial Statements for the Year Ended 31 August 2020

16 Debtors

	2020	2019
	£000	£000
Trade debtors	30	119
VAT recoverable	446	427
Other debtors	113	89
Prepayments and accrued income	1,870	1,067
	2,459	1,702

17 Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	520	301
Other taxation and social security	713	656
Other creditors	1,008	846
Accruals and deferred income	2,967	1,887
	5,208	3,690

18 Deferred income

	2020	2019
	£000	£000
Deferred income at 1 September 2019	420	473
Released from previous years	(420)	(473)
Resources deferred in the year	1,002	420
Deferred Income at 31 August 2020	1,002	420

	2020	2019
	£000	£000
Rates	165	162
UIFSM	177	140
Post 16 bursary	71	80
GAG clawback	254	-
Comic relief	1	-
Time to teach	7	-
Exclusion – SEN	21	11
Ambition School Leadership	3	-
RS courses	3	-
TIN courses	2	-
LAC Funding - Laptop	-	1
SSP – Implementation programme	-	11
SSIF project	-	2
IT grant	298	-
Catering	-	13
	1,002	420

Deferred income held at 31 August 2020 relates to 2020/21 Rates, Universal Infant Free School Meals, P16 bursary etc. as shown above.



Dixons Academies Trust Ltd
Notes to the Financial Statements for the Year Ended 31 August 2020

19 Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains and (losses) £000	Transfers £000	Balance at 31 August 2020 £000
Restricted general funds						
General Annual Grant (GAG)	3,206	43,855	(44,013)	-	-	3,048
Start up grant	-	529	(529)	-	-	-
Pupil Premium	-	2,711	(2,711)	-	-	-
Other grants	308	5,098	(4,826)	-	-	580
Pension reserve	(13,531)	-	(2,536)	(6,047)	-	(22,114)
	(10,017)	52,193	(54,615)	(6,047)	-	(18,486)
Restricted fixed asset funds						
Transfer of building/FFE	-	39,998	(413)	-	-	39,585
Transfer on conversion	46,642	-	-	-	-	46,642
DfE/EFA capital grants	26,424	2,104	(3,115)	-	-	25,413
Transfers in on joining Trust	1,118	-	-	-	-	1,118
Private sector capital sponsorship	134	-	-	-	-	134
	74,318	42,102	(3,528)	-	-	112,892
Total restricted funds	64,301	94,295	(58,143)	(6,047)	-	94,406
Total unrestricted funds	100	1,251	(1,164)	-	-	187
Total funds	64,401	95,546	(59,307)	(6,047)	-	94,593

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

Restricted funds

Restricted funds represent the cumulative unspent General Annual Grant, other government grants/income and sponsorship income carried forward from previous years in respect of funding received for the specific purpose of the Trust's running costs excluding fixed asset. Under the funding agreement with the Secretary of State, the academies are not subject to a limit on the amount of GAG that can be carried forward as at 31 August 2020.

Unrestricted fund

Unrestricted funds represent surpluses generated from other trading activities and are to be used to support future general educational purposes either of a revenue or capital nature at the discretion of the Board/Trustees.

Restricted fixed asset fund

This fund represents the cumulative net book value carried forward in respect of the Trust's tangible and intangible fixed assets plus any capital funding received from central/local government and other donors which has not been expended by the balance sheet date. The capital funding may be used to complete capital projects or undertake maintenance works on existing tangible fixed assets. The fund balance also includes the carrying value of fixed assets of an academy joining the Trust from another Trust and all other assets donated to the Trust.

Pension reserve

This fund includes the pension reserve which identifies the pension deficit of academies joining the Trust from another Trust and through which the pension scheme movements are recognised. Where a pension valuation report is received and a surplus or a deficit on the defined benefit pension scheme is reported, the movement is recognised where an asset or liability occurred. The reserve above is negative because it constitutes a liability.

Dixons Academies Trust Ltd
Notes to the Financial Statements for the Year Ended 31 August 2020

19 Statement of funds (continued)

Comparative information in respect of the preceding period

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance at 31 August 2019 £000
Restricted general funds						
General Annual Grant (GAG)	1,172	40,493	(38,333)	-	(126)	3,206
Start up grant	-	286	(286)	-	-	-
Pupil Premium	-	2,645	(2,645)	-	-	-
Other grants	824	3,923	(4,439)	-	-	308
Pension reserve	(3,964)	(1,040)	(1,627)	(6,900)	-	(13,531)
	<u>(1,968)</u>	<u>46,307</u>	<u>(47,330)</u>	<u>(6,900)</u>	<u>(126)</u>	<u>(10,017)</u>
Restricted fixed asset funds						
Transfer on conversion	46,642	-	-	-	-	46,642
DfE/EFA capital grants	27,704	1,538	(2,944)	-	126	26,424
Transfers in on joining Trust	1,118	-	-	-	-	1,118
Private sector capital sponsorship	134	-	-	-	-	134
	<u>75,598</u>	<u>1,538</u>	<u>(2,944)</u>		<u>126</u>	<u>74,318</u>
Total restricted funds	<u>73,630</u>	<u>47,845</u>	<u>(50,274)</u>	<u>(6,900)</u>	<u>-</u>	<u>64,301</u>
Total unrestricted funds	<u>522</u>	<u>1,643</u>	<u>(2,065)</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total funds	<u>74,152</u>	<u>48,488</u>	<u>(52,339)</u>	<u>(6,900)</u>	<u>-</u>	<u>64,401</u>

Total Trust Reserves Balances

	2020 £000	2019 £000
Centrally held reserves – restricted and unrestricted funds (MAT)	3,815	3,614
Restricted fixed asset fund	112,892	74,318
Pension reserve	(22,114)	(13,531)
Total	<u>94,593</u>	<u>64,401</u>

The Trustees approved that all reserves held by the Trust would be centralised. This decision has been taken so that all academies within the Trust are supported. Consequently, the Trustees have decided to pool all reserves. Accordingly, no surpluses or deficits are attributed to particular academies but all are held centrally. The Trustees are committed to ensuring that the balance of reserves (£3.8m as at 31 August 2020) will be used effectively for the benefit of each child who is educated within a Dixons academy.



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

Analysis of academies by cost

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£000	£000	£000	£000	£000	£000
Dixons City Academy	3,870	702	296	651	5,519	5,850
Dixons Kings Academy	3,343	703	273	885	5,204	5,009
Dixons Allerton Academy	7,603	919	767	1,040	10,329	9,813
Dixons Music Primary	1,497	130	106	193	1,926	1,764
Dixons Marchbank Primary	1,612	193	145	356	2,306	2,309
Dixons Trinity Academy	2,154	746	253	328	3,481	3,391
Dixons McMillan Academy	2,815	540	223	369	3,947	4,113
Dixons Manningham	1,507	209	93	252	2,061	1,962
Dixons Trinity Chapeltown	1,897	313	175	355	2,740	1,536
Dixons Cottingley	2,885	511	282	624	4,302	4,203
Dixons Unity Academy	3,592	419	358	1,568	5,937	4,434
Dixons Sixth Form Academy	1,491	253	182	225	2,151	250
Dixons Central Services	625	2,159	85	2,746	5,615	4,761
Teaching Institute	186	38	30	7	261	-
	35,077	7,835	3,268	9,599	55,779	49,395

20 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2020	Total Funds 2019
	£000	£000	£000	£000	£000
Intangible fixed assets	-	-	78	78	166
Tangible fixed assets	-	-	112,640	112,640	73,563
Current assets	187	8,836	174	9,197	7,893
Current liabilities	-	(5,208)	-	(5,208)	(3,690)
Non-current liabilities	-	-	-	-	-
Pension scheme liability	-	(22,114)	-	(22,114)	(13,531)
Total net assets	187	(18,486)	112,892	94,593	64,401

21 Capital commitments

	2020	2019
	£000	£000
Contracted for, but not provided in the financial statements	163	290

22 Commitments under operating leases

At 31 August 2020, the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£000	£000
Amounts due within one year	1,462	1,411
Amounts due between one and five years	5,487	5,424
Amounts due after five years	12,545	13,882
	19,494	20,717



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

23 Reconciliation of net income/(expenditure)

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	36,239	(2,851)
Adjusted for:		
- Amortisation [note 13]	90	93
- Depreciation [note 14]	3,438	2,851
- Capital grants from DfE and other capital income	(2,104)	(1,538)
- Transfer in of buildings/FFE	(39,998)	-
- (Profit)/Loss on disposal of fixed asset	-	1
- Interest receivable [note 6]	(18)	(12)
- Defined benefit pension scheme obligation inherited	-	1,040
- Defined benefit pension scheme cost less contributions payable (note 30,31)	2,289	1,502
- Defined benefit pension scheme finance cost [note 30,31]	247	125
- (Increase)/decrease in stocks	15	(47)
- (Increase)/decrease in debtors	(757)	(2)
- Increase/(decrease) in creditors	1,518	326
Net cash provided by/(used in) operating activities	959	1,488

24 Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	18	12
Proceeds from sale of tangible fixed assets	-	1
Purchase of intangible fixed assets	(2)	(107)
Purchase of tangible fixed assets	(2,517)	(970)
Capital grants from DfE and other capital income	2,104	1,538
Net cash provided by/(used in) investing activities	(397)	474

25 Analysis of cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	6,668	6,106
Total cash and cash equivalents	6,668	6,106

26 Contingent liabilities

During the reporting period, two former staff members have made claims against the Trust, which the Trust is contesting following legal advice from the Trust's solicitors. No provision has been made in these financial statements as management do not consider that there is any probable loss.

27 Members liability

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



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

28 Pension and similar obligations

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

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

Contributions amounting to £716,675 were payable to the schemes at 31 August 2020 (2019: £508,398) and are included within creditors.

29 Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 every 4 years. 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. 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
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI
- 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 including earning growth is 4.45%

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £4.927 million (2019: £2.946 million).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

30 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 2020 was £1,549K (2019: £1,299k) of which employer's contributions totalled £1,089K (2019: £906k) and employees' contributions totalled £460K (2019: £393k). The agreed contribution rates for future years are between 14% and 23.68% for employers and between 5.5% and 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 Trust or 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.



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

Amount recognised in the statement of financial activities

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.55%	3.35%
Rate of increase for pensions in payment/inflation	2.30%	2.10%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.30%	2.10%
Pension accounts revaluation rate	2.30%	2.10%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

Sensitivity analysis

	At 31 August 2020	At 31 August 2019
	£000	£000
Discount rate +0.1%	(1,185)	(853)
Discount rate -0.1%	1,185	872
Mortality assumption – 1 year increase	1,754	1,295
Mortality assumption – 1 year decrease	(1,706)	(1,282)
CPI rate +0.1%	1,043	589
CPI rate -0.1%	(1,043)	(580)

The Trust's share of the assets in the scheme

	Fair value at 31 August 2020	Fair value at 31 August 2019
	£000	£000
Equity instruments	19,669	19,660
Bonds	3,716	3,800
Property	1,087	1,115
Cash and other	809	760
Total market value of assets	25,281	25,335

The actual return on scheme assets was £770,000 (2019: £1,590,000)

Amount recognised in the statement of financial activities

	2020	2019
	£000	£000
Current service cost (net of employee contributions)	(3,377)	(1,676)
Net interest cost	(247)	(125)
Past service cost	(1)	(732)
Total operating charge	(3,625)	(2,533)



Dixons Academies Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2020

Changes in the present value of defined benefit obligations

	2020 £000	2019 £000
At 1 September	38,866	23,754
Upon conversion	-	-
Current service cost	3,377	1,676
Past service cost	1	732
Interest cost	735	772
Employee contributions	460	393
Actuarial (gain)/loss	4,789	7,843
Benefits paid	(833)	(522)
Net increase in assets from disposals/acquisitions	-	4,218
At 31 August	47,395	38,866

Changes in the fair value of the Trust's share of scheme assets

	2020 £000	2019 £000
At 1 September	25,335	19,790
Upon conversion	-	-
Interest income	488	647
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	(1,258)	943
Employer contributions	1,089	906
Employee contributions	460	393
Benefits paid	(833)	(522)
Net increase in assets from disposals/acquisitions	-	3,178
At 31 August	25,281	25,335

31 Related party transactions

Owing to the nature of the Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

32 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020, the Trust received £145K (2019 £113K). Each academy may retain up to 5% of the fund income to cover associated administration costs. Any unspent monies are retained for future years spending to a maximum of 2 years. The value of unspent funds as at 31 August 2020 and included in other creditors was £75k (2019 £74k).

	2020 £000	2019 £000
Fund brought forward	74	53
Bursary funding received	145	113
Total income	219	166
Funds distributed	144	92
5% admin cost retention	-	-
Total costs	144	92
Funds carried forward	75	74



Dixons Academies Trust Ltd
Notes to the Financial Statements for the Year Ended 31 August 2020

33 Teaching school trading account

	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19
	£000	£000	£000	£000	£000	£000
Income						
Direct income						
Other income		239			242	
Other Income		-			-	
Fundraising and other trading activities		39			-	
			278			242
Expenditure						
Direct costs						
Direct staff costs	224			224		
Total direct costs		224			224	
Other costs						
Printing, photocopying and stationery	2			1		
Staff development	-			-		
Professional services	32			15		
Travel and subsistence	1			4		
Other support costs	2			-		
Total other costs		37			20	
Total expenditure			261			244
Surplus/(deficit) from all sources			17			(2)
Teaching school balances at 1 September 2019			(12)			(10)
Teaching school balances at 31 August 2020			5			(12)

