

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

**Annual Report and Financial Statements**  
**For the Year Ended 31 August 2019**

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

# Dixons Academies Charitable Trust Ltd

## Contents

Section	Page
Reference and Administrative Details	3
Trustees' Report	5
Governance Statement	14
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditors' Report on Financial Statements	19
Independent Reporting Accountant's Assurance Report on Regularity	21
Statement of Activities including Income and Expenditure Account	22
Balance Sheet	23
Cash Flow Statement	24
Notes to Financial Statements	25



<b>Members</b>	<p>Joanne Williams</p> <p>Sir James Hill</p> <p>Tim Birtwistle (resigned October 2018)</p> <p>Bryan Collins</p> <p>Martin Gaskin – Chair, Trust Board (resigned 2 July 2019)</p>
<b>Trustees</b>	<p>John Bowers – Interim Chair, Trust Board (appointed 12 September 2019) and Chair, Dixons City Academy / Dixons Kings Academy Local Governing Body &amp; wef Sept 2018 and Chair, Dixons Unity Local Governing Body</p> <p>Martin Gaskin – Chair, Trust Board (resigned 2 July 2019)</p> <p>Grace Alderson – Chair, Trust Audit Committee (resigned 1 May 2019)</p> <p>Lynn Barrett – Chair, Dixons Allerton Academy Local Governing Body; Chair, Dixons Cottingley Local Governing Body</p> <p>Ruby Bhatti – Chair, Dixons Marchbank Primary / Dixons Manningham Primary Local Governing Body</p> <p>David Clayton</p> <p>Bryan Collins – wef Sept 2018 Chair, Dixons McMillan Academy / Dixons 6th Form Local Governing Body</p> <p>Brent Fitzpatrick – Chair, Finance Committee</p> <p>Susan Richardson – Chair, Dixons Trinity Chapeltown Academy</p> <p>Narinder Thapar (resigned 20 September 2018)</p> <p>Sarah Elizabeth Young (appointed 1 October 2019)</p>
<b>Senior Staff</b>	<p>Sir Nick Weller – Chief Executive Officer</p> <p>Jo Lynch – Chief Operating Officer (resigned 31 October 2019)</p> <p>Luke Sparkes – Executive Principal</p> <p>Shirley Watson – Executive Principal</p> <p>Natalie Brookshaw – Principal, Dixons Trinity Chapeltown Secondary Academy</p> <p>Daniel Carr – Principal, Dixons Unity Academy (joined 1 October 2018)</p> <p>Wesley Davies – Principal, Dixons McMillan Academy; Associate Executive Principal, Dixons Mcmillan Academy &amp; Dixons 6<sup>th</sup> Form Academy</p> <p>Gary Dreher – Principal, Dixons Allerton Academy (retired August 2019)</p> <p>Mike Feely – Principal, Dixons City Academy</p> <p>Rebecca Greenwood – Principal, Dixons Allerton Primary</p> <p>Michelle Long – Principal, Dixons Music Primary</p> <p>Neil Miley – Principal, Dixons Kings Academy; Associate Executive Principal, Dixons Kings Academy &amp; Dixons Unity Academy</p> <p>Justine Oldham – Principal, Dixons Trinity Chapeltown Primary Academy</p> <p>Clare Skelding – Principal, Dixons Cottingley Academy; Principal, Dixons Allerton Academy (appointed 1 September 2019)</p> <p>Mark Rothery – Head of Dixons 6th Form</p> <p>Jennifer Thompson – Principal, Dixons Trinity Academy</p> <p>Helen Haunch – Principal, Dixons Marchbank Primary</p> <p>Terri Leighton – Principal, Dixons Manningham Primary</p> <p>Jason Patterson – Principal, Dixons Cottingley Academy (appointed 1 September 2019)</p> <p>Luke Robbins-Ross – Acting Principal and Head of School, Dixons Music Primary</p> <p>Laura Senior – Head of School, Dixons Mcmillan Academy</p> <p>Emma Steele - Acting Principal, Dixons Trinity Academy (appointed 1 February 2019)</p> <p>Richard Wilson – Head of School, Dixons Kings Academy</p>
<b>Company Secretary</b>	<p>Jo Lynch (resigned 31 October 2019)</p>
<b>Accounting Officer</b>	<p>Sir Nick Weller (CEO)</p>



## Dixons Academies Charitable Trust Ltd

### Reference and Administrative Details for the Year Ended 31 August 2019

<b>Registered Principal Office</b>	Dixons Academies Charitable Trust Ltd Ripley Street Bradford West Yorkshire BD5 7RR
<b>Company Registration Number</b>	02303464 (England and Wales)
<b>Solicitors</b>	Browne Jacobson LLP 18-22 Bridge Street Manchester M3 3BZ
<b>Independent Auditors</b>	BHP LLP Mayesbrook House Leeds LS16 6QY



# Dixons Academies Charitable Trust Ltd

## Trustees' Report for the Year Ended 31 August 2019

### 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 Charitable Trust Ltd (Dixons Academies Trust) for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates 11 primary, secondary and all through academies in West Yorkshire.

#### a. Constitution

Dixons Academies Charitable Trust Ltd is a company limited by guarantee and an exempt charity which was 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 also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Dixons Academies Charitable 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 city 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. Method of recruitment and appointment or election of Trustees

The Members of Dixons Academies Charitable 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.

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

#### d. 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) and the Chief Operations Officer (COO). 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).



## Dixons Academies Charitable Trust Ltd

### Trustees' Report for the Year Ended 31 August 2019

#### e. 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 and COO are on salary ranges agreed by the Remuneration Committee after benchmarking against similar sized MATs. The Remuneration Committee meets annually to review all key personnel salaries.

#### 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, Executive Principals, and the COO, 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 (SLT) include the Principal, the Assistant Vice Principals and the Operations/Business Managers. 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 Committee
- Finance 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	September 2017	All through Academy
Dixons Cottingley Academy	July 2018	Secondary
Dixons Unity Academy	October 2018	Secondary



# Dixons Academies Charitable Trust Ltd

## Trustees' Report for the Year Ended 31 August 2019

### Strategic Report prepared by the Chief Executive Officer

#### Mission and core principles

Our Mission is to challenge educational and social disadvantage in the North.

##### How?

We establish high-performing non-faith Academies which maximise attainment, value diversity, develop character and build cultural capital.

##### Measure

By the age of 18 we want every student to have the choice of university or a high quality apprenticeship.

#### Aligned autonomy

We are aligned around the same mission and values, and we want all Dixons students and staff to benefit from our best collective practice. Moreover, we all benefit from the collective Dixons' resources, brand and reputation. At the same time, we have the autonomy to explore and learn from different practices and know that true leadership, and personal accountability, are founded on ownership and self-direction. We expect each other to exercise aligned autonomy which is the foundation of our success so far.

#### Core principles

To achieve our mission, we align around six core principles:



##### High expectations of all

Our academies have high expectations for all students and our Trustees/Governors set ambitious targets for academic achievement and conduct that make no excuses based on the students' backgrounds. Students, parents, teachers and staff create and reinforce a culture of achievement and support in all we do. There are no shortcuts and we do not make excuses. 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.

##### Values-driven

Dixons Academies are communities with a strong sense of moral purpose. The interests of students and their learning are at the heart of all we do. Each academy is built around a clear set of values which demand and nurture personal responsibility, consistent integrity, and respect for others. We know we need to work hard if we are to succeed, we need to treat people well if we are to work together effectively and we need to do what we say we will do if we are to earn the Trust of others.

##### Choice and commitment

Success at Dixons is built on a three-way partnership between students, parents, and the academy. To attend and work in a Dixons academy is a choice. Each of us must make and uphold a commitment to our academy, to the Trust as a whole, and to each other, putting



## Dixons Academies Charitable Trust Ltd

### Trustees' Report for the Year Ended 31 August 2019

the time and effort required to achieve success. We do not tailor our curriculum to the diverse communities we serve, but expect our students to share and engage in common learning experiences which maximise the achievement of all.

#### Highly professionalised staff

Learning and progress at Dixons are rooted in professional, positive and caring relationships based on mutual respect between adult and student. All staff at our academies act in the best interests of students and adhere to the high standards of professionalism laid out in our Code of Conduct. Teachers know their subject well, understand how children learn and work to update their skills through professional enquiry. We invest in staff and leadership development across our learning community.

#### Relentless focus on learning

Students and their learning are at the heart of every Dixons academy. We prioritise student learning above all else when we choose where to focus funding and how to spend our time. Our pattern of holidays sustains learning throughout the year. Our extended school week offers students more time in the classroom to acquire the knowledge and skills needed for academic success, as well as more opportunities to engage in a wide range of extracurricular experiences.

#### Empowered to lead

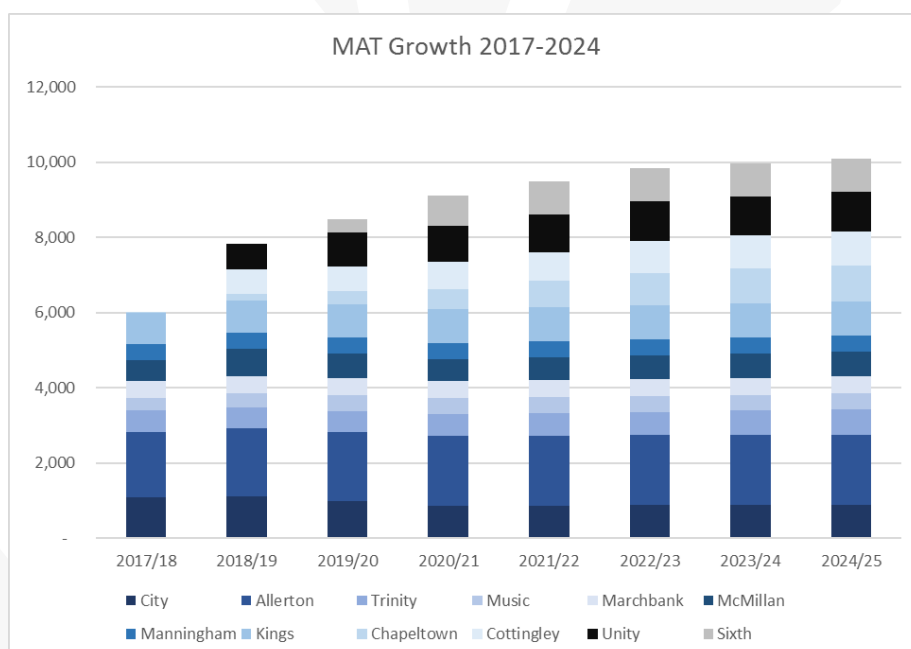
Our Principals are empowered to lead their academies and they do so primarily in the best interests of their students and their school. They also work in partnership with other Principals and the Executive Team for the good of the Trust as a whole, in accordance with our shared culture, values and vision for learning. We empower our people in every area at every level of the organisation and hold them accountable for their outcomes. We develop a strong culture of student leadership in all our academies.

#### Educational performance

It has been another very successful year for the Dixons Academies Trust maintaining the very high standards we have set in previous years, but now during a period of significant growth.

Dixons City achieved an Ofsted grading of Outstanding this year, and Dixons Allerton achieved a grading of Good for the first time in its history. Following these successes, we look forward to Dixons Trinity Chapeltown's own impending first inspection with great confidence.

With over 8,000 students this year, the Trust will have grown in size by over 50% over the three years leading up to 2021, as our new start-up schools and our undersubscribed new sponsored academies fill to their full capacity.



Having worked closely with Academies Enterprise Trust to support and then adopt Swallow Hill Community Academy in Leeds from January 2017, Dixons Unity Academy was signed off in October 2018. 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 three 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.





## Dixons Academies Charitable Trust Ltd

### Trustees' Report for the Year Ended 31 August 2019

The expanding role of our Teaching School, the Dixons Teaching Institute, is playing an increasing role in this, providing Initial Teacher Training, delivering teaching and leadership development, and now, as a Research School, supporting school improvement within and beyond the Bradford Opportunity Area.

Growth brings both greater complexity and the potential for economies of scale. Our Chief Finance and Operations Officer has led a programme of centralisation of some support services, with the intention of saving money and time, and of standardising systems and practices across the Trust, thereby ensuring compliance across all sites. Finance systems are now more timely and transparent than they have ever been.

Our priorities now are to build a more robust and resilient IT network across more sites and wider geographical locations; to manage talent better through more consistent HR information; to build a stronger public profile; and to make the best use of capital funding and commonly-held reserves to ensure that all students benefit equally from buildings which are all fit for purpose. Above all, efficient central services will free up school leaders to do what they do best: to lead learning in their academies and to drive up outcomes for their students.

Only Trusts with three academies for more than three years appear in the Department for Education's (DfE) Multi-Trust (MAT) performance tables. We currently meet these criteria for KS4 and KS2 results.

At Key Stage 4 in 2019, we again significantly out-performed national averages against all six measures. While not quite matching our exceptional performance in 2018, we out-performed the previous two years overall and maintained our very high standards:

	2019 unvalidated	2018	2017	2018 National
Standard Basics	70%	76%	74%	64%
Strong Basics	52%	58%	51%	43%
Standard EBacc	44%	41%	26%	24%
Strong EBacc	29%	28%	24%	20%
Attainment 8	51.6	53.8	49.8	46.5
Progress 8	0.65	0.83	0.53	-0.03

In line with our mission, the performance of disadvantaged students was especially strong, and again drove our success this year. This was all achieved with an unapologetic focus on the EBacc: we transform lives and open up opportunities by delivering a predominantly academic curriculum with higher-end grades in high-value qualifications. Last year, we were the second-highest performing Multi-Trust in the country for Progress 8 and we are well placed to be placed among the very highest performing MATs nationally for the third year running with the imminent publication of MAT results nationally by the DfE.

Our primary academies demonstrated again that they can close the significant attainment gap on entry within EYFS and KS1. With starting points for four-year-olds in Bradford well below those nationally; this begins with Reception classes who finish the year much nearer the national measure (Good Level of Development). We are especially strong in areas where cultural capital is less significant and where excellent teaching makes the most difference: we again out-performed the national average in the Year 1 Phonics Test, for example.

	2019	2018	2017	2016
Early Years Good Level of Development	65%	65%	67%	68%
Year 1 Phonics	87%	91%	91%	84%
Year 6 at Expected Standard	59%	37%	48%	32%

It is taking time for this improved performance lower down the school to feed through to Year 6, but both Dixons Marchbank and Dixons Manningham primaries improved their Year 6 results this year, both of which were inherited from predecessor Special Measures schools with very low attainment. The first Year 6 cohort of Dixons Music primary free school performed well above the national standard. Together, they produced by far our best performance at KS2 so far.

At A Level, our students again averaged a grade C, very close to the national average despite the more demanding nature of the Maths and Sciences which our students predominantly choose.



## Dixons Academies Charitable Trust Ltd

### Trustees' Report for the Year Ended 31 August 2019

	2019	2018	2017	2018 National
A Level Average Points Score	30.62	30.49	26.08	33.33
A Level Progress Score (est)	-0.10	0.24	-0.08	0.00
Applied General Average Points Score	33.80	33.36	42.40	28.47
Applied General Progress Score (est)	-0.10	0.45	0.51	0.00

Despite even more students taking up A Level options, the Average Point Score (APS) on entry for Applied General courses was very slightly up. Progress in both academic and applied general courses dipped, however, reflecting the challenges of demonstrating value added at Post 16 as KS4 results rise. Our new Sixth Form Academy, which opened in September 2019, has the task of building better on the improved foundation at KS4.

Overall, 2018/19 was again a very successful year for the Dixons Academies Trust. School improvement is strong across the Trust, and we are currently benefitting from our early anticipation of and work on curriculum change, especially at secondary level. At Dixons 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.

#### Trade union facility time

Dixons Academies Charitable Trust Ltd published its trade union facility time below for the period ending 31 August 2018:

Relevant union officials	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1
Percentage of time spent on facility time	
Percentage of time	Number of employees
0%	0
1% - 50%	
51% - 99%	
100%	
Percentage of pay bill spent on facility time	
Provide the total cost of facility time	Zero
Provide the total pay bill	N/A
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	N/A
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	Nil



# Dixons Academies Charitable Trust Ltd

## Trustees' Report for the Year Ended 31 August 2019

### 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.

### 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 2019 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 transfers in from academies joining the Trust during the year and Restricted Fixed Asset Funding) amounted to £49.0 million and were sufficient to cover all outgoings to produce an operating in year surplus of £1.096 million (excluding b/f surplus from transferred in Academies and before FRS102 pension costs).

The buildings of two academies (Dixons Cottingley and Dixons Unity) were leased under Private Finance Initiative (PFI) contracts during the year. The commitments under the PFI contracts are disclosed as operating leases in note 22 and as such no valuation is included within the fixed assets on the Balance Sheet for these buildings.

The net book value of tangible and intangible fixed assets at 31 August 2019 was £73.7 million (2018 £75.6 million). Movements in tangible fixed assets are shown in note 14 to the accounts. The assets were used exclusively for providing education and associated support services to Academy pupils.

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<sup>st</sup> August 2019 was £13.531m (2018: £3.964m). Movements in the pension fund are reported in note 29 of the Financial Statements.

The balance sheet discloses cash and bank balances of £6.106 million (2018 £4.144 million).

### 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).

### 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. An updated policy in relation to reserves and investment was created in the year. The Trustees took the decision to centralise all reserves in respect of Dixons academies.

The Trust's level of free reserves (total funds less the amount held in fixed assets and general restricted funds), as at 31 August 2019, were £0.100 million (2018 £0.522 million).

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 cash into a medium-term bank deposit account. 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



# Dixons Academies Charitable Trust Ltd

## Trustees' Report for the Year Ended 31 August 2019

### 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 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 and 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 program of first class regular training and wide range of opportunities for greater career development. In addition, the Trust also conducts 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 are trained and knows 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 operation

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 budget maximisation strategy to ensure that educational needs are met. There is also a risk of fall in roll in some areas of Dixons catchment area due to fall in birth rate and other surrounding schools. This could lead to insufficient funding and hamper school improvement. Dixons has improved local reputation and pupil recruitment in line with other local schools that could attract pupils.

#### Education

There is a risk of exam results falling below expectation within an academy or more generally or 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 experience and qualified SLT, middle management and support staff driving high standard in all its academies and continuous improvement and new systems being embedded in its programme.

#### 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 then will inform the fundraising regulator and take all necessary measures to ensure it complies with guidance issued.

#### 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.



## Dixons Academies Charitable Trust Ltd

### Trustees' Report for the Year Ended 31 August 2019

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.

#### 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 Dixons Academies 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 implementing a programme of support for improvement as appropriate
- further developing its central procurement strategies by utilising specific external advice and support
- further refine its Scheme of Delegation so as to reduce exposure to risk and to achieve best value
- expansion of its Teaching School programme

On 1 September 2019, Dixons Sixth Form Academy opened its door for the first time and approximately 350 students are currently registered with the academy. This academy will continue to grow and it's expected to serve up to 850 students in the Bradford and surrounding area.

#### Employee Consultation and disabled employees

The Trust continuously seek 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.

#### 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 Trustee is 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 2019 signed on its behalf by:



**J Bowers**  
**Interim Chair of Trust Board**





# Dixons Academies Charitable Trust Ltd

## Governance Statement for the Year Ended 31 August 2019

### Scope of responsibility

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

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 Charitable 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 four 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 Dixons. 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, receive and review the internal and external auditors report and ensuring 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
Professor Grace Alderson (Chair, Audit Committee)	2/2	3/3	-
Lynn Barrett	4/4	-	-
Ruby Bhatti	3/4	3/3	-
John Bowers	4/4	-	-
David Clayton	4/4	-	-
Bryan Collins	3/4	-	3/3
Brent Fitzpatrick (Chair, Finance Committee)	3/4	-	3/3
Martin Gaskin (Chair of Trust Board)	3/3	-	3/3
Sir James Hill (Member)	1/4	-	-
Susan Richardson	4/4	-	-
Jo Williams (Member)	4/4	-	-
James Wilkinson	-	-	1/2
John Holroyd	-	-	1/2

### 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 Dixons Academies Trust 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 report 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 receives support throughout the year from its External Auditors on compliance and accounting practices.



# **Dixons Academies Charitable Trust Ltd**

## **Governance Statement for the Year Ended 31 August 2019**

The Finance Committee receive 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 Committee's, which reviews the Scheme annually.

The Trust Board approve 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 receive and approve 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. Dixons Academies Trust takes advantage of consortia, when appropriate, to obtain economies of scale.

### **Reviewing controls and managing risk**

Monthly budget monitoring reports are prepared for review by the Trust Finance Director and academy Principal; appropriate action is taken to address any variances that may have an impact on the budget out-turn. Dixons Academies 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 system of internal control has been in place in Dixons Academies Charitable Trust Ltd for the year ended 31 August 2019 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 2019 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 decided to re-appoint RSM as Internal Auditor. The Internal Audit function reports directly to the Audit Committee.

### **Review of effectiveness**

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. This responsibility is delegated to the Chief Operating Officer. During the year, this 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 Chief Operating Officer within the Trust who have responsibility for the development and maintenance of the internal control framework



**Dixons Academies Charitable Trust Ltd**  
**Governance Statement for the Year Ended 31 August 2019**

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 2019 and signed on its behalf by:



**J Bowers**  
**Interim Chair of Trust Board**



**N Weller**  
**Chief Executive Officer**  
**Accounting Officer**





As Accounting Officer of Dixons Academies Charitable 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.

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.

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:



**N Weller**  
**Chief Executive Officer**  
**Accounting Officer**

**Date: 3 December 2019**



## Dixons Academies Charitable Trust Ltd

### Statement of Trustees' Responsibilities for the Year Ended 31 August 2019

The Trustees (who act as Governors for charitable activities of Dixons Academies Charitable 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
- 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 2019 and signed on its behalf by:



**J Bowers**  
**Interim Chair of Trust Board**



## **Opinion**

We have audited the financial statements of Dixons Academies Charitable Trust Limited (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 academy 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; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy 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 set out on page 17, the trustees (who are also the directors of the academy 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 academy 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 academy 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](http://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 academy 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 academy 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jackson (Senior Statutory Auditor) for and on behalf of BHP LLP

Mayesbrook House  
Leeds  
LS16 6QY

Date: 11 December 2019

## Dixons Academies Charitable Trust Ltd

### Independent Reporting Accountant's Assurance report on Regularity to Dixons Academies Charitable Trust Limited and the Education & Skills Funding Agency for the Year Ended 31 August 2019

In accordance with the terms of our engagement letter dated 17 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dixons Academies Charitable Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Dixons Academies Charitable Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dixons Academies Charitable Trust 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 Charitable Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Dixons Academies Charitable Trust's funding agreement with the Secretary of State for Education dated 1 December 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Jackson (Senior Statutory Auditor) for and on behalf of  
BHP LLP  
Mayesbrook House  
Leeds  
LS16 6QY

Date: 11 December 2019

**Dixons Academies Charitable Trust Ltd**  
**Statement of Financial Activities for the Year Ended 31 August 2019**

*(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	<b>Total 2019 £000</b>	Total 2018 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	9	(1,040)	1,538	<b>507</b>	1,688
Charitable activities:						
Funding for the Trust's educational operations	4		47,105		<b>47,105</b>	36,095
Teaching School	32		242		<b>242</b>	179
Other trading activities	5	1,622			<b>1,622</b>	1,482
Investments	6	12			<b>12</b>	2
<b>Total</b>		<b>1,643</b>	<b>46,307</b>	<b>1,538</b>	<b>49,488</b>	39,446
<b>Expenditure on:</b>						
Raising funds						
Charitable activities: Trust educational operations	7	2,065	47,086	2,944	52,095	40,319
Teaching School	32		244		244	189
Other		-	-	-	-	-
<b>Total</b>		<b>2,065</b>	<b>47,330</b>	<b>2,944</b>	<b>52,339</b>	40,508
<b>Net income / (expenditure)</b>		<b>(422)</b>	<b>(1,023)</b>	<b>(1,406)</b>	<b>(2,851)</b>	(1,062)
<b>Transfers between funds</b>	19	-	(126)	126	-	(352)
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	19,29	-	(6,900)		<b>(6,900)</b>	1,873
<b>Net movement in funds</b>		<b>(422)</b>	<b>(8,049)</b>	<b>(1,280)</b>	<b>(9,751)</b>	459
<b>Reconciliation of funds</b>						
Total funds brought forward		522	(1,968)	75,598	<b>74,152</b>	73,693
<b>Total funds carried forward</b>		<b>100</b>	<b>(10,017)</b>	<b>74,318</b>	<b>64,401</b>	<b>74,152</b>

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

		2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Intangible assets	13		166		152
Tangible assets	14		73,563		75,446
<b>Current assets</b>					
Stock	15	85		38	
Debtors	16	1,702		1,700	
Cash at bank and in hand		6,106		4,144	
		<u>7,893</u>		<u>5,882</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(3,690)		(3,364)	
<b>Net current assets</b>			<u>4,203</u>		<u>2,518</u>
<b>Total assets less current liabilities</b>			<u>77,932</u>		<u>78,116</u>
<b>Net assets excluding pension liability</b>			<u>77,932</u>		<u>78,116</u>
Defined benefit pension scheme liability	19,29	(13,531)		(3,964)	
<b>Total net assets</b>			<u>64,401</u>		<u>74,152</u>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	19	74,318		75,598	
. Restricted income fund	19	3,514		1,996	
. Pension reserve	19	(13,531)		(3,964)	
<b>Total restricted funds</b>			<u>64,301</u>		<u>73,630</u>
<b>Unrestricted income funds</b>	19		<u>100</u>		<u>522</u>
<b>Total funds</b>			<u>64,401</u>		<u>74,152</u>

The financial statements on pages 22 to 44 were approved by the Trustees and authorised for issue on 3 December 2019 and are signed on their behalf by:

*J. E. Bowers*

**J Bowers**  
Interim Chair of Trust Board



**Dixons Academies Charitable Trust Ltd**  
**Cash Flow Statement for the Year Ended 31 August 2019**

	Notes	<b>2019</b> <b>£000</b>	2018 £000
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	23	<b>1,488</b>	3,702
<b>Net Cash flows from investing activities</b>	24	<b>474</b>	(2,441)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,962</b>	1,261
<b>Cash and cash equivalents at 1 September 2018</b>		<b>4,144</b>	2,883
<b>Cash and cash equivalents at 31 August 2019</b>	25	<b>6,106</b>	4,144





# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1 Accounting policies

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

#### 1.1 Basis of preparation

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 United Kingdom 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 United Kingdom and Republic of Ireland (FRS 102), (Charities 'SORP 2015'), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable where there is certainty of receipt and it is measurable.

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's policies.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net asset acquired.

During the year ended 31 August 2019, Dixons Unity Academy was transferred into the Trust. At the date of transfer in, the operations, assets and liabilities were transferred to the trust at nil consideration. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations. Further details of the transaction are set out in note 33.

#### 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



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy 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 £1,000 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 £300 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

### 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 three 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.

As from 1<sup>st</sup> October 2018, Dixons had 2 Academies where the building 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 Dixons Academies 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.

### **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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised 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.



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

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 29, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 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 2019.

### 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 academy 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 30.

## 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 Funds £000	Total 2019 £000	Total 2018 £000
Donated assets	-	-	-	1,495
Capital Grants		1,538	1,538	1,033
Defined Pensions obligation inherited		(1,040)	(1,040)	(849)
Other donations	9	-	9	9
	<u>9</u>	<u>498</u>	<u>507</u>	<u>1,688</u>

The income from donations and capital grants excluding defined pensions obligation inherited was £1,547K (2018: £2,537K) of which £9K was unrestricted (2018: £9K), £1,538K was restricted fixed assets (2018: £2,528K).



**Dixons Academies Charitable Trust Ltd**  
**Notes to the Financial Statements for the Year Ended 31 August 2019**

**4 Funding for the Trust's educational operations**

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
<b>DfE / EFA grants</b>				
. General Annual Grant (GAG)	-	40,493	<b>40,493</b>	31,130
. Start Up Grants	-	286	<b>286</b>	302
. Other DfE/EFA grants	-	2,566	<b>2,566</b>	1,735
. Pupil premium	-	2,645	<b>2,645</b>	2,130
	-	45,990	<b>45,990</b>	35,297
<b>Other Government grants</b>				
. Local authority grants	-	1,025	<b>1,025</b>	798
	-	1,025	<b>1,025</b>	798
Other funding for the academy trust's educational operations	-	90	<b>90</b>	-
<b>Total</b>	-	47,105	<b>47,105</b>	36,095

The income from funding for educational operations was £47,105K (2018: £36,096K) of which nil was unrestricted (2018: nil) and £47,105K was restricted (2018: £36,095K).

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

**5 Other trading activities**

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Lettings Income	45	-	<b>45</b>	10
Music income	34	-	<b>34</b>	34
Catering income	1,000	-	<b>1,000</b>	735
Other income	543	-	<b>543</b>	703
	1,622	-	<b>1,622</b>	1,482

The income from other trading activities was £1,622K (2018: £1,482K) of which nil was unrestricted (2018: nil) and £1,622K was restricted (2018: £1,482).

**6 Investment income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	12	-	<b>12</b>	2
	12	-	<b>12</b>	2

The income from investment income was £12K (2018: £2K) of which 12K was unrestricted (2018: £nil) and £nil was restricted (2018: £2K).



## 7 Expenditure

### Non Pay Expenditure

	Staff Costs £000	Premises £000	Other £000	Total 2018/19 £000	Total 2017/18 £000
Academy's educational operations:					
. Direct costs	30,625	-	3,776	<b>34,401</b>	26,189
. Allocated support costs	6,639	564	10,435	<b>17,638</b>	14,080
Teaching School	224	-	20	<b>244</b>	189
	<b>37,488</b>	<b>564</b>	<b>12,604</b>	<b>52,283</b>	<b>40,458</b>

### Net income / (expenditure) for the period includes:

	2018/19 £000	2017/18 £000
Operating lease rentals:		
PFI	<b>1,031</b>	94
Other operating leases	<b>380</b>	348
Depreciation	<b>2,851</b>	2,964
(Gain) / loss on disposal of fixed assets	<b>1</b>	(6)
Amortisation of intangible fixed assets (included within Charitable Activities – Academy Trust educational operations)	<b>93</b>	81
Fees payable to auditor for:		
. auditor	<b>29</b>	26
. other services	<b>27</b>	24

## 7 Expenditure on charitable activities

	Total 2019 £000	Total 2018 £000
<b>Direct costs – educational operations</b>	<b>34,401</b>	26,189
<b>Support costs – educational operations</b>	<b>17,628</b>	14,080
<b>Support costs – governance</b>	<b>56</b>	50
	<b>52,095</b>	<b>40,319</b>

### Direct costs – educational operations

	Total 2019 £000	Total 2018 £000
Wages and salaries	<b>24,208</b>	18,845
National insurance	<b>2,342</b>	1,771
Pensions costs	<b>3,307</b>	2,590
Supply teachers	<b>599</b>	447
Staff development	<b>170</b>	191
Educational supplies	<b>3,027</b>	1,886
Examination fees	<b>694</b>	425
Other costs	<b>54</b>	34
<b>Total</b>	<b>34,401</b>	<b>26,189</b>





## 7 Expenditure on charitable activities (continued)

	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<b>Support costs – educational operations</b>		
Wages and salaries	5,416	4,287
National Insurance	375	292
Pensions costs	568	473
Supply staff	136	104
Recruitment and other staff costs	144	206
Technology costs	420	521
Maintenance of premises and equipment	564	502
Cleaning	187	163
Rent and rates	709	497
Heat and light	777	632
Insurance	175	142
Security and transport	159	153
Catering	1,502	1,244
Operating leases	988	89
Office overheads	799	829
Depreciation	2,944	3,045
Education supplies	132	50
FRS102 Pension Costs	1,627	837
Bank charges	16	14
<b>Total</b>	<b>17,638</b>	<b>14,080</b>
	<b>2019 £000</b>	<b>2018 £000</b>
<b>Support costs - Governance</b>		
Auditors' remuneration	29	26
Other costs	27	24
Trustees expenses reimbursed		
<b>Total</b>	<b>56</b>	<b>50</b>

## 8 Staff and Staff Costs

### Staff costs

<b>Staff costs during the period were:</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Wages and salaries	29,818	23,014
Social security costs (Includes Apprenticeship Levy)	2,717	2,064
Pension Costs	3,874	3,063
	<b>36,409</b>	<b>28,141</b>
Supply staff costs	735	551
Staff restructuring costs	30	118
FRS102 pension adjustment	125	104
	<b>37,299</b>	<b>28,914</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	1	53
Severance payments	29	65
Other restructuring costs	-	-
	<b>30</b>	<b>118</b>

Included in staff restructuring costs are non-statutory and or non-contractual severance payments totalling £29,143. (2018: £65,128). Individually the payments were: £5,689 and £23,454



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Staff numbers

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

	2019 No.	2018 No.
Teachers	612	472
Administration and support	556	488
Management	23	15
	<b>1,191</b>	<b>975</b>

### Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	3	2
£70,001 - £80,000	4	3
£80,001 - £90,000	2	2
£90,001 - £100,000	4	1
£100,001 - £110,000	2	3
£110,001 - £120,000	2	0
£160,001 - £170,000	1	1

### 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 £1.977 million (2018 £1.427 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 in respect of their role as Trustees.

During the year ended 31 August 2019, travel and subsistence expenses totalling £1,331 were reimbursed to 2 Trustees (2018 £659 to 3 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 2019 and received remunerations as follows: 2019 £160-£165K (2018: £160K-£165K) and pension contribution £25K-£30K (2018: £25K-£30K).

## 10 Trustees and Officers insurance (RPA)

The academy 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 academy 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
- Chief Operating Officer
- Finance services
- HR and Payroll services (01 September 2018)
- Admissions management and Appeals management
- ICT network and services





# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

- Estate and site management (01 September 2018)
- Marketing, Communication and design services (01 September 2018)
- Legal services
- Procurement services
- Governance services (01 September 2019)

The Trust charges for these services at 5% of GAG income (2018 – 4.3% of total income).

The actual amounts charged during the year were:

	2019 £000	2018 £000
Dixons City Academy	310	277
Dixons Allerton Academy	498	464
Dixons Trinity Academy	168	161
Dixons McMillan Academy	212	161
Dixons Kings Academy	246	249
Dixons Music Primary	85	70
Dixons Marchbank Primary	102	115
Dixons Chapeltown	70	20
Dixons Manningham Primary	88	92
Dixons Cottingley Academy	223	-
Dixons Unity Academy	224	-
<b>Total</b>	<b>2,226</b>	<b>1,609</b>

A summarised Income and Expenditure Account for the year ended 31 August 2019 in respect of the above is as follows:

	2019 £000	2018 £000
<b>Income</b>		
Recharge to Academies	2,226	1,609
Sponsorship income	200	200
Teaching school income	242	187
Other DFE grant	83	319
MAT Development grant & Appeals	86	201
Other income	15	49
<b>Total</b>	<b>2,852</b>	<b>2,565</b>

	£000	£000
Staff costs (centralisation of Estates, Coms, design, IT and HR)	2,714	1,686
Consultancy (moved to in house)	25	218
HR and legal services (moved to in house)	52	119
Audit and Accountancy	56	46
IT licensing and software	114	355
Recruitment and advertising	13	45
Admissions	59	64
Capital purchase	1	25
Other	100	131
<b>Total</b>	<b>3,134</b>	<b>2,689</b>



**Dixons Academies Charitable Trust Ltd**  
**Notes to the Financial Statements for the Year Ended 31 August 2019**

**12 Other financial income**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Investment income on pension scheme assets	647	413
Interest on pension scheme liabilities	(772)	(517)
<b>Total</b>	<b>(125)</b>	<b>(104)</b>

**13 Intangible fixed assets**

	<b>Computer Software</b>
	<b>£000</b>
<b>Cost</b>	<b>2019</b>
At 1 September 2018	<b>433</b>
Additions	<b>107</b>
Re classification	-
At 31 August 2019	<b>540</b>
<b>Amortisation</b>	
At 1 September 2018	<b>281</b>
Charged in year	<b>93</b>
Re classification	-
At 31 August 2019	<b>374</b>
<b>Carrying amount</b>	
At 31 August 2018	<b>152</b>
At 31 August 2019	<b>166</b>



**Dixons Academies Charitable Trust Ltd**  
**Notes to the Financial Statements for the Year Ended 31 August 2019**

**14 Tangible fixed assets**

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000
<b>Cost</b>					
At 1 September 2018	36,000	50,264	2,288	32	5,420
Additions	178	333		16	156
Re classification	-	-	-	-	-
Disposals					
At 31 August 2019	36,178	50,597	2,288	48	5,576
<b>Depreciation</b>					
At 1 September 2018	7,290	6,999	1,617	16	3,915
Charged in year	714	1,063	157	7	251
Re classification	-	-	-	-	-
Disposals					
At 31 August 2019	8,004	8,062	1,774	23	4,166
<b>Net book values</b>					
At 31 August 2018	28,710	43,265	671	16	1,505
At 31 August 2019	28,174	42,535	514	25	1,410

	Computer equipment	Total
<b>Cost</b>		
At 1 September 2018	7,078	101,082
Additions	287	970
Re classification	-	-
Disposals	(2)	(2)
At 31 August 2019	7,363	102,050
<b>Depreciation</b>		
At 1 September 2018	5,799	25,636
Charged in year	659	2,851
Re classification	-	-
Disposals	-	-
At 31 August 2019	6,458	28,487
<b>Net book values</b>		
At 31 August 2018	1,279	75,446
At 31 August 2019	905	73,563

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**

	2019 £000	2018 £000
Finished goods and goods for resale	85	38
	<b>85</b>	<b>38</b>

The stock of goods consists of books, stationery, teaching consumables etc. purchased in 2018/19 for use in the next financial year 2019/20.



**Dixons Academies Charitable Trust Ltd**  
**Notes to the Financial Statements for the Year Ended 31 August 2019**

**16 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	119	107
VAT recoverable	427	291
Other debtors	89	37
Prepayments and accrued income	1,067	1,265
	<b>1,702</b>	<b>1,700</b>

**17 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	301	377
Other taxation and social security	656	652
School Fund	-	26
Other creditors	846	689
Accruals and deferred income	1,887	1,620
	<b>3,690</b>	<b>3,364</b>

**18 Deferred income**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2018	473	423
Released from previous years	(473)	(423)
Resources deferred in the year	420	473
Deferred Income at 31 August 2019	<b>420</b>	<b>473</b>

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Rates	162	109
UIFSM	140	145
Post 16 Bursary	80	40
Capital grant	-	118
Year 7 Catch up	-	1
GAG Clawback	-	54
Year 11 Development grant	-	1
Musical – Trips	-	1
Sports and Classic grant	-	4
Exclusion - SEN	11	-
LAC Funding - Laptop	1	-
SSP – Implementation programme	11	-
SSIF Project	2	-
Catering	13	-
	<b>420</b>	<b>473</b>

Deferred income held at 31 August 2019 relates to 2019/20 Rates, Universal Infant Free School Meals, P16 bursary etc. as shown above.



## 19 Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains and (losses) £000	Transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>						
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
Provision for boarding	-	-	-	-	-	-
Pension reserve	(3,964)	(1,040)	(1,627)	(6,900)	-	(13,531)
	<b>(1,968)</b>	<b>46,307</b>	<b>(47,330)</b>	<b>(6,900)</b>	<b>(126)</b>	<b>(10,017)</b>
<b>Restricted fixed asset funds</b>						
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
	<b>75,598</b>	<b>1,538</b>	<b>(2,944)</b>	<b>-</b>	<b>126</b>	<b>74,318</b>
<b>Total restricted funds</b>	<b>73,630</b>	<b>47,845</b>	<b>(50,274)</b>	<b>(6,900)</b>	<b>-</b>	<b>64,301</b>
<b>Total unrestricted funds</b>	<b>522</b>	<b>1,643</b>	<b>(2,065)</b>	<b>-</b>	<b>-</b>	<b>100</b>
<b>Total funds</b>	<b>74,152</b>	<b>49,488</b>	<b>(52,339)</b>	<b>(6,900)</b>	<b>-</b>	<b>64,401</b>

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

### Restricted funds

Restricted funds represents 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 academy 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 2019.

### 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 academy 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 Academy 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 Charitable Trust Ltd**  
**Notes to the Financial Statements for the Year Ended 31 August 2019**

**19 Statement of funds (continued)**

**Comparative information in respect of the preceding period**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>						
General Annual Grant (GAG)	763	31,507	(31,098)	-	-	1,172
Start Up Grant	-	302	(302)	-	-	-
Pupil Premium	-	2,130	(2,130)	-	-	-
Other grants	260	2,714	(1,852)	-	(298)	824
Provision for boarding	-	-	-	-	-	-
Pension reserve	(4,151)	(849)	(837)	1,873	-	(3,964)
	<b>(3,128)</b>	<b>35,804</b>	<b>(36,219)</b>	<b>1,873</b>	<b>(298)</b>	<b>(1,968)</b>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	46,642	-	-	-	-	46,642
DfE/EFA capital grants	29,770	1,033	(3,045)	-	(54)	27,704
Transfers in on joining Trust	-	1,118	-	-	-	1,118
Private sector capital sponsorship	134	-	-	-	-	134
	<b>76,546</b>	<b>2,151</b>	<b>(3,045)</b>		<b>(54)</b>	<b>75,598</b>
<b>Total restricted funds</b>	<b>73,418</b>	<b>37,955</b>	<b>(39,264)</b>	<b>1,873</b>	<b>(352)</b>	<b>73,630</b>
<b>Total unrestricted funds</b>	<b>275</b>	<b>1,491</b>	<b>(1,244)</b>	<b>-</b>	<b>-</b>	<b>522</b>
<b>Total funds</b>	<b>73,693</b>	<b>39,446</b>	<b>(40,508)</b>	<b>1,873</b>	<b>(352)</b>	<b>74,152</b>

**Total Trust Reserves Balances**

	2019 £000	2018 £000
Centrally held reserves – Restricted and Unrestricted funds (MAT)	3,614	2,518
Restricted fixed asset fund	74,318	75,598
Pension reserve	(13,531)	(3,964)
<b>Total</b>	<b>64,401</b>	<b>74,152</b>

The Trustees approved that all reserves held by the Trust would be centralised during the year. This decision has been taken so that all academies within the Trust are supported. Consequently, the Trustees have decided to pool all reserves with effect from 31 August 2019. 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 (£3.6m as at 31<sup>st</sup> August 2019) will be used effectively for the benefit of each child who is educated within a Dixons Academy.



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Analysis of academies by cost

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£000	£000	£000	£000	£000	£000
Dixons City Academy	3,902	774	472	702	5,850	5,940
Dixons Kings Academy	3,029	628	350	1,002	5,009	4,893
Dixons Allerton Academy	6,904	1,058	884	967	9,813	9,577
Dixons Music Primary	1,267	160	134	203	1,764	1,483
Dixons Marchbank Primary	1,496	212	205	396	2,309	2,291
Dixons Trinity Academy	1,996	724	297	374	3,391	3,345
Dixons McMillan Academy	2,740	533	410	430	4,113	3,446
Dixons Manningham	1,387	140	110	325	1,962	1,935
Dixons Chapeltown	987	182	135	232	1,536	379
Dixons Cottingley	2,658	524	307	714	4,203	670
Dixons Unity Academy	2,661	344	281	1,148	4,434	-
Dixons Sixth Form Academy	128	26	23	73	250	-
Dixons Central Services	767	1,947	41	2,006	4,761	3,504
	<b>29,922</b>	<b>7,252</b>	<b>3,649</b>	<b>8,572</b>	<b>49,395</b>	<b>37,463</b>

### 20 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2019 Total Funds	2018 Total Funds
	£000	£000	£000	£000	£000
Intangible fixed assets	-	-	166	166	152
Tangible fixed assets	-	-	73,563	73,563	75,446
Current assets	100	7,204	589	7,893	5,882
Current liabilities	-	(3,690)	-	(3,690)	(3,364)
Non-current liabilities	-	-	-	-	-
Pension scheme liability	-	(13,531)	-	(13,531)	(3,964)
<b>Total net assets</b>	<b>100</b>	<b>(10,017)</b>	<b>74,318</b>	<b>64,401</b>	<b>74,152</b>

### 21 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	<b>290</b>	-

### 22 Commitments under operating leases

At 31 August 2019, the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	<b>1,411</b>	442
Amounts due between one and five years	<b>5,424</b>	1,686
Amounts due after five years	<b>13,882</b>	4,579
	<b>20,717</b>	<b>6,707</b>



## 23 Reconciliation of net income / (expenditure)

	2019 £000	2018 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(2,851)	(1,062)
Adjusted for:		
Amortisation [note 13]	93	81
Depreciation [note 14]	2,851	2,964
Capital grants from DfE and other capital income	(1,538)	
(Profit) / Loss on disposal of fixed asset	1	(6)
Interest receivable [note 6]	(12)	(2)
Defined benefit pension scheme obligation inherited	1,040	849
Defined benefit pension scheme finance cost [note 19,29]	1,627	837
(Increase)/decrease in stocks	(47)	(37)
(Increase)/decrease in debtors	(2)	(10)
Increase/(decrease) in creditors	326	88
<b>Net cash provided by / (used in) operating activities</b>	<b>1,488</b>	<b>3,702</b>

## 24 Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	12	2
Proceeds from sale of tangible fixed assets	1	6
Purchase of intangible fixed assets	(107)	(16)
Purchase of tangible fixed assets	(970)	(1,223)
Capital grants from DfE and other capital income	1,538	-
Funds transfer from Cottingley	-	285
Fixed asset transfers received from Cottingley	-	(1,495)
<b>Net cash provided by / (used in) investing activities</b>	<b>474</b>	<b>(2,441)</b>

## 25 Analysis of cash and cash equivalents

	At 31 August 2019 £000	At 31 August 2018 £000
Cash in hand and at bank	6,106	4,144
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>6,106</b>	<b>4,144</b>

## 26 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.

## 27 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £393,478 were payable to the schemes at 31 August 2019 (2018: £296,678) and are included within creditors.





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

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

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

The employer's pension costs paid to TPS in the period amounted to £2.946 million (2018: £2.326 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.

## 29 Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,299K (2018: £1,125k) of which employer's contributions totalled £906K (2018: £816k) and employees' contributions totalled £393K (2018: £309k). 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 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.

### Amount recognised in the statement of financial activities

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.35%	3.25%
Rate of increase for pensions in payment/inflation	2.10%	2.00%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.10%	2.00%
Pension accounts revaluation rate	2.10%	2.00%



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

### Sensitivity analysis

	At 31 August 2019	At 31 August 2018
	£000	£000
Discount rate +0.1%	(853)	(521)
Discount rate -0.1%	872	533
Mortality assumption – 1 year increase	1,295	690
Mortality assumption – 1 year decrease	(1,282)	(688)
CPI rate +0.1%	589	369
CPI rate -0.1%	(580)	(363)

### The Trust's share of the assets in the scheme were:

	Fair value at 31 August 2019	Fair value at 31 August 2018
	£000	£000
Equity instruments	19,660	14,763
Bonds	3,800	2,830
Property	1,115	831
Cash & Other	760	1,366
<b>Total market value of assets</b>	<b>25,335</b>	<b>19,790</b>

The actual return on scheme assets was £1,590,000 (2018: £814,000)

### Amount recognised in the statement of financial activities

	2019	2018
	£000	£000
Current service cost (net of employee contributions)	(1,676)	(1,454)
Net interest cost	(125)	(104)
Past service cost	(732)	(95)
<b>Total operating charge</b>	<b>(2,533)</b>	<b>(1,653)</b>

### Changes in the present value of defined benefit obligations

	2019	2018
	£000	£000
<b>At 1 September</b>	<b>23,754</b>	<b>18,178</b>
Upon conversion	-	-
Current service cost	1,676	1,454
Past Service Cost	732	95
Interest cost	772	517
Employee contributions	393	309
Actuarial (gain)/loss	7,843	(1,472)
Benefits paid	(522)	(308)
Net increase in assets from disposals/acquisitions	4,218	4,981
<b>At 31 August</b>	<b>38,866</b>	<b>23,754</b>



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Changes in the fair value of academy's share of scheme assets

	2019 £000	2018 £000
<b>At 1 September</b>	<b>19,790</b>	<b>14,027</b>
Upon conversion	-	-
Interest income	647	413
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	943	401
Employer contributions	906	816
Employee contributions	393	309
Benefits paid	(522)	(308)
Net increase in assets from disposals/acquisitions	3,178	4,132
<b>At 31 August</b>	<b>25,335</b>	<b>19,790</b>

### 30 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 academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

#### Expenditure Related Party Transaction

Mr G Haunch is a Technical Director of Olympus Print Group Ltd and Husband to Mrs H Haunch (Principal of Dixons Marchbank Academy) which was awarded contract for the printing and installation of wall-art at Dixons City Academy, a separate academy within the Trust. During the year the Trust contracted Olympus Print Group Ltd to provide printing and installation work totalling £1,995 (2018: £nil). There were no creditor balances with Olympus Print Group Ltd as at the balance sheet date (2018: £nil). This was declared in compliance with the requirements of the Academies Financial Handbook 2018.

### 31 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019, the Trust received £113K (2018 £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 2019 and included in other creditors was £74k (2018 £53k).

	2019 £000	2018 Restated £000
Funds brought forward	53	16
Bursary Funding Received	113	113
<b>Total Income</b>	<b>166</b>	<b>129</b>
Funds Distributed	92	76
5% Admin cost retention	-	-
<b>Total Costs</b>	<b>92</b>	<b>76</b>
<b>Funds carried forward</b>	<b>74</b>	<b>53</b>



### 32 Teaching school trading account

	2018/19 £'000s	2018/19 £'000s	2018/19 £'000s	2017/18 £'000s	2017/18 £'000s	2017/18 £'000s
<b>Income</b>						
<b>Direct Income</b>						
Other income		242			179	
Other Income		-			-	
Fundraising and other trading activities		-			-	
			242			179
<b>Expenditure</b>						
<b>Direct Costs</b>						
Direct staff costs	224			156		
<b>Total direct costs</b>		224			156	
<b>Other costs</b>						
Printing, photocopying and stationery	1			-		
Staff development	-			30		
Marketing and publicity	-			1		
Professional services	15			1		
Travel and subsistence	4			1		
<b>Total other costs</b>		20			33	
<b>Total Expenditure</b>			244			189
<b>Surplus/(Deficit) from all sources</b>			(2)			(10)
<b>Teaching school balances at 1 September 2018</b>			(10)			-
<b>Teaching school balances at 31 August 2019</b>			(12)			(10)

### 33 Transfer of existing academy into Trust

Dixons Unity was transferred in to the Trust on 1 October 2018. At the date of transfer in, the operations, assets and liabilities were transferred to the trust at nil consideration. Transferor retained the deficit of the academy and the only liability transferred was the defined benefit pension scheme liability, which is set out below. The fixed assets are financed under PFI contract and the transactions are treated as operating lease as mention on page 27. Therefore, the fixed assets of Dixons Unity are not recognised in the financial statement at the date of transfer.

#### Pension liability inherited

The value of the liabilities as at the transfer date has been calculated on the FRS 102 assumptions applicable at the start of the accounting period using a roll forward approach, based on the liabilities calculated at the last valuation using data provided by the Fund Administering Authority at the last valuation.

The value of the assets notionally transferring as at the transfer date has been calculated by rolling forward the notional assets of Dixons Unity calculated at last valuation allowing for assets returns and cashflows in respect of Dixons Unity Academy membership.

The increase in assets and liabilities due to the addition of Dixons Unity has been allowed for within the Net increase in liabilities from disposals/acquisitions on note 29 and summarised below.

	£000
Net increase in liabilities from disposals/acquisitions	(4,218)
Net increase in assets from disposals/acquisitions	<u>3,178</u>
Defined benefit pension scheme liability inherited	<u>(1,040)</u>

