

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 17
Governance statement	18 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditors' report on the financial statements	23 - 24
Independent auditors' assurance report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28 - 29
Statement of cash flows	30
Notes to the financial statements	31 - 60

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Sir J Hill
J Williams
T Birtwistle (appointed 8 October 2015)

Trustees

Sir J Hill, Chair of Trust
J Williams, Chair of Governing Council
J Bowers, Chair of Dixons Kings Academy Local Governing Body
L Barrett, Chair of Dixons Allerton Local Governing Body
B Collins, Chair of Dixons Trinity Local Governing Body
R Bhatti, Chair of Dixons Marchbank Academy Local Governing Body
B Fitzpatrick, Chair of Finance committee
G Alderson, Chair of Audit committee
T Birtwistle (appointed 8 October 2015)

Company registered number

02303464

Company name

Dixons Academies Charitable Trust Ltd

Principal and registered office

Ripley Street, Bradford, West Yorkshire, BD5 7RR

Company secretary

A Bashir

Accounting officer

Sir N Weller

Senior management team

Sir N Weller, Executive Principal
G Dreher, Principal Dixons Allerton Academy
S Watson, Principal Dixons City Academy
L Sparkes, Principal Dixons Trinity Academy
W Davies, Principal Dixons McMillan Academy
M Long, Principal Dixons Music Academy
J Relton, Principal Dixons Marchbank Academy
A Bashir, Director of Finance
T Leighton, Principal Dixons Manningham Academy
N Miley, Principal Dixons Kings Academy

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Independent auditors

BHP, Chartered Accountants, 1st Floor, Mayesbrook House, Leeds, LS16 6QY

Bankers

Lloyds Bank, 35 Hustlergate, Bradford, BD1 1NT

Solicitors

Gordons LLP, 14 Piccadilly, Bradford, BD1 3LX

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates 3 primary and 5 secondary academies in Bradford.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity which was established on 6 October 1988.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Dixons Academies Charitable Trust Ltd are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

The principal activities and objectives of Dixons Academies Trust are the advancement, for public benefit, of education in Bradford, West Yorkshire, by establishing, maintaining and developing high performing schools, nationally recognised for offering a broad curriculum with a strong emphasis on our core values i.e. Diversity, Challenge, Aspirations, No Shortcuts, No Excuses 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 city. 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.

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 Governing Council and the Chairs of the Local Governing Bodies who in turn are responsible for appointments to their respective boards.

All governors are appointed based upon the contribution they can make to the development and future success of the multi academy trust.

Except for Staff Governors, no Trustees/Governors receive remuneration for their services other than reasonable out of pocket expenses

The following process is used for selection/recruitment of new Governors.

- Advertise vacancy in the Academy's newsletter approaching any parents who might express an interest in becoming a Governor.
- Ask any outgoing Governor for recommended nominations in order to retain the high quality of skills and expertise required to be a member of the Governing body at Dixons City Academy.
- Contact School Governors' One Stop Shop*. They hold a database of skilled volunteers wishing to become school Governors. In addition they are able to use their network of business connections to market vacancies should their database search be unsuccessful.
- Advertise in local newspapers (although historically this has not proved a successful medium).

Once an individual has been identified they will be invited to the Academy to meet with the Chair of Governors and the Principal to discuss their suitability for the role of Governor.

Successful candidates will be:

- Invited to the Academy to meet staff and students following the induction schedule (see attached)
- Provided with an induction pack

Governors are appointed for a fixed term of four years after which they may seek re-appointment

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 Executive Principal and the Director of Finance. 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

(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 group and are dependent on seniority of position and size of school.

The CEO and Director of Finance are on salary ranges agreed by the Remuneration Committee after benchmarking against similar sized MATs.

Remuneration Committee meets annually to review all key personnel salaries.

f. Organisational structure

The organisational structure of the multi-academy trust is based on the principles that:

- i) The Members of the Company define the Object, Purpose and Ethos of the Company
- ii) The Trustees, who form the Governing Council, 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.
- iii) The Trustees have the power to direct change where required to ensure that the Object, Purpose and Ethos of the Company are met.
- iv) 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.
- v) The Senior Managers, who are the Executive Principal, the Academy Principals and the Director of Finance, control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them regularly. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff through appointment boards. Some spending control is devolved to members of the Management Team with financial limits above which a Senior Manager must countersign.

The Management Team includes the Senior Management, the Assistant Vice Principals and the Operations Manager. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

- vi) To assist the Trustees' in their work the Trust has established the two following sub-committees:
 - The Audit and Risk Management Committee
 - The Finance Committee

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

g. Connected organisations

The Dixons' academies form an integral part of the Bradford Educational Partnership whose aim, at schools level, is school improvement and curriculum co-operation and in particular assisting those students who are least well served by traditional classroom based curriculum or who are in danger of exclusion.

The Trust continues to hold Teaching School status.

Strategic report

Objectives and Activities

a. Mission and core principles

Our mission is to challenge educational and social disadvantage by establishing high-performing non-faith academies which promote learning, develop character, value diversity and build cultural capital. By the age of 18 we want every student to have the choice of university or a high quality apprenticeship.

To achieve this, Dixons Academies share a set of Six Core Principles:



DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

High Expectations of All

The Dixons Academies have high expectations for all students, and our 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 through a range of formal and informal rewards and consequences for academic performance and behaviour. 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.

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 for the good of the Group as a whole. They articulate their own culture, values and vision for learning around our shared core principles. We empower our people in every area and 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.

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 diverse extra-curricular experiences.

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 the Dixons 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.

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 the school and to each other to put in 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.

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, integrity and respect for others.

In summary, we define the Dixons Difference is our relentless focus on student achievement, led by highly committed and professional staff. By creating a can-do, independent culture with an emphasis on self-discipline, we prepare our learners for future success in an ever-changing world.

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

TRUSTEES' REPORT (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

Our Academies put students at their heart and work in close partnership with parents. We value diversity and cultivate happy schools, based on strong relationships, mutual respect, integrity and honesty.

b. Public benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning activities for the year.

Students are admitted from all areas within Bradford, West Yorkshire and on the basis of a "fair banding" protocol.

The directors consider that the charitable company's aims are demonstrably to the public benefit.

c. Risk management

The Governors have assessed the major risks to which Dixons Academies Trust is exposed, in particular those relating to the specific provision of teaching, facilities management and other operational areas of Academies and their finances. The Governors have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

As part of the risk management process the Governors have set policies on internal controls which cover the following:

- the type of risks faced by Dixons Academies Trust;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- Dixons Academies Trust ability to reduce the incidence and impact on day to day operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the Management Team to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control systems in the day to day operations so that it becomes part of the organisational culture;
- developed systems to respond quickly to evolving risks arising from factors within Dixons Academies Trust and to changes in the external environment; and
- included procedures for reporting failures immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken.

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

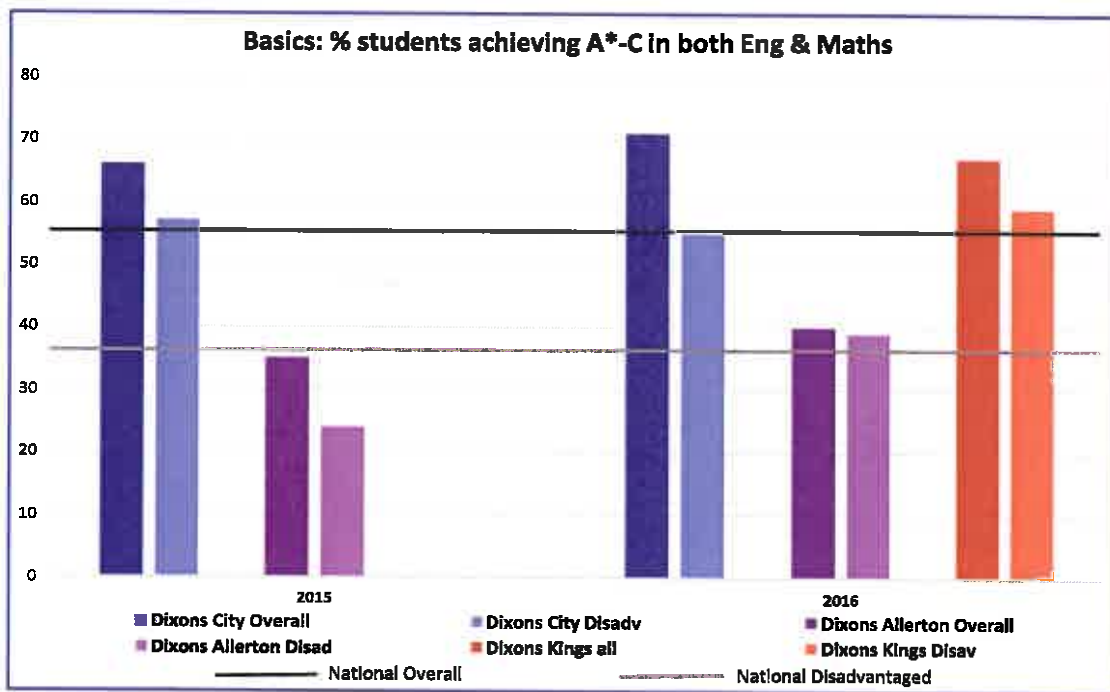
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

Educational performance

It has been another successful year academically across the Dixons Group, at both primary and secondary levels. Only one school was inspected by Ofsted, with Music Primary achieving a grade of Outstanding. With four inspections anticipated in the 2016/17 academic year (at Allerton, Kings, City and Marchbank Primary), strong achievement by our students in 2016 bodes well for their outcomes. All of our Academies run a longer school day than the maintained sector and are heavily focussed on developing cultural capital by offering educational trips and a wide range of extra-curricular opportunities. Nevertheless, the main measure of the success of this approach is in our academic performance in national tests and examinations.

At Key Stage 4, both Dixons City and Dixons Allerton Academies improved their performance A*-C in both English and Maths this year (the so-called Basics measure), while Dixons Kings Academy also produced a very impressive first set of results. At City and Kings, Disadvantaged students exceeded the national average for all students, and at Allerton it was the improved performance of Disadvantaged students which drove their improvement this year:



DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

2016 saw the launch of two new measures of secondary performance. Attainment 8 measure the average achievement of students across 8 qualifications, including English and maths and at least 3 other English Baccalaureate qualifications. Progress 8 measures the progress made since Key Stage 2 across the same eight GCSE or Level 2 qualifications. The average score for mainstream schools in England is 0. In most cases, schools score somewhere between -1 and +1.

These new measures reflect particularly well on Dixons Kings, with Attainment 8 of 5.55 and Progress 8 of 0.47, given that we inherited this school only eighteen months before with a history of poor progress and two Ofsted judgements of Requires Improvement under the previous sponsor. City also maintained its strong performance with scores of 0.17 and 5.4 and 0.17 respectively. At -0.17, Allerton's Progress 8 is still significantly above floor (which is -0.5), but Attainment 8 is below national average at 4.12:

	2015		2016	
	Attainment 8	Progress 8	Attainment 8	Progress 8
City	5.45	0.21	5.40	0.17
Allerton	4.2	-0.24	4.12	-0.17
Kings	n/a	n/a	5.55	0.47
National	4.74	0.00	4.82	-0.03

The English Baccalaureate (EBacc) is the Department for Education's main measure of academic excellence, and is achieved by pupils who have obtained GCSEs at grade A* to C in English, maths, two sciences, a language and a humanities subject. Our EBacc performance was also strong, especially at City and Kings (45% and 43% respectively against a national average of 24% last year). It is a matter of great pride to us that these two academies top the local league table for the English Baccalaureate, outperforming all Bradford schools, including those with significantly less disadvantaged intakes:

	EBacc
Dixons City Academy	45%
Dixons Kings Academy	43%
Bingley Grammar School	40%
Bradford Girls' Grammar	40%
Ilkley Grammar	38%
Beckfoot School	30%
Buttershaw	24%
Feversham College	24%
National Average	24%

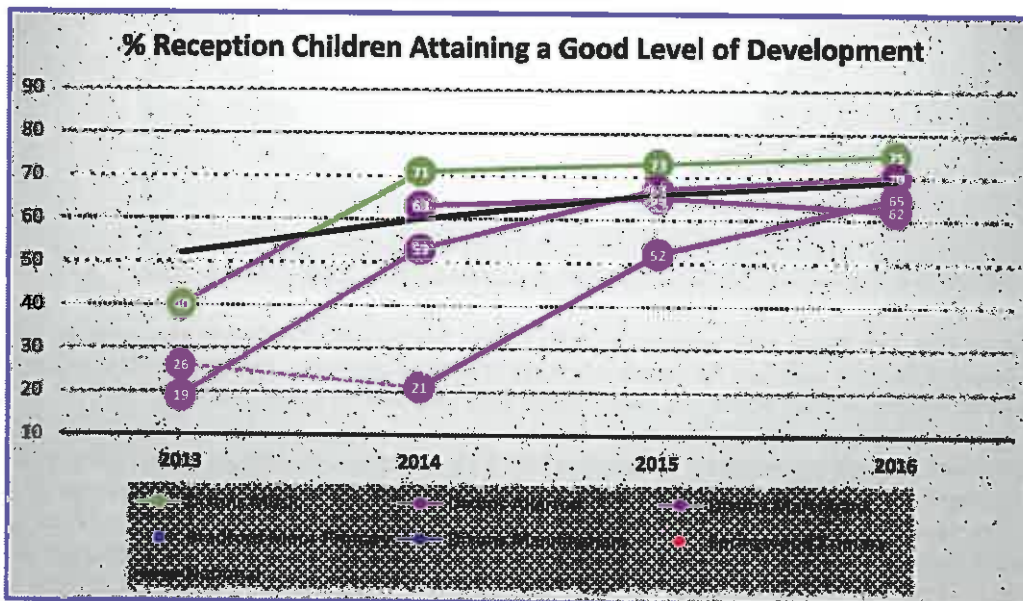
We remain committed to a high-quality curriculum which eschews qualifications which have high value in league tables but little value in transforming students' life-chances. Some would criticise this approach as naïve, given that less rigorous qualifications could be used to inflate a school's Attainment 8 and Progress 8 scores. However, when serving an area of high disadvantage like inner-city Bradford it is even more important to focus less on which qualifications make our academies look good and more on which ones will open up genuine opportunities for our students at university or in employment.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

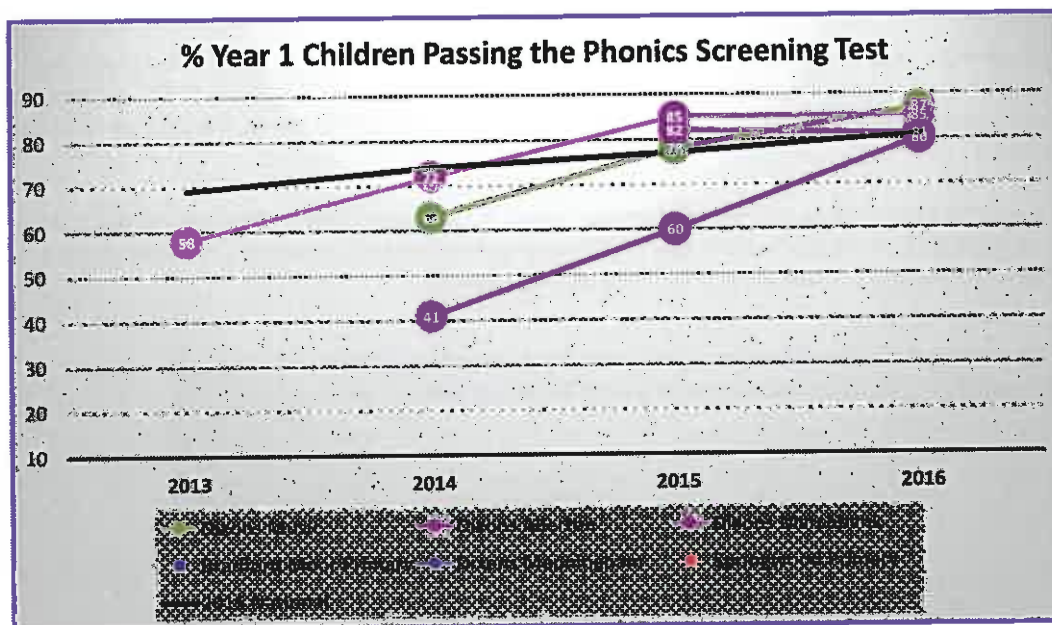
In our Primary Academies, only two sets of national results are comparable with previous years: the percentage of pupils in Reception classes meeting age-related expectation, known as a Good Level of Development (GLD); and the percentage of pupils in Year 1 classes passing the national Phonics Screening Test. The 2016 results are the best we have achieved as a Trust in both cases.

At GLD, three primaries continued to improve on previous years' results, with Dixons Manningham again our strongest improver. It is reassuring to see all four schools now much more tightly clustered around the national average – no mean feat in a city where children start school well behind their peers nationally:



The only slight fall this year was at Allerton, but this represents a much weaker cohort than last year making even better progress. They will continue to close gaps in attainment through Year 1 from September.

The Year 1 Phonics test again saw results much more tightly clustered than in the past, with Manningham again our most improved Academy and all academies exceeding last year's national average. Marchbank has consolidated the significant improvement there since 2013, Allerton has sustained its high level of performance, and the Music Primary has continued its strong growth in results to become our top-performing primary.



It is very pleasing to note the strong improvement at both Dixons Marchbank and Dixons Manningham since their conversion from Bradford Moor in 2013 and Springwood Primary in 2014 respectively. Strong schools are built from the base upwards: in all four of our primary academies, these results bode very well for our future.

At KS2, only Dixons Marchbank and Dixons Manningham have Year 6 classes as yet. Marchbank continued its strong trend of improvement by meeting national levels of attainment in Writing, Maths and GPaS (Grammar Punctuation & Spelling). This is especially impressive given the low starting points of these pupils, the poor experience they had in the predecessor school, and the much more challenging primary curriculum and KS2 tests this year. The Academy did fall short of national attainment in Reading, however, but this test was problematic nationally. Nevertheless, Marchbank Primary is in very good shape for its impending inspection. Manningham was unsurprisingly less successful against the new measures, as students have been making good progress for not much more than a year. Even so, its overall results are above floor standard. With another year of good progress, I expect this year's results to be a great deal stronger, and better placed for its own inspection in 2017/18.

The quality of teaching was generally strong across the Group by Cycle 3, the end of the academic year, without the wide variations exposed by previous KPIs. I expect it to be stronger again this year. Attendance was usually above average, despite the effect of Eid last year. Holidays abroad damaged the Persistent Absence figure in some academies, especially Kings and Manningham. Relatively high exclusions at City, Kings, Manningham, and to some extent Allerton reflect raising the bar on behaviour and should be seen as necessarily negative.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

		Secondary										Primary								
		City		Allerton		Kings		McMillan		Trinity		Allerton		Marchbank		Manningham		Music		
		Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	
Teaching at	At least Green	90%		75%		91%		95%		97%		100%		100%		79%		100%		At least Green
Career Stage	Amber	8%		25%		9%		5%		3%		0%		0%		21%		0%		Amber
Expectation	Red	2%		0%		0%		0%		0%		0%		0%		0%		0%		Red
Attendance		96.0%		95.1%		94.1%	93.6%	96.7%		96.2%	95.5%	95.5%		95.9%	96.3%	94.2%	93.8%	96.5%	96.7%	
Persistent Absence (PA)		7.4%		8.9%	8.1%	10.7%	14.5%	1.3%		6.7%	8.3%	7.8%	12.1%	6.0%		12.8%	18.0%	2.3%	2.9%	Persistent
No. Exclusions	Internal	374		120		1539		56		204		0		3		36		0		
	Fixed	190		262.5		96		14		88.5		0		0.5		43.5		3		
No. Roll +/-		3		-62		+27		0		+5		0		-4		-19		-2		
	Teacher abs.	3.1%		6.7%		4.0%		1.8%		2.1%		1.2%		1.9%		3.1%		1.7%		Teach
Support abs.		3.7%		3.1%		2.0%		3.4%		2.4%		2.4%		4.2%		6.4%		2.9%		Supp
Overall abs.		3.4%		4.6%		3.0%		2.7%		2.3%		2.0%		4.1%		5.4%		2.7%		Over
Turnover (adjusted)		13%		8%		9%		17%		18%		15%		13%		37%		19%		Turnover (aj)

Allerton and Manningham remained slightly under-subscribed, while Kings' roll beyond its agreed admission number was at least on a downward trend. Staff absence and turnover reflected a more positive picture overall, although there is still some work to do at Manningham and Allerton.

Overall, 2015/16 was another very successful year for the Dixons Academies Trust. School improvement is strong across the Trust, and we can confidently anticipate even better performance in the future, despite the current climate of curriculum change and uncertainty. Moreover, as our four start-up academies at Trinity, McMillan and Music & Allerton Primaries fill up over the next few years, our overall performance in national tests and examinations will be boosted even further. The education sector faces challenging times over the next few years, but at Dixons we are ready and well-placed to face them.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

a. Financial objectives and policies

- To achieve an annual operating surplus and be financially sustainable
- To ensure resources are targeted effectively to support student outcomes

The responsibility for the monitoring and support of open Academies lies with the Education Funding Agency (EFA) which handles the funding for all 11-19 education.

Most of the Trust's income is obtained from the EFA and the Local Education Authority in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Trust also receives

- other grants such as Pupil Premium and Special Educational Needs (SEN) funding which, in accordance with Charities Statement of Recommended Practice (SORP), are also shown in the SOFA as restricted funds and
- grants for fixed assets which are in the SOFA as restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, the total expenditure (excluding restricted fixed asset funds) of £33.4 million was covered by recurrent grant funding together with other incoming resources and opening reserves. The excess of income over expenditure for the year was £1.0 million (excluding restricted fixed asset fund, pension scheme liability and actuarial loss on pension scheme).

At 31 August 2016 the net book value of fixed assets was £75.6million. The movements in tangible fixed assets are shown in note 18 to the financial statements.

The leasehold land and buildings of the following academies are occupied under a 125-year lease from the local authority, with the cost as at 31 August 2016 as detailed below:

	Leasehold Land and Buildings £million	Furniture, fittings and equipment £million
Dixons Allerton Academy	32.7	3.7
Dixons Kings Academy	9.7	0.3
Dixons Manningham Primary	1.0	0.4
Dixons Marchbank Primary	4.0	1.1
	47.4	5.5

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Principal risks and uncertainties

In the present economic climate there are a significant number of uncertainties many of which are very subjective in nature and difficult to quantify. The following key area was identified during the annual risk review:

- **Sustainable Public Funding.** In excess of 90% of the Trust's activities are government funded via grants received from the DfE, EFA and Local Authority. There is little reassurance that government policy and funding levels will continue at existing levels in future years.

In order to mitigate the public funding risk the Trust is:

- **Seeking to become the trust of choice for the local and wider community by delivering high quality and child centred educational opportunities which will ensure increased pupil numbers.**
- **Constantly seeking to achieve value for money and deliver efficiencies in all its operations.**

d. Reserves policy

The Governors review the reserve levels of the Academy 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 Governors have determined that the appropriate level of free reserves should be equivalent to 3% of turnover, excluding restricted fixed asset funding, approximately £1,018k. 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.

As at 31 August 2016 the Trust's level of free reserves (total funds less restricted fixed asset funds and restricted funds) was £2,338k. This is £1,320k above the amount required by the reserves policy but is needed to finance a number of significant capital projects which are to be undertaken over the next 12 months and which will not be financed by government grants.

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
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. Pension reserve

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

The presence of a pension surplus or deficit will generally result in a cash flow effect for the Trust in the form of an increase or decrease 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.

f. Material investments policy

The Trustee's investment powers are governed by the Memorandum and Articles of Association and allow the Academy Trust's funds to be invested in a wide range of investment vehicles without restriction. There are currently no funds available for long term investment and any surplus funds which are retained are placed on short term deposit.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

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 actioning 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.

Employee involvement and employment of the disabled

The Trust encourages staff contributions at all levels and close collaboration between the academies; academy principals also meet regularly to share knowledge and best practice. The Trust intranet provides information and access to internal and external professional development and support. Academies hold regular meetings and briefings. New staff are fully inducted and all staff, but particularly teachers, take part in training before and during the school year.

The policy of the Trust is to support the employment of disabled persons both in recruitment and by the retention of employees who become disabled whilst in its employment and generally through training and career development.

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the 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 18 January 2017 and signed on its behalf by:



J Williams
Chair of Governing Council

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT

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 board of trustees has delegated the day-to-day responsibility to the Principal, 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 board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Sir J Hill, Chair of Trust	4	4
J Williams, Chair of Governing Council	4	4
J Bowers, Chair of Dixons Kings Academy Local Governing Body	4	4
L Barrett, Chair of Dixons Allerton Local Governing Body	3	4
B Collins, Chair of Dixons Trinity Local Governing Body	4	4
R Bhatti, Chair of Dixons Marchbank Academy Local Governing Body	2	4
B Fitzpatrick, Chair of Finance committee	3	4
G Alderson, Chair of Audit committee	4	4
T Birtwistle	4	4

The Finance and General Purposes Committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Fitzpatrick	3	3
B Collins	3	3
T Gilpin	2	3
M Gaskin	2	3
N Weller	3	3
A Bashir	3	3
A Bullivant	3	3

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Audit Committee is also a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Alderson	3	3
R Bhatti	3	3
M Khan	2	3
N O'Neill	2	3
A Bashir	3	3
A Bullivant	3	3

Review of Value for money

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Dixons Academies Charitable Trust Ltd for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RSM as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a semi-annual basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

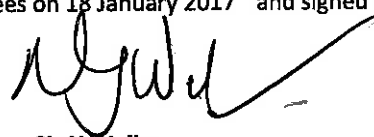
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 18 January 2017 and signed on their behalf, by:


J Williams
Chair of Governors


Sir N Weller
Accounting Officer

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Dixons Academies Charitable Trust Ltd I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Sir N Weller
Accounting Officer

Date: 18 January 2017

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 18 January 2017 and signed on its behalf by:



**J Williams
Chair of Governing Council**

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DIXONS ACADEMIES CHARITABLE TRUST LTD

We have audited the financial statements of Dixons Academies Charitable Trust Ltd for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DIXONS ACADEMIES
CHARITABLE TRUST LTD**

Matters on which we are required to report by exception

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

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



Michael Jackson (Senior statutory auditor)

for and on behalf of

BHP, Chartered Accountants

Statutory Auditors

1st Floor
Mayesbrook House
Leeds
LS16 6QY
19 January 2017

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO DIXONS ACADEMIES CHARITABLE TRUST LTD AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 May 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dixons Academies Charitable Trust Ltd during the year 1 September 2015 to 31 August 2016 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 Ltd and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dixons Academies Charitable Trust Ltd and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dixons Academies Charitable Trust Ltd and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Dixons Academies Charitable Trust Ltd's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Dixons Academies Charitable Trust Ltd's funding agreement with the Secretary of State for Education dated 13 June 2007, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2015 to 31 August 2016 have 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, Chartered Accountants

Statutory Auditors

1st Floor
Mayesbrook House
Leeds
LS16 6QY

19 January 2017

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

		Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As Restated Total funds 2015 £000
	Note					
Income from:						
Donations & capital grants:						
Transfers from Local Authority on conversion	3	-	-	-	-	9,404
Other donations and capital grants	3	90	-	-	90	11
Charitable activities	4	-	32,520	9,397	41,917	29,510
Other trading activities	5	1,325	2	-	1,327	1,302
Investments	6	-	7	-	7	12
Total income		1,415	32,529	9,397	43,341	40,239
Expenditure on:						
Charitable activities	7/8/9	216	33,210	2,571	35,997	32,041
Total expenditure		216	33,210	2,571	35,997	32,041
Net income / (expenditure) before transfers						
Transfers between Funds	22	1,199 (205)	(681) (2,762)	6,826 2,967	7,344 -	8,198 -
Net income / (expenditure) before other recognised gains and losses						
		994	(3,443)	9,793	7,344	8,198
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(4,069)	-	(4,069)	278
Net movement in funds		994	(7,512)	9,793	3,275	8,476
Reconciliation of funds:						
Total funds brought forward		1,351	2,069	65,788	69,208	60,732
Total funds carried forward		2,345	(5,443)	75,581	72,483	69,208

DIXONS ACADEMIES CHARITABLE TRUST LTD**(A company limited by guarantee)**

REGISTERED NUMBER: 02303464

BALANCE SHEET

AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Intangible assets	16		18		
Tangible assets	18		75,581		67,587
			<u>75,599</u>		<u>67,587</u>
Current assets					
Stocks	19	5		5	
Debtors	20	6,138		1,864	
Cash at bank and in hand		6,482		5,515	
		<u>12,625</u>		<u>7,384</u>	
Creditors: amounts falling due within one year	21	<u>(8,824)</u>		<u>(3,405)</u>	
Net current assets			<u>3,801</u>		<u>3,979</u>
Total assets less current liabilities			<u>79,400</u>		<u>71,566</u>
Defined benefit pension scheme liability	27		<u>(6,917)</u>		<u>(2,358)</u>
Net assets including pension scheme liabilities			<u><u>72,483</u></u>		<u><u>69,208</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	22	1,474		4,427	
Restricted fixed asset funds	22	75,581		65,788	
		<u>77,055</u>		<u>70,215</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(6,917)</u>		<u>(2,358)</u>	
Total restricted income funds			<u>70,138</u>		<u>67,857</u>
Unrestricted income funds	22		<u>2,345</u>		<u>1,351</u>
Total funds			<u><u>72,483</u></u>		<u><u>69,208</u></u>

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

BALANCE SHEET (continued)

AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 18 January 2017 and are signed on their behalf, by:



J Williams

Chair of Governing Council

The notes on pages 31 to 60 form part of these financial statements.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>11,546</u>	<u>13,044</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		7	-
Purchase of tangible fixed assets		<u>(10,586)</u>	<u>(2,424)</u>
Gifts in kind		-	<u>(9,740)</u>
Net cash used in investing activities		<u>(10,579)</u>	<u>(12,164)</u>
Change in cash and cash equivalents in the year		967	880
Cash and cash equivalents brought forward		<u>5,515</u>	<u>4,635</u>
Cash and cash equivalents carried forward	25	<u><u>6,482</u></u>	<u><u>5,515</u></u>

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Dixons Academies Charitable Trust Ltd constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Dixons Academies Charitable Trust Ltd prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Dixons Academies Charitable Trust Ltd for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

1.2 Consolidation

Dixons Academies Trust has taken advantage of the exemption provided by Section 405 of the Companies Act 2006 not to prepare group accounts on the basis that the consolidation of its subsidiary undertakings is not material for the purposes of giving a true and fair view of the results and financial position of the group.

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the asset acquired or created is held for a specific purpose.

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

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

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

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. Accounting Policies (continued)

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more 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

Amortisation is provided at the following rates:

Software	25% reducing balance
----------	----------------------

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 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 recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Software purchased independently of computers has been included within intangible assets in accordance with FRS102. The net book value has been transferred during the year.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	1.67% - 10% straight line
L/Term Leasehold Property	-	2% - 10% straight line
Freehold land	-	Nil
Plant and machinery	-	10% - 20% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% - 20% straight line
Computer equipment	-	25% - 33% straight line

1.9 Interest receivable

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

1.10 Stocks

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

1.11 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 discounts due.

1.12 Cash at Bank and in hand

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

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. Accounting Policies (continued)

1.13 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 that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. 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 risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The academy 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 be invested in a wide range of investment vehicles without restriction.

1.16 Taxation

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

1.17 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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 on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 policy

The Governors have accepted the need for general long term reserves to be maintained at a level approximately equal to 3% of relevant gross fund income.

To help fund short and medium term investment, the Governors transfer to restricted funds an annual variable sum up to a maximum of 12% of government funds.

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. Accounting Policies (continued)

1.20 Redundancy and severance payments

Where the academy 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 interests of the trust to make to make a severance payment which is not contracted, this is recognised as a liability once the decision to make a payment has been ratified at a meeting of the board of trustees.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2016.

3. Income from donations and capital grants

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As Restated Total funds 2015 £000
Transfers from Local Authority on conversion	-	-	-	9,404
Other voluntary income	90	-	90	11
Total donations and capital grants	90	-	90	9,415

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. Funding for Academy's educational operations

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As Restated Total funds 2015 £000
DfE/EFA grants				
General Annual Grant	-	28,619	28,619	23,238
Start up Grants	-	13	13	493
Other Dfe/EFA grants	-	1,165	1,165	1,722
Capital Grants	-	9,397	9,397	1,440
Income for hosting trainee teachers	-	-	-	17
Pupil premium	-	2,025	2,025	1,900
	-	41,219	41,219	28,810
Other government grants				
Local authority grants	-	497	497	694
Other grants	-	201	201	6
	-	698	698	700
	-	41,917	41,917	29,510

5. Other trading activities

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As Restated Total funds 2015 £000
Hire of facilities	-	2	2	2
Music income	29	-	29	37
Catering income	714	-	714	832
Other income	582	-	582	431
	1,325	2	1,327	1,302

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. Investment income

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As Restated Total funds 2015 £000
Short term deposits	-	7	7	12
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. Expenditure

	Staff costs £000	Non Pay Expenditure Other costs £000	2016 £000	As Restated 2015 £000
Direct Costs - Education	21,527	2,214	23,741	20,543
Support costs - Education	3,974	8,250	12,224	11,471
Support costs - Governance	-	32	32	27
Total	<u>25,501</u>	<u>10,496</u>	<u>35,997</u>	<u>32,041</u>

8. Direct Costs - Education

	2016 £000	As restated 2015 £000
Wages and salaries	16,749	13,938
National Insurance	1,466	998
Pension costs	2,751	2,233
Supply teachers	561	590
Staff development	-	171
Technology costs	-	116
Educational supplies	1,830	1,790
Legal and professional	-	414
Examination fees	334	293
Other costs	50	-
Total	<u>23,741</u>	<u>20,543</u>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. Support Costs - Education

	2016	2015
	£000	£000
Wages and salaries	3,328	3,137
National insurance	235	178
Pension costs	371	313
Recruitment and other staff costs	219	44
Supply teachers	40	-
Technology costs	271	256
Maintenance of premises and equipment	559	505
Cleaning	99	107
Rent and rates	1,098	353
Heat and light	451	482
Insurance	172	197
Security and transport	158	75
Catering	1,235	1,136
Office overheads	667	457
Depreciation	2,571	3,915
Education supplies	39	-
(Profit) / Loss on disposal of fixed assets	-	10
Other costs	321	281
Bank interest and charges	13	7
Legal and professional	378	18
	<u>12,225</u>	<u>11,471</u>

10. Support Costs - Governance

	2016	2015
	£000	£000
Auditors' remuneration	21	24
Other costs	11	2
Trustees expenses reimbursed	-	1
	<u>32</u>	<u>27</u>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. Auditors' remuneration

	2016	2015
	£000	£000
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	21	24
Fees payable to the academy's auditor and its associates in respect of: All other non-audit services	4	-
	<u><u>4</u></u>	<u><u>-</u></u>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. Staff costs

Staff costs were as follows:

	2016	As restated 2015
	£000	£000
Wages and salaries	20,077	17,075
Social security costs	1,701	1,176
Operating costs of defined benefit pension schemes	3,046	2,346
	24,824	20,597
Supply teacher costs	601	590
Staff restructuring costs	-	85
FRS 102 pension adjustments	76	169
	25,501	21,441

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

	2016	2015
	No.	No.
Teachers	347	315
Administration and support	451	422
Management	24	24
	822	761

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

	2016	2015
	No.	No.
In the band £ 60,001 - £ 70,000	9	10
In the band £ 70,001 - £ 80,000	3	6
In the band £ 80,001 - £ 90,000	3	3
In the band £ 90,001 - £100,000	1	1
In the band £100,001 - £110,000	2	1
In the band £120,001 - £130,000	0	1
In the band £150,001 - £160,000	1	0
In the band £160,001 - £170,000	0	1

All the employees earning over £60,000 participated in one of the final salary defined benefit pension schemes. Contributions made by the Trust on behalf of these employees during the year ended 31 August 2016 totalled £139,733 (2015: £217,621).

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £2,169,726 (2015: £1,807,165).

Included in wages and salaries above are compensations payments totalling £55,387 (2015 - £84,556). Individually, the payments were: £17,302, £8,390, £12,585, £7,644 and £9,468.

13. Trustees' remuneration and expenses

The Executive Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments other than expenses, from Dixons Academies Trust in respect of their role as trustees. The value of trustees' remuneration, including pension contributions were as follows: Sir N Weller £200,000 - £210,000 (2015: £165,000 - £170,000).

During the year ended 31 August 2016, travel and subsistence expenses totalling £1,198 (2015: £249) were reimbursed to 4 trustees (2015: 1 trustee).

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. Central services

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

- Executive Principal
- Financial Directorate
- Payroll Services
- Admissions Management
- ICT Network
- Strategic Site Management
- Marketing & Advertising

The academy charges for these services on the following basis:

Dixons Academies Trust charges for these services on a percentage of an academy's total annual income 4.25% (3% 2014/2015).

The actual amounts charged during the year were as follows:

	2016	2015
	£000	£000
Dixons City Academy	340	210
Dixons Allerton Academy	533	313
Dixons Trinity Academy	211	83
Dixons Music Primary	60	32
Dixons Marchbank Academy	130	85
Dixons McMillan Academy	85	33
Dixons Kings Academy	281	153
	<u>1,640</u>	<u>909</u>
Total	<u><u>1,640</u></u>	<u><u>909</u></u>

A summarised Income and Expenditure Account for the year ended 31 August 2016 in respect of the above is as follows:

	2016	2015
	£000	£000
Income		
Recharges to Academies	1,640	909
Project management fees	-	51
Other income	118	124
Capital grants	209	-
	<u>1,967</u>	<u>1,084</u>
	<u><u>1,967</u></u>	<u><u>1,084</u></u>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Expenditure		
Staff costs	1,349	582
Appeals	-	11
Consultancy	181	195
HR and legal services	20	34
Audit and accountancy	88	42
IT Licensing and software	167	102
Other	162	118
	<hr/>	<hr/>
Total	1,967	1,084
	<hr/> <hr/>	<hr/> <hr/>
Excess of Income over Expenditure		
	-	-
	<hr/> <hr/>	<hr/> <hr/>
 15. Other finance income		
	2016	2015
	£000	£000
Interest income on pension scheme assets	349	303
Interest on pension scheme liabilities	(425)	(368)
	<hr/>	<hr/>
	(76)	(65)
	<hr/> <hr/>	<hr/> <hr/>
 16. Intangible fixed assets		
		Software
		£000
Cost		
Additions		5
Transfer		121
		<hr/>
At 31 August 2016		126
		<hr/>
Amortisation		
Charge for the year		8
Transfer		100
		<hr/>
At 31 August 2016		108
		<hr/>
Carrying amount		
At 31 August 2016		18
		<hr/> <hr/>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10 million on any one claim and the cost for the year ended 31 August 2016 was included within the cost of Professional Indemnity Insurance £3,050 (2015 - £2856).

18. Tangible fixed assets

	Freehold property £000	L/Term Leasehold Property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000
Cost					
At 1 September 2015	25,843	47,410	2,288	14	4,364
Additions	9,475	34	-	9	79
Transfer	-	-	-	-	-
At 31 August 2016	35,318	47,444	2,288	23	4,443
Depreciation					
At 1 September 2015	5,371	3,939	1,146	14	3,168
Charge for the year	515	991	157	2	272
Transfer	-	-	-	-	-
At 31 August 2016	5,886	4,930	1,303	16	3,440
Net book value					
At 31 August 2016	29,432	42,514	985	7	1,003
At 31 August 2015	20,472	43,471	1,142	-	1,196

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. Tangible fixed assets (continued)

	Computer equipment £000	Other fixed assets £000	Total £000
Cost			
At 1 September 2015	4,868	-	84,787
Additions	199	790	10,586
Transfer	(121)	-	(121)
At 31 August 2016	<u>4,946</u>	<u>790</u>	<u>95,252</u>
Depreciation			
At 1 September 2015	3,562	-	17,200
Charge for the year	634	-	2,571
Transfer	(100)	-	(100)
At 31 August 2016	<u>4,096</u>	<u>-</u>	<u>19,671</u>
Net book value			
At 31 August 2016	<u>850</u>	<u>790</u>	<u>75,581</u>
At 31 August 2015	<u>1,306</u>	<u>-</u>	<u>67,587</u>

19. Stocks

	2016 £000	2015 £000
Finished goods and goods for resale	<u>5</u>	<u>5</u>

20. Debtors

	2016 £000	2015 £000
Trade debtors	41	34
VAT recoverable	1,917	602
Other debtors	37	493
Prepayments and accrued income	4,143	735
	<u>6,138</u>	<u>1,864</u>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

21. Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	3,891	249
Other taxation and social security	489	411
Other creditors	1,698	1,269
Accruals and deferred income	2,746	1,476
	8,824	3,405

	2016	2015
	£000	£000
<i>Deferred income</i>		
Deferred income at 1 September 2015	242	196
Resources deferred during the year	423	242
Amounts released from previous years	(242)	(196)
Deferred income at 31 August 2016	423	242

	2016	2015
	£000	£000
Devolved Formula Capital	-	9
Rates	-	75
UIFSM	144	96
Amlin	-	2
Universal Funding	-	30
EAG lease income	88	25
Catering income	-	3
School trips	-	2
Teaching schools income	60	-
Trinity Leeds income	90	-
GAG Clawback	40	-
Charity	1	-
Total	423	242

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

22. Statement of funds

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General funds	1,351	1,415	(216)	(205)	-	2,345
Restricted funds						
General Annual Grant (GAG)	1,362	28,557	(29,628)	-	-	291
Transfers in on joining trust	2,762	-	-	(2,762)	-	-
Other restricted	303	1,947	(1,067)	-	-	1,183
Pupil premium	-	2,025	(2,025)	-	-	-
Pension reserve	(2,358)	-	(490)	-	(4,069)	(6,917)
	2,069	32,529	(33,210)	(2,762)	(4,069)	(5,443)
Restricted fixed asset funds						
DfE/EFA Capital grants	19,012	9,397	(2,571)	2,967	-	28,805
Transfers in on conversion	46,642	-	-	-	-	46,642
Private sector capital sponsorship	134	-	-	-	-	134
	65,788	9,397	(2,571)	2,967	-	75,581
Total restricted funds	67,857	41,926	(35,781)	205	(4,069)	70,138
Total of funds	69,208	43,341	(35,997)	-	(4,069)	72,483

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

Other restricted income represents surpluses which have been generated from Dixons Academies Trust trading activities which the Trustees have earmarked for future capital replacements.

Restricted fixed assets have been funded by government grants, sponsors and surpluses from trading activities.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000	Total 2015 £000
Dixons City Academy	59	172
Dixons Kings Academy	1,898	1,228
Dixons Allerton Academy	3,121	3,366
Dixons Music Primary	50	131
Dixons Marchbank Academy	460	302
Dixons Trinity Academy	21	182
Dixons McMillan Academy	(1,636)	195
Dixons Manningham Academy	(180)	176
Central Services	26	26
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	3,819	5,778
Restricted fixed asset fund	75,581	65,788
Pension reserve	(6,917)	(2,358)
	<hr/>	<hr/>
Total	72,483	69,208
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Dixons McMillan Academy	1,636
Dixons Manningham Academy	180

The above schools are in the process of having major capital works completed on the school buildings at the year end.

The academy is taking the following action to return the academies to surplus:

The capital project will be completed on both schools in the next financial year and additional capital funding is expected to enable the schools to return to a surplus position by 31 August 2017.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. Statement of funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2016 £000	Total 2015 £000
Dixons City Academy	4,426	715	305	915	6,361	7,807
Dixons Kings Academy	2,860	243	264	1,182	4,549	2,873
Dixons Allerton Academy	6,677	976	559	1,012	9,224	9,266
Dixons Music Primary	594	37	231	55	917	942
Dixons Marchbank Academy	1,513	285	144	384	2,326	2,251
Dixons Trinity Academy	1,897	536	281	524	3,238	2,552
Dixons McMillan Academy	1,073	204	195	874	2,346	869
Dixons Manningham Academy	1,481	143	108	316	2,048	1,460
Trust	1,006	835	-	576	2,417	-
	<u>21,527</u>	<u>3,974</u>	<u>2,087</u>	<u>5,838</u>	<u>33,426</u>	<u>28,020</u>

23. Analysis of net assets between funds

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As Restated Total funds 2015 £000
Intangible fixed assets	-	19	-	19	-
Tangible fixed assets	-	-	75,581	75,581	67,587
Current assets	6,486	6,138	-	12,624	7,384
Creditors due within one year	(4,141)	(4,683)	-	(8,824)	(3,405)
Provisions for liabilities and charges	-	(6,917)	-	(6,917)	(2,358)
	<u>2,345</u>	<u>(5,443)</u>	<u>75,581</u>	<u>72,483</u>	<u>69,208</u>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £000	2015 £000
Net income for the year (as per Statement of financial activities)	7,344	8,198
Adjustment for:		
Depreciation charges	2,571	3,915
Amortisation charges	8	-
Dividends, interest and rents from investments	(7)	-
Loss on the sale of fixed assets	-	10
Increase in stocks	-	(1)
Increase in debtors	(4,269)	(404)
Increase in creditors	5,419	598
Defined benefit pension scheme adjustments	480	728
Net cash provided by operating activities	11,546	13,044

25. Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash in hand	6,482	5,515
Total	6,482	5,515

26. Capital commitments

At 31 August 2016 the academy had capital commitments as follows:

	2016 £000	2015 £000
Contracted for but not provided in these financial statements	-	86

27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £257,182 were payable to the schemes at 31 August 2016 (2015 - £199,545) and are included within creditors.

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

27. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,828,971 (2015 - £2,108,256).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £1,029,298 (2015 - £844,339), of which employer's contributions totalled £729,518 (2015 - £600,728) and employees' contributions totalled £299,700 (2015 - £243,611). The agreed contribution rates for future years are 5.5% for employers 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.80 %
Rate of increase in salaries	3.50 %	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %
Commutation of pensions to lump sums	- %	66.00 %

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

	2016	2015
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.8

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

27. Pension commitments (continued)

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	8,470	6,706
Bonds	1,737	1,325
Property	541	398
Cash & Other	530	406
	<u>11,278</u>	<u>8,835</u>

The actual return on scheme assets was £1,735,000 (2015 - £117,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(1,140)	(1,041)
Net interest cost	(76)	(65)
Past service cost	(10)	-
	<u>(1,226)</u>	<u>(1,106)</u>

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

	2016 £000	2015 £000
Opening defined benefit obligation	11,193	9,383
Current service cost	1,140	1,041
Interest cost	425	368
Contributions by employees	295	254
Actuarial losses/(gains)	5,455	(464)
Past service costs	10	-
Liabilities assumed in a business combination	-	812
Benefits paid	(323)	(201)
	<u>18,195</u>	<u>11,193</u>

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

27. Pension commitments (continued)

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

	2016	2015
	£000	£000
Opening fair value of scheme assets	8,835	7,475
Return on plan assets (excluding net interest on the net defined pension liability)	349	303
Actuarial gains and (losses)	1,386	(186)
Contributions by employer	736	631
Contributions by employees	295	254
Assets acquired in a business combination	-	559
Benefits paid	(323)	(201)
	<hr/>	<hr/>
Closing fair value of scheme assets	11,278	8,835
	<hr/> <hr/>	<hr/> <hr/>

28. Operating lease commitments

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts payable:		
Within 1 year	326	329
Between 1 and 5 years	1,231	1,225
After more than 5 years	3,112	3,995
	<hr/>	<hr/>
Total	4,669	5,549
	<hr/> <hr/>	<hr/> <hr/>

29. Members' liability

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

30. Investments in subsidiaries

During the year, Dixons Academy Trust held the entire share capital of Dixons Innovation Centre Limited (company number: 05987970), The Minerva Centre Limited and Interactive Learning Limited. All these companies were dormant during the period and were registered in England and Wales.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Both The Minerva Centre Limited and Interactive Learning Limited were dissolved in the year and Dixons Innovation Centre Limited was dissolved post year end.

31. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

The prior year pension figures have been restated however there was no impact to prior year net income.

DIXONS ACADEMIES CHARITABLE TRUST LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

32. Related party transactions

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

The following related party transactions took place in the year:

Action for Business (Bradford) Limited - a company in which R Bhatti (Trustee of the Trust) is also a director: The Trust incurred costs in respect of the use of facilities to host its Post-16 Induction Event from Action for Business (Bradford) Limited totalling £nil (2015 - £854) during the period. There were no amounts outstanding at 31 August 2016 (2015 - £nil).

SSAT The School Network Limited - a company in which Sir J Hill (Chair of the Trust) is also a director: Dixons Academies Trust incurred costs in respect of CPD programmes and subscriptions for both primary and secondary academies from SSAT The School Network Limited totalling £nil (2015 - £4,392) during the period. There were no amounts outstanding at 31 August 2016 (2015 - £nil).

Future Leaders Limited - a company in which Sir N Weller (Executive Principal and Accounting Officer) is also an Advisory Board Member at Future Leaders Limited:
Dixons Academies Trust incurred costs in respect of lectures and courses for aspiring and emergent head teachers from Future Leaders Limited totalling £16,653 (2015 - £2,867) during the period. Dixons Academies Trust had sales of £1,200 (2015 - £nil) to Future Leaders Limited. There were no amounts outstanding at 31 August 2016 (2015 - £nil).

The Bradford Partnership Limited - a company in which Sir N Weller (Executive Principal and Accounting Officer) has a business interest:
Dixons Academies Trust incurred costs in respect of membership fees from The Bradford Partnership Limited totalling £33,600 (2015 - £16,000) during the period. There were no amounts outstanding at 31 August 2016 (2015 - £nil).

Carlisle Business Centre - a company in which R Bhatti (Trustee of the Trust) is also a non-executive director.
Dixons Academies Trust incurred costs in respect of services provided from Carlisle Business Centre totalling £nil (2015 - £2,295) during the period. There were no amounts outstanding at 31 August 2016 (2015 - £nil).

All related party transactions above were conducted at arm's length.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

33. SOFA prior year comparatives

	As restated Unrestricted funds 2015 £000	As restated Restricted funds 2015 £000	As restated Restricted fixed asset funds 2015 £000	As restated Total funds 2015 £000
<i>Income from:</i>				
Voluntary income transferred in from Local Authority	-	479	8,925	9,404
Other voluntary income	11	-	-	11
Activities for generating funds	1,245	57	-	1,302
Investment income	-	12	-	12
Funding for the Academy's educational operations	17	28,053	1,440	29,510
Total income	1,273	28,601	10,365	40,239
<i>Expenditure on:</i>				
Charitable activities	(552)	(27,537)	(3,925)	(32,014)
Governance costs	-	(27)	-	(27)
Total expenditure	(552)	(27,564)	(3,925)	(32,041)
Actuarial gains/(losses) on defined benefit pension schemes	-	278	-	278
Net movement in funds	721	1,315	6,440	8,476

DIXONS ACADEMIES CHARITABLE TRUST LTD**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

34. Agency Arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £59K all of which was distributed. Each academy retains up to 5% of the fund income to cover associated administration costs. Any unspent monies are retained for future years spending. The value of unspent funds as at 31 August 2016 was £nil.

	2016	2015
	£000	£000
Funds brought forward	-	-
Bursary funding received	59	59
	<hr/>	<hr/>
Total income	59	59
	<hr/>	<hr/>
Funds distributed	56	56
5% Admin costs retention	3	3
	<hr/>	<hr/>
Total costs	59	59
	<hr/>	<hr/>
Total	-	-
	<hr/> <hr/>	<hr/> <hr/>