

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

**Annual Report and Financial Statements**  
**For the year ended 31 August 2017**

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

## **Contents**

	<b>Page</b>
Reference and Administrative Details	<b>2</b>
Trustees' Report	<b>4</b>
Governance Statement	<b>17</b>
Statement on Regularity, Propriety and Compliance	<b>20</b>
Statement of Trustees' Responsibilities	<b>21</b>
Independent Auditor's Report on the Financial Statements	<b>22</b>
Independent Reporting Accountant's Assurance Report on Regularity	<b>25</b>
Statement of Financial Activities including Income and Expenditure Account	<b>27</b>
Balance Sheet	<b>28</b>
Cash Flow Statement	<b>29</b>
Notes to Financial Statements	
Statement of Accounting Policies	<b>30</b>
Other notes to the Financial Statements	<b>34</b>

**Dixons Academies Charitable Trust Ltd**  
**Reference and Administrative details of the Academy, its Trustees and Advisors**  
**for the year ended 31 August 2017**

<b>Members</b>	Joanne Williams - Chair of Trust Sir James Hill Tim Birtwistle Bryan Collins Martin Gaskin - Chair of Governing Council (appointed 10 October 2017)
<b>Trustees</b>	Grace Alderson – Chair of Audit Committee Lynn Barrett- Chair of Dixons Allerton Academy Local Governing Body Ruby Bhatti– Chair of Dixons Marchbank Primary/Dixons Manningham Primary Local Governing Body John Bowers – Chair of Dixons City Academy/Dixons Kings Academy Local Governing Body David Clayton (appointed 10 October 2017) Bryan Collins – Chair of Trinity Academy/Dixons McMillan Academy Local Governing Body Brent Fitzpatrick – Chair Finance Committee Martin Gaskin - Chair Governing Council (appointed 10 October 2017) Susan Richardson – Chair Dixons Trinity Chapeltown Academy (appointed 10 October 2017) Narinder Thapar – Chair Dixons Music Primary Local Governing Body Joanne Williams – Chair Governing Council (resigned 10 October 2017)
<b>Senior Staff</b>	Sir N Weller – Chief Executive Officer Luke Sparkes – Executive Principal Shirley Watson – Executive Principal; Principal Dixons City Academy Christopher Currie – Principal Dixons Allerton Primary (resigned 30 September 2017) Wesley Davies – Principal Dixons McMillan Academy Gary Dreher – Principal Dixons Allerton Academy Helen Haunch– Principal Dixons Marchbank Primary Terri Leighton – Principal Dixons Manningham Primary Michelle Long – Principal Dixons Music Primary Neil Miley – Principal Dixons Kings Academy Justine Oldham– Principal Dixons Trinity Chapeltown Academy Jennifer Thompson- Principal Dixons Trinity Academy A Bashir – Director of Finance (resigned 20 March 2017) J Lynch – Chief Operating Officer (appointed 21 August 2017)
<b>Company Secretary</b>	A Bashir (resigned 20 March 2017) T Archer (appointed 20 March 2017)
<b>Accounting Officer</b>	Sir N Weller
<b>Principal Registered Office</b>	Dixons Academies Charitable Trust Limited Ripley Street Bradford West Yorkshire BD5 7RR

**Dixons Academies Charitable Trust Ltd**  
**Reference and Administrative details of the academy, its trustees and advisors**  
**for the year to 31 August 2017**

Company Registration Number                      02303464 (England and Wales)

Solicitors    Browne Jacobson LLP  
   18-22 Bridge Street  
   Manchester  
   M3 3BZ

Independent Auditors                              BHP LLP  
   First Floor, Mayesbrook House  
   Leeds  
   LS16 6QY

# **Dixons Academies Charitable Trust Ltd**

## **Trustees' Report**

### **for the year to 31 August 2017**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report, together with the financial statements and auditor's report, of the Dixons Academies Charitable Trust Limited (Dixons Academies Trust) for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 8 primary, secondary and all through academies in West Yorkshire.

#### **Structure, Governance and Management**

##### ***a) Constitution***

Dixons Academies Charitable Trust Ltd is a company limited by guarantee and an exempt charity which was established on 6 October 1988. The Charitable Company's Memorandum and Articles of Association dated 26 April 2005 are the primary governing documents of the Academy Trust.

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

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative details on page 2.

The principal activities and objectives of Dixons Academies Trust are the advancement, for public benefit, of education in the United Kingdom, 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.

##### ***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 trustees/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

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

## **Dixons Academies Charitable Trust Ltd**

### **Trustees' Report**

### **for the year to 31 August 2017**

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

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

#### ***d) Policies and Procedures adopted for the induction and training of Trustees***

New Trustees are inducted into the working of the Trust including policies and procedures at arranged meetings with the Chief Executive Officer and the Chief Operations Officer. 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.)

#### ***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 Chief Operations Officer 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 Chief Executive Officer, Executive Principals, the Academy Principals and the Chief Operations Officer, control the Trust/Academies 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.

# **Dixons Academies Charitable Trust Ltd**

## **Trustees' Report**

### **for the year to 31 August 2017**

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

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

- The Audit Committee
- The Finance Committee

During the year the Trust consisted of the following academies:

<b>Academy</b>	<b>Date Joined</b>	<b>Type</b>
Dixons City Academy	September 2012	Secondary
Dixons Trinity Academy	September 2012	Secondary
Dixons Music Primary	September 2012	Primary
Dixons Allerton Academy	November 2013	All through Academy
Dixons Marchbank Primary	January 2014	Primary
Dixons McMillam Academy	September 2014	Secondary
Dixons Manningham Primary	January 2015	Primary
Dixons Kings Academy	January 2015	Secondary

#### **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.

#### **Mission and Core principals**

##### *Mission and Core Principles*

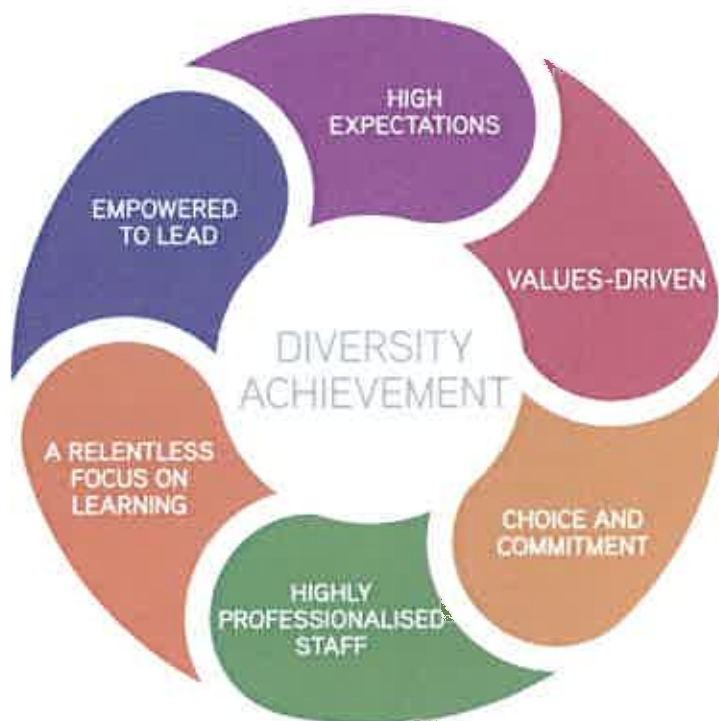
Our mission is to challenge educational and social disadvantage by establishing high-performing non-faith academies which promote learning, develop character, value diversity and build cultural capital. By the age of 18 we want every student to have the choice of university or a high quality apprenticeship.

## Dixons Academies Charitable Trust Ltd

### Trustees' Report

for the year to 31 August 2017

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



#### *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



# **Dixons Academies Charitable Trust Ltd**

## **Trustees' Report**

### **for the year to 31 August 2017**

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 from others.

In summary, we define the **Dixons Difference** as 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.

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.

#### **Public Benefit**

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

#### **Equal Opportunities**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust has established equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Employee Involvement**

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.

#### **Disabled Persons**

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

#### **Risk Management**

The Trustees and Governors have assessed the major risks to which the Academies are exposed, in particular those relating to the specific provision of teaching, facilities management and other operational areas of Academies and their finances. The Trustees 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

## **Dixons Academies Charitable Trust Ltd**

### **Trustees' Report**

#### **for the year to 31 August 2017**

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. The Trust has an effective system of internal financial controls and this is explained in more detail below.

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

- the type of risks the Trust faces;
- the level of risk which they regard as acceptable;
- the likelihood of the risks materialising;
- the Trust's ability to reduce the incidence and impact on the Trust's 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 Trustees' policies and to identify and evaluate risks for the Trustees'/Governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Trust's operations so that it becomes part of the culture of the Trust;
- developed systems to respond quickly to evolving risks arising from factors within the Trust and to changes in the external environment; and
- included procedures for reporting failures immediately to appropriate levels of management and the Trustees and Governors together with details of corrective action being undertaken.

The trustees have assessed the major risks and uncertainties to which the MAT is exposed as:

- The introduction of the National Funding Formula and the effect this will have on future academy funding. This is being addressed by scenario planning and putting in place agreed action plans.
- The impact of increases in staff costs arising from Government Policy on National Insurance and Pension Contributions. This is being addressed by several cost saving initiatives and the development of a purchasing strategy designed to maximise the benefits of economies of scale.
- The national shortage of qualified teachers. This is being addressed by the expansion of our teacher training programme in order to provide more newly qualified staff to our academies.

#### **Connected Organisations, including Related Party Partnerships**

##### *Partnerships*

Existing links with other schools in the South Bradford Confederation are being strengthened and extended through groups of representatives at various levels from each school. The confederation is aimed at 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.

#### **Strategic Report**

##### *Educational Performance*

It has been our most successful year ever academically across the Dixons Group, at both primary and secondary levels. Kings and McMillan both achieved an Ofsted grade of Outstanding, and Marchbank achieved Good having being sponsored from Special Measures less than three years before. With three inspections anticipated in the 2017/2018 academic year (at Allerton, City and Mannigham Primary), strong achievement by our students in 2017 bodes well for their outcomes. Indeed, by the end of the academic year we anticipate all our eight academies being graded at least Good, with five graded Outstanding. Our ninth academy, Dixons Trinity Chapeltown, has only just opened and will not be inspected for another two years. All of our Academies run a longer school day than the maintained sector and many other Trusts, and are heavily focussed on developing cultural capital by offering educational trips and a wide range of

## Dixons Academies Charitable Trust Ltd

### Trustees' Report

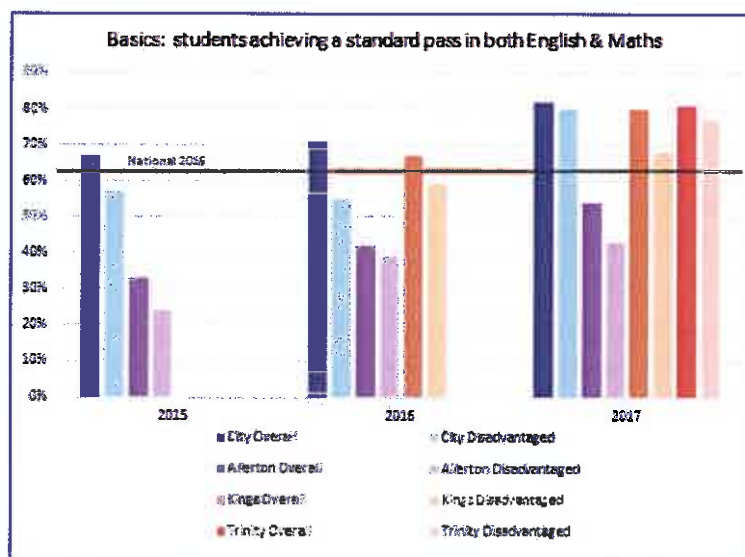
### for the year to 31 August 2017

be inspected for another two years. All of our Academies run a longer school day than the maintained sector and many other Trusts, 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, and that is the main focus of this report.

At Key Stage 4, 2017 saw the introduction of a new, more demanding Basics measure (Grade 5 or above in both English and Maths). It is a matter of pride that three of our academies topped the local Bradford table, despite serving the inner city and its higher levels of social and educational disadvantage:

	Strong Basics
Dixons Trinity Academy	68%
Ilkley Grammar	63%
Dixons Kings Academy	57%
Dixons City Academy	53%
Bingley Grammar School	49%
Feversham College	49%
Beckfoot School	48%
Bradford Girls' Grammar	46%
Parkside School	46%
... + 21 other Bradford secondary schools	< 40%

A second new measure, standard Basics (Grade 4 or above in both English and Maths), offers a measure of performance over time, being the equivalent of the old A\*-C:



Dixons City, Dixons Kings and Dixons Allerton Academies all improved their performance significantly this year, while Dixons Trinity Academy produced an exceptional first set of results. For the second year running, Allerton added more than 10% to this measure and exceeded 50% for the first time in its history. At City, Kings and Trinity, our Disadvantaged students exceeded the national average for all students, while all three topped 80% overall. Across the Trust as a whole, 72% of students attained this measure, up from 48% back in 2015 and 59% a year ago. The graph above clearly illustrates the strength and capacity we have built over the past three years.

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 5 or above in English and maths, and A\* to C in two sciences, a language and a humanities subject. For the second year running, two of our academies topped the local league table: Dixons Trinity and Dixons Kings at 47% and 46% respectively. It is again a matter of great pride to us that we outperform

## Dixons Academies Charitable Trust Ltd

### Trustees' Report

#### for the year to 31 August 2017

schools with significantly less disadvantaged intakes on this most rigorous of academic measures. Overall, 33% of our students achieved the EBacc this year, against a national average of 24% in 2016, when the benchmark was lower (grade C only in English and Maths). As a Trust, 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.

For the second year since its national introduction, the main measure of performance at KS4 is Progress 8. It measures the progress made since Key Stage 2 across eight GCSE or Level 2 qualifications, including English and maths and at least 3 other English Baccalaureate subjects. The average score for mainstream schools in England is close to 0. In most cases, schools score somewhere between -0.5 and +0.5. Again the Trust posted a very strong performance across the board, despite our rigorous curriculum, with all four of our academies significantly above last year's national average of 0.03, and driving a Trust average for all of our students of 0.62. We may not be one of the biggest MATs in the country, but we are certainly one of the strongest, and our strength is all the more significant in one of the twelve most challenged Opportunity Areas in the country:

	Progress 8
Dixons Trinity Academy	1.22
Dixons Kings Academy	0.90
Dixons City Academy	0.44
Dixons Allerton	0.30
Trust Overall	0.62

Allerton has improved its performance over the previous twelve months by half a grade for every GCSE taken, and given that even the lower confidence limit is above the national average, the academy is well placed to achieve a grade of Good at its next Ofsted inspection.

Dixons City has also improved its performance significantly, matching the performance of Kings last year when it was graded Outstanding, and another local school to the same outcome this year: the academy can look forward to its impending inspection with great confidence.

Dixons Kings almost doubled last year's score, its students achieving almost one grade higher in each qualification than the national average given their starting points: a very impressive result founded on a formidable performance at both a standard (Grade 4 & Grade C) and a strong (Grade 5 and Grade C) pass rate in the EBacc.

Dixons Trinity's first ever results saw a Progress 8 score of 1.22, placing it as the eighth best school in the country, driven mainly by the number of students achieving the highest grades: a third of students achieved a Grade 7 or higher in both English and Maths, and across all GCSEs 37% of the grades were awarded at Grades 7-9 or Grade A/A\*. At 1.39, the Progress of disadvantaged students was even better, and may well be the best in the country, and is only bettered by their progress in English, at 1.82.

At Post 16, higher pass-rates and improved ALPS grades at both City and Allerton indicate further good news, and we look forward to McMillan's first set of A Level results this summer after its sixth form provision was graded Outstanding last year.

In our Primary Academies, only two sets of national results are comparable over time: 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 2017 results consolidate the improvement we have made over the past four years as a Trust in both cases.

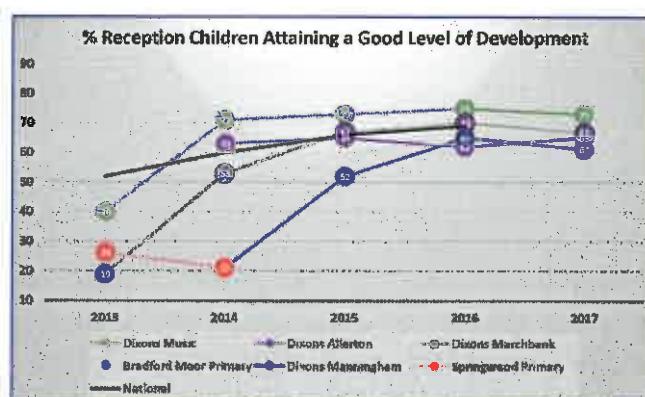
At GLD, all four schools are again tightly clustered around the national average. This is no mean feat in a city where

# Dixons Academies Charitable Trust Ltd

## Trustees' Report

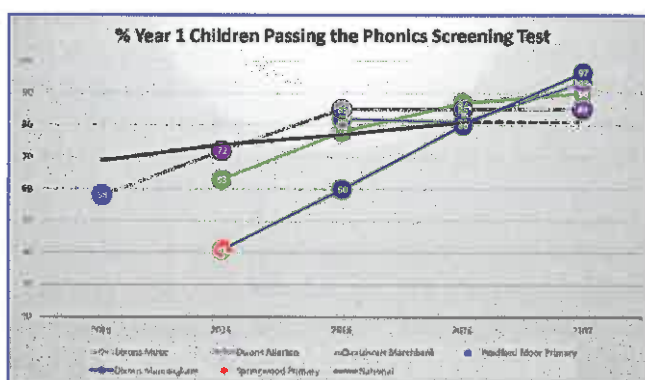
### for the year to 31 August 2017

children start school well behind their peers nationally and it is very pleasing to see all four of our primaries closing that gap significantly in pupils' first year of full-time education:



This represents significant progress during the Early Years phase, and gives all of our primary academies a much firmer foundation on which to build in the future. Success in Dixons Academies is built from the bottom up.

The Year 1 Phonics test saw exceptional performance across the board, with all of our primaries exceeding last year's national average



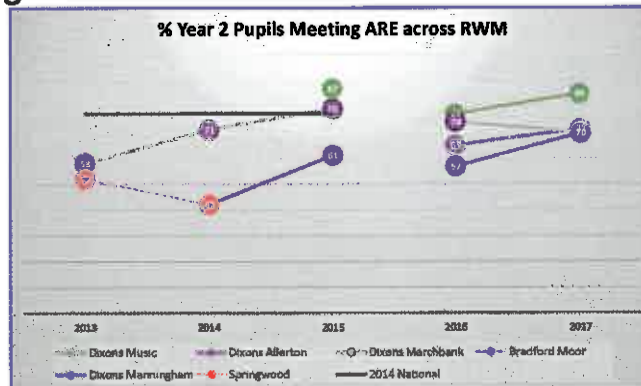
The continued improvement at Allerton is especially impressive, as is the improvement at Manningham: this is the first time that Manningham has out-performed all of our other primaries on any measure, and results have more than doubled since we inherited the academy from Special Measures three years ago. The leadership and staff there have engineered a remarkable turnaround in a very short time-span. Marchbank has consolidated the significant improvement there since 2013, and the Music Primary has continued its strong growth in results. Again, strong schools are built from the base upwards: in all four of our primary academies, these results bode very well for our future.

The discontinuity of curriculum and assessment at KS1 makes historical comparisons difficult. Nevertheless, it is very encouraging to see three of our primaries build on last year's new baseline. At Marchbank, there is less disparity this between test results and teacher assessment: the performance in the tests has actually improved, so what might seem a slight dip is more a reflection of a more rigorous Trust-wide approach to assessment.

# Dixons Academies Charitable Trust Ltd

## Trustees' Report

### for the year to 31 August 2017



The results of the Music Primary are exceptional. The percentages of children meeting the Expected Standard exceed 2016 national averages in Reading, Writing and Maths by 6%, 22% and 15% respectively. Those meeting the standard at Greater Depth exceeds 2016 national averages by 18%, 22% and 20% respectively.

At KS2, only Dixons Marchbank and Dixons Manningham have Year 6 classes as yet, both academies having been sponsored after their predecessor schools went into Special Measures. In its third year as a Dixons academy, Marchbank consolidated its strong trend of improvement by exceeding the national average for pupils meeting the expected standard in reading, writing and maths for the first time. 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. Progress was above national in both writing and maths. Manningham doubled the percentage of pupils meeting the expected standard in reading, writing and maths and is closing rapidly on national levels of attainment in only its second year as a Dixons academy. Progress met national levels in reading and exceeded them in writing and maths. With a rapid and sustained rise in attainment and strong progress scores, the academy is very well placed to achieve Good in its impending inspection. In all three Key Stages, our primary operation continues to go from strength to strength.

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. Allerton's will improve this year, with stronger middle management and more intensive support from the Trust, supplied by Trinity. Attendance across the Trust was usually above average, despite the effect of Eid last year. Even so, holidays abroad damaged the Persistent Absence figure in some academies, especially at Kings and Allerton. Allerton and Manningham remained slightly under-subscribed, resulting in higher and more challenging numbers of in-year admissions. In our start-up primaries, with proportionately fewer pupils having reached Key Stage 2, the effect of universal infant free school meals is particularly acute, with far fewer families registering as FSM: this has a significantly detrimental effect on funding for these schools. As an Opportunity Area, Bradford has too many schools around us which are less than good, leading to high concentrations in some academies of students who are either Looked After or who carry Statements of Special Educational Need. We remain fully committed to an inclusive educational system, but high concentrations of such students are putting a real financial strain on the Trust as a whole, and on City as our longest-established academy in particular. Staff attendance and turnover reflected a more positive picture overall, even in those academies originally inherited from Special Measures, although there is a consistent picture of higher absence among support staff which still needs addressing. Staff recruitment is challenging nationally and particularly problematic in Bradford and other areas of the North, so a healthy level of staff retention is vital for our long-term success as a Trust.



# Dixons Academies Charitable Trust Ltd

## Trustees' Report

### for the year to 31 August 2017

Cycle 3 2016/17

Teaching Career Stage Expected	Secondary										Primary							
	City		Allerton		Kings		McMillan		Trinity		Allerton		Marchbank		Munningham		Music	
	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP	Overall	PP
At least Green	96%		88%		94%		95%		100%		100%		90%		95%		94%	
Amber	3%		17%		6%		5%		0%		0%		5%		5%		6%	
Red	1%		8%		0%		0%		0%		0%		0%		0%		0%	
Attendance	96.2%	95.6%	95.1%	94.0%	95.5%	94.5%	97.2%	96.5%	96.3%	95.7%	94.9%	95.2%	96.3%	95.9%	95.9%	95.0%	96.6%	95.4%
Persistent Absence (PA)	5.9%	9.1%	12.0%	14.0%	8.4%	11.3%	3.9%	5.7%	6.2%	8.3%	1.8%	1.7%	6%	5%	5%	3%	6.0%	8.3%
Number on Roll	1,091		1,413		824		379		567		292		498		381		268	
In-year admissions	0.8%		8.4%		1.3%		2.9%		3.6%		2.7%		3%		6.6%		1.9%	
E-SEN State	1.6%		1.1%		0.6%		0.8%		0.5%		2.4%		1%		0.3%		1.5%	
FSM Ever 6	30.3%		43.3%		43.8%		25%		36.7%		22%		31%		40%		16.9%	
PP+	2.5%		0.7%		0.1%		1.0%		1.1%		0.7%		1.0%		0.0%		1.1%	
Teacher abs (ave days)	5.1		6.2		0.8		3.1		4.5		5.8		2.7		0.3		2.8	
Support abs (ave days)	9.5		7.4		2.0		6.5		7.1		7.1		5.8		1.4		6.6	
Staff Turnover	6.0%		15.0%		4.7%		2.6%		5.2%		13%		5%		23%		15%	

Overall, 2016/17 was an exceptionally successful year for the Dixons Academies. 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 three start-up academies at 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 difficult times over the next few years, especially financially, and especially those schools which like ours serve areas of significant social and educational disadvantage and whose funding is being cut disproportionately. At Dixons we shall do all we can to maintain our performance in spite of the challenges of a much less favourable political environment for education generally, and for academies and free schools in particular.

## Financial Review

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

Most of the Trust's income is obtained from the ESFA and the Local Education Authority in the form of recurrent grants, the use of which is restricted as defined by its Memorandum and Articles of Association. The grants received from the ESFA and Education Authority during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the Department for Education. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Incoming resources (excluding transfers in from academies joining the trust during the year and Restricted Fixed Asset Funding) amounted to £35.2 million and were sufficient to cover all outgoings to produce an operating surplus of £0.379 million.

The net book value of fixed assets at 31 August 2017 was £76.4million (2016 £75.6 million). Movements in tangible fixed assets are shown in note 12 to the accounts. The assets were used exclusively for providing education and associated support services to academy pupils.

The balance sheet discloses cash and bank balances of £2.883 million (2016 £6.482million)

## Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies (Note 1.6).

# **Dixons Academies Charitable Trust Ltd**

## **Trustees' Report**

### **for the year to 31 August 2017**

#### **Reserves policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of reserves, excluding restricted fixed asset funding, should be equivalent to 3% of total turnover approximately £1,056k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trust's level of free reserves (total funds less the amount held in fixed assets and general restricted funds), as at 31 August 2017 were £275k (2016 £2,345k). The reduction of free reserves within the year is as a result of the Trust investing significantly in its school buildings amounts over and above that received by way of government grants.

Action will be taken by the trustees to ensure the free reserves are built up to the required levels over the next two years.

Details of the funds held by the Trust are set out in notes 17 and 18 of the attached financial statements

#### **Pension Reserve**

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

The presence of a pension surplus or deficit will generally result in a cash flow effect for the Trust in the form of a decrease or increase in the employer's pension contributions over a period of years. The Trust is confident that it can meet the required pension contributions from projected future income without a significant impact on its planned level of activity. The risk surrounding the Trust's pension liability has been taken into consideration when preparing the annual budgets and therefore the Trust's reserves requirement will continue to be calculated without setting aside a designated reserve to cover the pension liability.

#### **Investment Policy**

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

#### **Plans for the Future**

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

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

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

- ensuring all schools are assessed as outstanding by 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.



**Dixons Academies Charitable Trust Ltd**  
**Trustees' Report**  
**for the year to 31 August 2017**

- Expansion of its Teaching School programme.

On 1 September 2017, Dixons Chapletown Academy opened with its first reception class. Dixons Chapletown will be an all through academy with the secondary phase opening in 2018.

It is anticipated that a further two academies will join the MAT by 31 August 2018.

**Disclosure of information to auditors**

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

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

This report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on 11 December 2017 and signed on its behalf by:

**Joanne Williams**  
Chair of Trust



# Dixons Academies Charitable Trust Ltd

## Governance Statement

### for the year ended 31 August 2017

#### 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 Governing Council has delegated the day to day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Dixons Academies Charitable Trust Ltd and the Secretary of State for Education. They are also responsible for reporting to the Governing Council 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 Trustee' Responsibilities. The Governing Council has formally met four times during the year.

The Finance Committee, which meets three times per year, is a sub-committee of the main Governing Council. Its purpose is:

- to exercise the powers and duties of the Governing Body in respect of the financial administration of the Academy, except for those items specifically reserved for the Governing Body and those delegated to the Principal and other staff;
- to report on decisions taken under delegated powers to the next meeting of the Governing Body.

Attendance during the year at meetings of the Governing Council, Finance Committee and Audit Committee is given below:

Trustee/Committee Member	Governing Council	Finance Committee	Audit Commit
Alderson G	3/4		4/4
Barrett L	3/4		
Bhatti R	4/4		4/4
Birtwistle T	3/4		
Bowers J	3/4		
Collins B	4/4	3/3	
Fitzpatrick B (Chair of Finance Committee)	3/4	3/3	
Gaskin M		3/3	
Gilpin T		1/3	
Hill J (Sir)	3/4		
Khan Majid			4/4
O'Neill N (Co-opted member) (appointed April 2017)			½
Thapar N	3/4		
Williams J	4/4		
Zamir C (appointed April 2017)			2/2

#### REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that Dixons Academies Trust

## **Dixons Academies Charitable Trust Ltd**

### **Governance Statement**

### **for the year ended 31 August 2017**

delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how Dixons Academies Trust use of its resources has provided good value for money during each academic year, and reports to the Governing Council where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Financial governance and oversight

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

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

The Finance Committee receive termly Income and Expenditure reports together with a detailed analysis of all significant variances. Compliance with the Scheme of Delegation is also monitored by the Finance Committee which reviews the Scheme annually.

The Governing Council approve the budget each year bearing in mind the requirement to achieve a balanced budget and to ensure that the Academy Trust remains a "going concern". The Governing Council also receive and approve the Trustees annual report and accounts together with external auditors Management Letter.

- Better purchasing – ensuring value for money

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. Dixons Academies Trust takes advantage of consortia when appropriate, to obtain economies of scale.

- Reviewing controls and managing risk

Monthly budget monitoring reports are prepared for review by the Chief Operating officer and Academy Principals and where appropriate action is taken to address any variances that may have an impact on the budget out-turn. Dixons Academies Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Investment institutions are selected carefully to provide the most acceptable balance of return and risk.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

# **Dixons Academies Charitable Trust Ltd**

## **Governance Statement**

### **for the year ended 31 August 2017**

#### **Capacity to Handle Risk**

The Governing Council has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Council is of the view that there is a formal ongoing process for risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Council.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Council;
- regular reviews by the Finance 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; and
- identification and management of risks.

The Governing Council has considered the need for a specific Internal Audit function and has decided to re-appoint RSM as Internal Auditor. The Internal Audit function reports directly to the Audit Committee.

#### **Review of Effectiveness**

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

- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 Governing Council on 11 December 2017 and signed on its behalf by:



Joanne Williams  
Chair of Trust



N Weller  
Chief Executive Officer  
Accounting Officer

**Dixons Academies Charitable Trust Ltd**  
**Statement on Regularity, Propriety and Compliance**  
**for the year ended 31 August 2017**

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

I confirm that I and the Academy Trust Governing Council 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.

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 Governing Council and the ESFA.



N Weller  
Chief Executive Officer  
Accounting Officer

Date: 11 December 2017

## **Dixons Academies Charitable Trust Ltd**

### **Statement of Trustees' Responsibilities**

### **for the year ended 31 August 2017**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Council on 11 December 2017 and signed on its behalf by:



Joanne Williams  
Chair of Trust

# **Independent Auditor's Report to the Members of Dixons Academies Charitable Trust Ltd for the year ended 31 August 2017 (cont'd)**

## **Opinion**

We have audited the financial statements of Dixons Academies Charitable Trust Ltd. for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

## **In our opinion the financial statements:**

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

## **Basis of opinion**

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

## **Conclusions relating to going concern**

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

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

## **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **Independent Auditor's Report to the Members of Dixons Academies Charitable Trust Ltd for the year ended 31 August 2017 (cont'd)**

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

We have nothing to report in this regard.

## **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

## **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



## **Independent Auditor's Report to the Members of Dixons Academies Charitable Trust Ltd for the year ended 31 August 2017 (cont'd)**

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



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

20 December 2017

# **Independent Reporting Accountant's Assurance Report on Regularity to Dixons Academies Charitable Trust Ltd. and the Education Skills Funding Agency**

In accordance with the terms of our engagement letter dated 17 August 2017 and further to the requirements of the Education Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 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 (DAT) during the period 1 September 2016 to 31 August 2017 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 DAT and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to DAT and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DAT and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of DAT's funding agreement with the Secretary of State for Education dated 26 April 2005 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 2016 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 period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

# **Independent Reporting Accountant's Assurance Report on Regularity to Dixons Academies Charitable Trust Ltd. and the Education Skills Funding Agency**

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

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

The work undertaken to draw to our conclusion includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately.
- Review of the Trusts' internal financial procedures to ensure the controls are in place to prevent or identify regularity issues.
- Confirmation that ESFA approval has been obtained for relevant transactions.
- Discussions with Trustees/Governors, the Accounting Officer and the Senior Leadership Team through the audit process to ensure that all regularity threats have been addressed.

## **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 period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BHP LLP

Michael Jackson (Senior Statutory Auditor)  
BHP LLP  
First Floor, Mayesbrook House  
Leeds  
LS16 6QY

20 December 2017

# Dixons Academies Charitable Trust Ltd

## Statement of Financial Activities for the Year to 31 August 2017

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

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	217			217	90
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	4		33,578	974	34,552	41,917
Teaching School	4		209		209	-
Other trading activities	5	1,155			1,155	1,327
Investments	6		3		3	7
<b>Total</b>		1,372	33,790	974	36,136	43,341
<b>Expenditure on:</b>						
Raising funds						
Charitable activities: Academy trust educational operations	7	1,124	34,531	2,909	38,564	35,997
Teaching School			209		209	-
Other		-	-	-	-	-
<b>Total</b>		1,124	34,740	2,909	38,773	35,997
<b>Net income / (expenditure)</b>		248	(950)	(1,935)	(2,637)	7,344
<b>Transfers between funds</b>	17	(2,318)	(582)	2,900	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	17,27	-	3,847		3,847	(4,069)
<b>Net movement in funds</b>		(2,070)	2,315	965	1,210	3,275
<b>Reconciliation of funds</b>						
Total funds brought forward		2,345	(5,443)	75,581	72,483	69,208
<b>Total funds carried forward</b>		275	(3,128)	76,546	73,693	72,483


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

**Dixons Academies Charitable Trust Ltd**  
**Balance Sheet as at 31 August 2017**

**Company Number 02303464**

		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Intangible assets	11		<b>179</b>		<b>18</b>
Tangible assets	12		<b>76,367</b>		<b>75,581</b>
<b>Current assets</b>					
Stock	13	<b>1</b>		<b>5</b>	
Debtors	14	<b>1,690</b>		<b>6,138</b>	
Cash at bank and in hand		<b>2,883</b>		<b>6,482</b>	
		<b>4,574</b>		<b>12,625</b>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<b>(3,276)</b>		<b>(8,824)</b>	
<b>Net current assets</b>			<b>1,298</b>		<b>3,801</b>
<b>Total assets less current liabilities</b>			<b>77,844</b>		<b>79,400</b>
<b>Net assets excluding pension liability</b>			<b>77,844</b>		<b>79,400</b>
Defined benefit pension scheme liability	27	<b>(4,151)</b>		<b>(6,917)</b>	
<b>Total net assets</b>			<b>73,693</b>		<b>72,483</b>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	17	<b>76,546</b>		<b>75,581</b>	
Restricted income fund	17	<b>1,023</b>		<b>1,474</b>	
Pension reserve	17	<b>(4,151)</b>		<b>(6,917)</b>	
<b>Total restricted funds</b>			<b>73,418</b>		<b>70,138</b>
<b>Unrestricted Income funds</b>	17		<b>275</b>		<b>2,345</b>
<b>Total funds</b>			<b>73,693</b>		<b>72,483</b>

The financial statements were approved by the trustees and authorised for issue on 11 December 2017 and are signed on their behalf by

Joanne Williams   
Chair of Trust

**Dixons Academies Charitable Trust Ltd**  
**Notes to the Financial Statements for the Year ended 31 August 2017**

	Notes	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	246	11,546
<b>Cash flows from investing activities</b>			
Bank Interest		3	7
Purchase of Fixed Assets		(3,848)	(10,586)
<b>Net Cash flows from investing activities</b>	23	(3,845)	(10,579)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(3,599)</u>	<u>967</u>
<b>Cash and cash equivalents at 1 September 2016</b>		6,482	5,515
<b>Cash and cash equivalents at 31 August 2017</b>	24	<u>2,883</u>	<u>6,482</u>

# **Dixons Academies Charitable Trust Ltd**

## **Notes to the Financial Statements for the Year ended 31 August 2017**

### **1 Accounting policies**

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

#### **1.1 Basis of preparation**

The financial statements of the 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 United Kingdom and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), (Charities 'SORP 2015'), the Academies Accounts Direction issued by the EFA and the Companies Act 2011.

#### **1.2 Consolidation**

The academy 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 Trust at the discretion of the trustees.

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

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

#### **1.4 Incoming resources**

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

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

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

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

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

# **Dixons Academies Charitable Trust Ltd**

## **Notes to the Financial Statements for the Year ended 31 August 2017**

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

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

### **1.5 Resources expended**

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

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

### **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 to continue as a going concern, thus they continue to adopt a going concern basis in preparing the financial statements.

### **1.7 Intangible fixed assets and amortisation**

Intangible assets costing more than £1,000 are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Intangible assets are amortised at 25% straight line.

### **1.8 Tangible fixed assets**

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

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



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

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

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

### 1.9 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 or net realisable after making due allowance for obsolete or slow moving stock. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### 1.11 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 discount.

### 1.12 Cash at bank and in hand

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

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

### 1.14 Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

# **Dixons Academies Charitable Trust Ltd**

## **Notes to the Financial Statements for the Year ended 31 August 2017**

### **1.15 Financial Instruments**

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

### **1.16 Investments**

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

### **1.17 Taxation**

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

### **1.18 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 date. The amounts charged to operating surplus are the current service costs, and the cost of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating income and expenditure accounts and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

### **1.19 Critical accounting estimates and areas of judgement**

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

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### *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 result. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are highlighted below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount factor rate. Any changes in these assumptions which are disclosed in note 27 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

### **1.20 Reserves policy**

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

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

### **1.21 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 interest of the trust to make a severance payment which is not contractual, this is recognised as a liability once the decision to make a payment has been ratified at a meeting of the board of trustees.

### **2 General Annual Grant (GAG)**

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

### **3 Donations and capital grants**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Other donations	217	-	217	90
	<u>217</u>	<u>-</u>	<u>217</u>	<u>90</u>

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
<b>DfE / EFA grants</b>				
General Annual Grant (GAG)	-	29,511	29,511	28,619
Start Up Grants	-	284	284	13
Other DfE/EFA grants	-	1,156	1,156	1,165
Capital Grants	-	974	974	9,397
Pupil premium	-	1,886	1,886	2,025
	<u>-</u>	<u>33,811</u>	<u>33,811</u>	<u>41,219</u>
<b>Other Government grants</b>				
Local authority grants	-	741	741	497
Teaching School	-	209	209	-
Other grants	-	-	-	201
	<u>-</u>	<u>950</u>	<u>950</u>	<u>698</u>
	<u>-</u>	<u>34,761</u>	<u>34,761</u>	<u>41,917</u>

### 5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	-	-	-	2
Music income	24	-	24	29
Catering income	636	-	636	714
Other income	495	-	495	582
	<u>1,155</u>	<u>-</u>	<u>1,155</u>	<u>1,327</u>

### 6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	-	3	3	7
	<u>-</u>	<u>3</u>	<u>3</u>	<u>7</u>

### 7 Expenditure on charitable activities

	Total 2017 £000	Total 2016 £000
Direct costs – educational operations	25,659	23,741
Support costs – educational operations	13,056	12,224
Support costs – governance	58	32
	<u>38,773</u>	<u>35,997</u>

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 7 Expenditure on charitable activities continued)

#### Direct costs – educational operations

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Wages and salaries	18,331	16,749
National Insurance	1,704	1,466
Pensions costs	2,492	2,751
Supply teachers	696	561
Staff development	61	-
Educational supplies	1,952	1,830
Examination fees	423	334
Other costs	-	50
<b>Total</b>	<b>25,659</b>	<b>23,741</b>

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
<b>Support costs – educational operations</b>		
Wages and salaries	3,726	3,328
National Insurance	256	235
Pensions costs	413	371
Supply staff	57	219
Recruitment and other staff costs	379	40
Technology costs	355	271
Maintenance of premises and equipment	520	559
Cleaning	113	99
Rent and rates	576	1,098
Heat and light	583	451
Insurance	152	172
Security and transport	157	158
Catering	1,193	1,235
Operating Leases	83	78
Office overheads	612	808
Depreciation	2,905	2,571
Education supplies	11	39
FRS102 Pension Costs	950	480
Bank interest	15	13
<b>Total</b>	<b>13,056</b>	<b>12,225</b>

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Support Costs – Governance</b>		
Auditors' remuneration	21	21
Other costs	36	11
Trustees expenses reimbursed	1	-
<b>Total</b>	<b>58</b>	<b>32</b>

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 8 Staff and Staff Costs

#### Staff costs

Staff costs during the period were:

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Wages and salaries	22,026	20,077
Social security costs	1,960	1,701
Operating costs of defined benefit pension schemes	2,905	3,046
Apprenticeship Levy	29	-
	<b>26,920</b>	<b>24,824</b>
Supply staff costs	753	601
Staff restructuring costs	157	-
FRS102 pension adjustment	131	76
	<b>27,961</b>	<b>25,501</b>

Staff restructuring costs comprise:

Redundancy payments	98	-
Severance payments	59	-
Other restructuring costs	-	-
	<b>157</b>	<b>-</b>

Included in staff restructuring costs are non-statutory and or non-contractual severance payments totalling £59,052. Individually the severance payments were £13,250; £12,000; £14,439; £10,000 and £9,362

#### Staff numbers

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

	<b>2017 No.</b>	<b>2016 No.</b>
Teachers	417	347
Administration and support	450	451
Management	15	24
	<b>882</b>	<b>822</b>

#### Higher paid staff

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

	<b>2017 No.</b>	<b>2016 No.</b>
£60,001 - £70,000	5	9
£70,001 - £80,000	5	3
£80,001 - £90,000	2	3
£90,001 - £100,000	3	1
£100,001 - £110,000	3	2
£160,001 - £170,000		1
£170,001 - £180,000	1	

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

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 £1,282,440 (2016 £1,344,376).

### *Trustees' remuneration and expenses*

The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking their role of Chief Executive Officer and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments other than reimbursed expenses from Dixons Academies Trust in respect of their role as Trustees. The values of Trustees' remuneration were as follows:

		<b>2017</b>	<b>2016</b>
Sir Nick Weller CEO	Remuneration	£172,800	£165,000
	Pension Contributions	£26,358	£24,720
	<b>Total Remuneration plus Pension</b>	<b>£199,158</b>	<b>£189,720</b>

During the year ended 31 August 2017, travel and subsistence expenses totalling £1,207 were reimbursed to 3 Trustees (2016 £1,198 4 Trustees)

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 £2,000,000 on any one claim and the cost for the period ended 31 August 2017 was £2,856 (2016: £3,050). The cost of this insurance is included in the total insurance cost.

### **9 Central Services**

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

- Chief Executive Officer
- Finance directorate
- Payroll services
- Admissions management
- ICT network
- Strategic site management
- Marketing and advertising

The Trust charges for these services at 4.3% (2016 4.25%) of an academy's total income. No costs were recharged to Dixons City Academy in order to assist in that academy's planned restructuring programme.

The actual amounts charged during the year were:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Dixons City Academy	-	340
Dixons Allerton Academy	429	533
Dixons Trinity Academy	178	211
Dixons McMillan Academy	112	85
Dixons Kings Academy	251	281
Dixons Music Primary	61	60
Dixons Marchbank Primary	109	130
Dixons Manningham Primary	92	-
<b>Total</b>	<b>1,232</b>	<b>1,640</b>

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 9 Central Services (continued)

A summarised Income & Expenditure Account for the year ended 31 August 2017 in respect of the above is as follows:

	2017 £000	2016 £000
<b>Income</b>		
Recharge to academies	1,232	1,640
Capital grants	-	209
Sponsorship income	200	-
Teaching school income	116	-
Other income	62	118
<b>Total</b>	<b>1,610</b>	<b>1,967</b>

	2017 £000	2016 £000
<b>Staff costs</b>	<b>1,256</b>	<b>1,349</b>
Consultancy	91	181
HR and legal services	-	20
Audit and Accountancy	59	88
IT licensing and software	233	167
Recruitment and advertising	106	-
Other	(33)	162
<b>Total</b>	<b>1,712</b>	<b>1,967</b>

### 10. Other financial income

	2017 £000	2016 £000
Investment income on pension scheme assets	234	349
Interest on pension scheme liabilities	(365)	(425)
<b>Total</b>	<b>(131)</b>	<b>(76)</b>

### 11 Intangible fixed assets

	IT Software 2017 £000	IT Software 2016 £000
<b>Cost</b>		
At 1 September 2016	126	-
Additions	237	5
Re classification		121
At 31 August 2017	<b>363</b>	<b>126</b>
<b>Amortisation</b>		
At 1 September 2016	108	-
Charged in year	76	8
Re classification	-	100
At 31 August 2017	<b>184</b>	<b>108</b>
<b>Carrying amount</b>		
At 31 August 2016	<b>18</b>	<b>-</b>
At 31 August 2017	<b>179</b>	<b>18</b>



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 12 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000
<b>Cost</b>					
At 1 September 2016	35,318	47,444	2,288	23	4,443
Additions	408	2,157		7	246
Reclassification		466			324
Disposals					
At 31 August 2017	35,726	50,067	2,288	30	5,013
<b>Depreciation</b>					
At 1 September 2016	5,886	4,930	1,303	16	3,440
Charged in year	714	1,014	157	3	187
Re classification					
Disposals					
At 31 August 2017	6,600	5,944	1,460	19	3,627
<b>Net book values</b>					
At 31 August 2016	29,432	42,514	985	7	1,003
At 31 August 2017	29,126	44,123	828	11	1,386

	Computer equipment	Other fixed assets	Total
<b>Cost</b>			
At 1 September 2016	4,946	790	95,252
Additions	793		3,611
Reclassification		(790)	-
Disposals			
At 31 August 2017	5,739	-	98,863
<b>Depreciation</b>			
At 1 September 2016	4,096		19,671
Charged in year	750		2,825
Reclassification			
Disposals			
At 31 August 2017	4,846	-	22,496
<b>Net book values</b>			
At 31 August 2016	850	790	75,581
At 31 August 2017	893	-	76,367

The Trust's Freehold Properties are subject to charges held by the Secretary of State for Education.  
Leasehold Properties are held on a 125 year lease from the Local Authority and/or Department for Education

**Dixons Academies Charitable Trust Ltd**  
**Notes to the Financial Statements for the Year ended 31 August 2017**

**13 Stock**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Finished goods and goods for resale	1	5
	<u>1</u>	<u>5</u>

**14 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	140	41
VAT recoverable	328	1,917
Other debtors	44	37
Prepayments and accrued income	1,178	4,143
	<u>1,690</u>	<u>6,138</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,273	3,891
Other taxation and social security	533	489
EFA creditor: abatement of GAG	-	-
Other creditors	615	1,698
Accruals and deferred income	855	2,746
	<u>3,276</u>	<u>8,824</u>

**16 Deferred income**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2016	423	242
Released from previous years	(423)	423
Resources deferred in the year	423	(242)
Deferred Income at 31 August 2017	<u>423</u>	<u>423</u>

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Rates	107	
UIFSM	145	144
EAG Lease Income		88
Teaching school income		60
Trinity Leeds income	60	90
6 <sup>th</sup> Form income	30	-
GAG Clawback	68	40
Charity	13	1
	<u>423</u>	<u>423</u>

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 17 Statement of Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	291	29,512	(29,455)	415	763
Start Up Grant		284	(284)		-
Pupil Premium		1,925	(1,925)		-
Other grants	1,183	2,069	(1,995)	(997)	260
Provision for boarding					
Pension reserve	(6,917)		(1,081)	3,847	(4,151)
	(5,443)	33,790	(34,740)	3,265	(3,128)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	46,642				46,642
DfE/EFA capital grants	28,805	974	(2,909)	2,900	29,770
Private sector capital sponsorship	134				134
	75,581	974	(2,909)	2,900	76,546
<b>Total restricted funds</b>	<b>70,138</b>	<b>34,764</b>	<b>(37,649)</b>	<b>6,165</b>	<b>73,418</b>
<b>Total unrestricted funds</b>	<b>2,345</b>	<b>1,372</b>	<b>(1,124)</b>	<b>(2,318)</b>	<b>275</b>
<b>Total funds</b>	<b>72,483</b>	<b>36,136</b>	<b>(38,773)</b>	<b>3,847</b>	<b>73,693</b>

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

Unrestricted funds represent surpluses generated from Other Trading Activities and are to be used to support future general educational purposes either of a revenue or capital nature.

Other Restricted Income represents unspent General Annual Grant, other government grants/income and sponsorship income brought forward from previous years and are earmarked to support future capital replacements.

Under the funding agreement with the Secretary of State, the academies are not subject to a limit on the amount of GAG that can be carried forward as at 31 August 2017.

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 17 Statement of funds (continued)

Analysis of academies by fund balance	2017	2016
	£000	Restated
		£000
Dixons City Academy	552	509
Dixons Kings Academy	1,502	1,151
Dixons Allerton Academy	2,192	2,642
Dixons Music Primary	(123)	(33)
Dixons Marchbank Primary	171	164
Dixons Trinity Academy	115	59
Dixons McMillan Academy	(766)	(386)
Dixons Manningham Academy	(2,068)	(217)
Central Services	(277)	(70)
<b>Total before fixed asset fund and pension reserve</b>	<b>1,298</b>	<b>3,819</b>
Restricted fixed asset fund	76,546	75,581
Pension reserve	(4,151)	(6,917)
<b>Total</b>	<b>73,693</b>	<b>72,483</b>

The deficit balances at Dixons Manningham Academy and Dixons McMillan Academy have resulted as a consequence of significant capital expenditure programmes which have been funded from the Trusts' own reserves. The balances will be recovered from growth in student numbers, particularly at Dixons McMillan, and from future Devolved Formula Capital funding streams.

Dixons Music Primary's deficit arose due to incurring disproportionately high in year costs in respect of maternity cover. This will be recovered in the next financial year from an increase in income from an additional year group (60 students) without the need to incur any extra staffing costs.

The Central Service deficit results from up-front costs incurred in preparation for the increase in the number of academies joining the MAT in the next 12 months.

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 17 Statement of funds (continued)

#### Analysis of academies by cost

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

	Teach and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2017	Total 2016
	£000	£000	£000	£000	£000	£000
Dixons City Academy	4,455	730	444	593	6,222	6,361
Dixons Kings Academy	3,066	631	416	1,080	5,193	4,549
Dixons Allerton Academy	6,998	940	691	993	9,622	9,224
Dixons Music Primary	920	39	105	74	1,138	917
Dixons Marchbank Primary	1,550	230	210	355	2,345	2,326
Dixons Trinity Academy	2,476	582	282	548	3,888	3,238
Dixons McMillan Academy	1,845	343	169	323	2,680	2,346
Dixons Manningham Trust	1,483 428	132 828	54 8	313 1,530	1,982 2,794	2,048 2,417
	23,221	4,455	2,379	5,809	35,864	33,426

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2017 Total Funds £000	2016 Total Funds £000
Intangible fixed assets			179	179	19
Tangible fixed assets			76,367	76,367	75,581
Current assets	275	4,299		4,574	12,624
Current liabilities		(3,276)		(3,276)	(8,824)
Non-current liabilities					
Pension scheme liability		(4,151)		(4,151)	(6,917)
<b>Total net assets</b>	<b>275</b>	<b>(3,128)</b>	<b>76,546</b>	<b>73,693</b>	<b>72,483</b>

### 19 Capital commitments

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	419	-

### 20 Commitments under operating leases

#### Operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts due within one year	359	326
Amounts due between one and five years	1,335	1,231
Amounts due after five years	2,814	3,112
	<b>4,508</b>	<b>4,669</b>

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 21 Reconciliation of net income/(expenditure)

	2017 £000	2016 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(2,637)	7,344
Adjusted for:		
Amortisation [note 11]	76	8
Depreciation [note 12]	2,825	2,571
Interest receivable [note 6]	(3)	(7)
Defined benefit pension scheme finance cost [note 27]	1,081	480
(Increase)/decrease in stocks	4	-
(Increase)/decrease in debtors	4,448	(4,269)
Increase/(decrease) in creditors	(5,548)	5,419
<b>Net cash provided by / (used in) Operating Activities</b>	<b>246</b>	<b>11,546</b>

### 22 Cash flows from financing activities

	2017 £000	2016 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>-</b>

### 23 Cash flows from investing activities

	2017 £000	2016 £000
Dividends, interest and rents from investments	3	7
Proceeds from sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	(237)	-
Purchase of tangible fixed assets	(3,611)	10,586
Capital grants from DfE/ESFA	-	-
Capital funding received from sponsors and others	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(3,845)</b>	<b>(10,579)</b>

### 24 Analysis of cash and cash equivalents

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	2,883	6,842
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>2,883</b>	<b>6,842</b>

# **Dixons Academies Charitable Trust Ltd**

## **Notes to the Financial Statements for the Year ended 31 August 2017**

### **25 Pension and similar obligations**

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

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

Contributions amounting to £279,851 were payable to the schemes at 31 August 2017 (2016: £257,182) and are included within creditors.

### **26 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%.

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 £2,187,804 (2016: £1,828,971).

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



# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

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.

### 27 Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,060k (2016: £1,029k), of which employer's contributions totalled £747k (2016: £729k) and employees' contributions totalled £313k (2016: £300k). The agreed contribution rates for future years are 14% for employers and between 5.5% and 12.5 % for employees.

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

Principal actuarial assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.25%	3.50%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	2.00%	2.00%
Commutation of pensions to lump sums	-	-

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.1	22.7
Females	25.2	25.6
<i>Retiring in 20 years</i>		
Males	23.0	24.9
Females	27.0	28.0

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equity instruments	10,815	8,470
Bonds	1,894	1,737
Property	631	541
Cash & Other	687	530
<b>Total market value of assets</b>	<b>14,027</b>	<b>11,278</b>

The actual return on scheme assets was £1,932,000 (2016: £1,735,000)

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### Amount recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(1,697)	(1,140)
Net interest cost	(131)	(76)
Past service cost	-	(10)
Total operating charge	(1,828)	(1,226)

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

	2017 £000	2016 £000
At 1 September	18,195	11,193
Upon conversion	-	-
Current service cost	1,697	1,140
Past Service Cost	-	10
Interest cost	365	425
Employee contributions	313	295
Actuarial (gain)/loss	(2,149)	5,455
Benefits paid	(243)	(323)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	18,178	18,195

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

	2017 £000	2016 £000
At 1 September	11,278	8,835
Upon conversion	-	-
Interest income	234	349
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	1,698	1,386
Employer contributions	747	736
Employee contributions	313	295
Benefits paid	(243)	(323)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	14,027	11,278

# Dixons Academies Charitable Trust Ltd

## Notes to the Financial Statements for the Year ended 31 August 2017

### 28 Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 8.

### 29 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £89K (2016 £59K). Each academy may retain up to 5% of the fund income to cover associated administration costs. Any unspent monies are retained for future years spending. The value of unspent funds as at 31 August 2017 and included in other creditors was £16k (2016 £nil)

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Funds brought forward	-	-
Bursary Funding Received	89	59
<b>Total Income</b>	<b>89</b>	<b>59</b>
Funds Distributed	73	56
5% Admin cost retention	-	3
<b>Total Costs</b>		<b>59</b>
<b>Funds carried forward</b>	<b>16</b>	-