

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members

Sir J Hill, Chair of Trust
J Williams, Chair of Governing Council
J Davies

Trustees

Sir J Hill, Chair of Trust
J Williams, Chair of Governing Council
J Davies
J Bowers, Chair of Dixons Kings Academy Local Governing Body (appointed 1
January 2015)
L Barrett, Chair of Dixons Allerton Academy Local Governing Body
B Collins, Chair of Dixons Trinity Academy Local Governing Body
R Bhatti, Chair of Dixons Marchbank Academy Local Governing Body
B Fitzpatrick, Chair of Finance committee
G Alderson, Chair of Audit Committee

Company registered number

02303464

Principal and registered office

Ripley Street, Bradford, West Yorkshire, BD5 7RR

Company secretary

A Bashir, appointed 01 March 2015
T Archer, resigned 28 February 2015

Accounting officer

Sir N Weller

Senior management team

Sir N Weller, Executive Principal
R Kidd, Principal Dixons Allerton Academy
S Watson, Principal Dixons City Academy
L Sparkes, Principal Dixons Trinity Academy
W Davies, Principal Dixons McMillan Academy
M Long, Principal Dixons Music Academy
J Relton, Principal Dixons Marchbank Primary
A Bashir, Director of Finance, appointed 01 March 2015
T Archer, Director of Finance, resigned 28 February 2015
T Leighton, Principal Dixons Manningham Primary
N Miley, Principal Dixons Kings Academy

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Independent auditors

BHP, Chartered Accountants, First Floor, Mayesbrook House, Lawnswood Business Park, Redvers Close,
Leeds, West Yorkshire, LS16 6QY

Bankers

Lloyds bank, 35 Hustlergate, Bradford, BD1 1NT

Solicitors

Gordons LLP, 14 Piccadilly, Bradford, BD1 3LX

DIXONS ACADEMIES CHARITABLE TRUST LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and auditors' report of Dixons Academies Charitable Trust Ltd (Dixons Academies Trust) for the year ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the Dixons Academies Trust comply with the current statutory requirements, the requirements of the Dixons Academies Trust governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

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 Memorandum and Articles of Association dated 26 April 2005 are the primary governing documents of the Dixons Academies Trust.

The Governors act as the Trustees for the activities of Dixons Academies Trust and are also the Trustees 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 Legal and Administrative Information on page 2.

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. GOVERNANCE STRUCTURE

The members of Dixons Academies Charitable Trust Ltd are responsible for the appointment of the Governing Council and the Chairs of the Local Governing Bodies who in turn are responsible for appointments to their respective boards.

All Governors are appointed based upon the contribution they can make to the development and future success of Dixons Academies Trust.

Except for Staff Governors, no other Trustee and/or Governors receive remuneration for their services other than reasonable out of pocket expenses.

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

- Advertise the vacancy in academy newsletters approaching any parents who might express an interest in becoming a Governor.
- Ask any outgoing Governor for recommended nominations in order to retain the high quality of skills and expertise required to be a member of a Governing Body.
- Contact School Governors' One Stop Shop*. They hold a database of skilled volunteers wishing to become school Governors. In addition they are able to use their network of business connections to market vacancies should their database search be unsuccessful.

(*Governors' One Stop Shop is a national charity funded by the Department for Education and other partners in 2000. Their service is provided free of charge).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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

Successful candidates will be:

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

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

d. ORGANISATIONAL STRUCTURE

The organisational structure of Dixons Academies Trust is based on the following principles:

- a) The Members of Dixons Academies Trust define the Object, Purpose and Ethos.
- b) The Trustees, who in part form the Governing Council, have overall responsibility and ultimate decision making authority for all the work of Dixons Academies Trust, including the establishment and running of academies and free schools (academies). 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.
- c) The Trustees have the power to direct change where required to ensure that the Object, Purpose and Ethos are maintained.
- d) 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.
- e) The Senior Managers, who are the Executive Principal, the Academy Principals and the Director of Finance, control Dixons Academies Trust at an executive level implementing the policies laid down by the Governors and reporting back to them regularly. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff through appointment boards.
Some spending control is devolved to members of the Management Team with financial limits above which a Senior Manager must countersign.

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

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

- The Audit and Risk Management Committee
- The Finance Committee

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

During the year Dixons Academies Trust consisted of the following academies:

Academy	Date Joined	Type
Dixons City Academy	September 2012	Secondary
Dixons Trinity Academy	September 2012	Secondary
Dixons Music Primary	September 2012	Primary
Dixons Allerton Academy	November 2013	All through Academy
Dixons Marchbank Primary	January 2014	Primary
Dixons McMillan Academy	September 2014	Secondary
Dixons Manningham Primary	January 2015	Primary
Dixons Kings Academy	January 2015	Secondary

e. MISSION AND CORE PRINCIPLES

Our Mission is to lead educational system improvement in Bradford and the surrounding district, primarily by establishing high-performing non-faith Academies which value diversity and maximise student achievement.

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



High Expectations of All

Dixons Academies Trust 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,

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 Dixons Academies Trust 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 is at the heart of Dixons Academies Trust. 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 Professional 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 Dixons Academies Trust act in the best interests of students and adhere to the high standards of professionalism laid out in our Code of Conduct. Teachers know their subject well, understand how children learn and work to update their skills through professional enquiry. We invest in staff and leadership development across our learning community.

Choice and Commitment

Success is built on a three-way partnership between students, parents and Dixons Academies Trust. 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 Trust is a community with a strong sense of moral purpose. The interests of students and their learning are at the heart of all we do. Each academy is built around a clear set of values which demand and nurture personal responsibility, integrity and respect for others.

f. RISK MANAGEMENT

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

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

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

g. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst in the performance of their duties on behalf of Dixons Academies Trust. Insurance cover is provided up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,856 (2014 - £4,884). The cost of this insurance is included in the total insurance cost.

h. PRINCIPAL ACTIVITIES

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

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

Objectives and Activities

a. PUBLIC BENEFIT

The Governors confirm that they have referred to the guidance contained within the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

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TRUSTEES' REPORT (continued)
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b. EQUAL OPPORTUNITIES POLICY

The Governors recognise that equal opportunities should be an integral part of good practice. Dixons Academies Trust accordingly aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

DISABLED PERSONS

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of our academies. Dixons Academies Trust support the recruitment and retention of students and employees with disabilities, by adapting the physical environment, by making support resources available and through appropriate training and career development.

c. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY PARTNERSHIPS

Free Schools and Academy Conversions

On the 1 September 2014 Dixons Academies Trust opened its second 11-19 secondary free school; Dixons McMillan Academy.

On the 1 January 2015 Dixons Academies Trust also began its sponsorship of the following academies:

- Dixons Manningham Primary Academy
- Dixons Kings Academy

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.

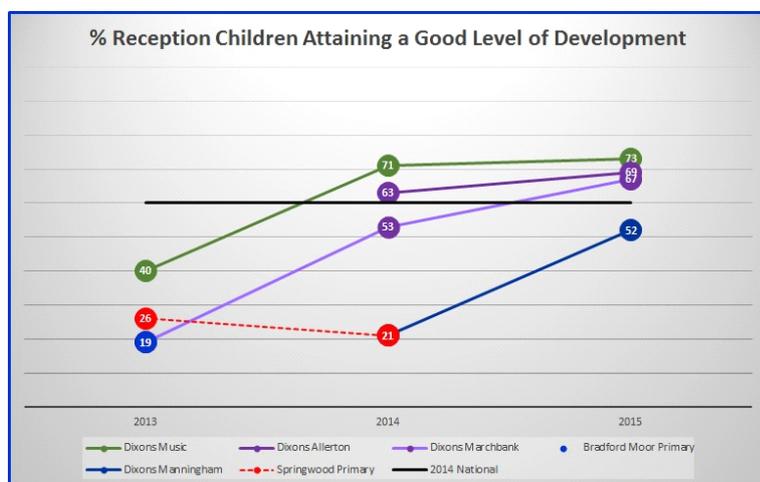
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

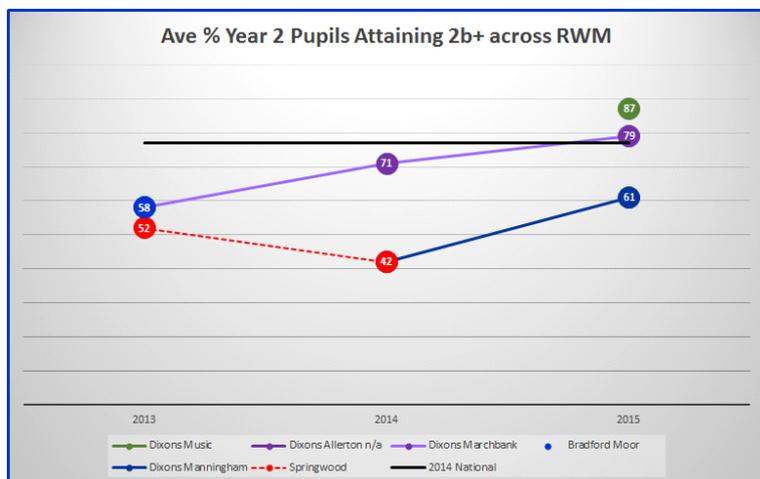
Achievements and performance

Overall this summer has seen much success across Dixons Academies Trust, but there are some disappointments which need to be rectified quickly. In the primary phase, it is only at the Early Years Foundation Stage that we have four sets of results over the past three years:



Three of our primary academies now exceed the national average for a Good Level of Development (Dixons Music, Allerton and Marchbank), while the fourth (Dixons Manningham) is rapidly closing the gap after only six months with us. Manningham is also the fastest improving academy, although from a very low base. Dixons Music is well placed to achieve at least Good at its impending Ofsted inspection, after its first inspection was conducted while the 2014 result were being moderated, but before they were released.

Three of our academies, Dixons Music, Marchbank and Manningham, produced results at the end of Year 2. The key measure at KS1 is a strong Level 2 (2b) in Reading, Writing and Maths, indicating that pupils are well prepared for success at KS2:

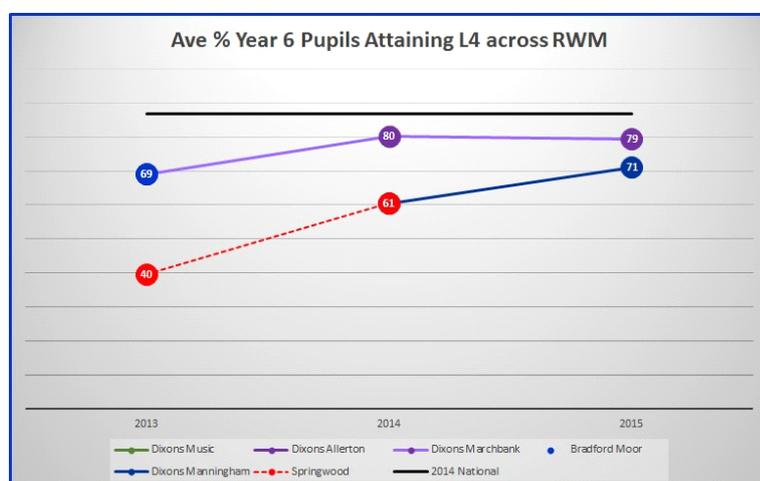


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Dixons Marchbank continued its impressive improvement of a year ago, and exceeded national averages for the first time. The first Year 2 results at Dixons Music were even better, exceeding national averages by 10%. Since its conversion from Springwood Primary in January, Dixons Manningham has turned a very clear corner, and is the fastest-improving primary in the Group, although again from a very low base. The EYFS and KS1 results bode very well for the future of our primary academies. It is our experience at secondary level that we have to make a difference to students' progress and attainment within the first couple of years of their arrival, thereby building success from the bottom up: last-minute intervention in their final years will improve results, but only so far.

Only Dixons Marchbank and Manningham have Year 6 results this year. The key measure at KS2 is a Level 4 in Reading, Writing and Maths, indicating that pupils have the basic skills for success at secondary school:



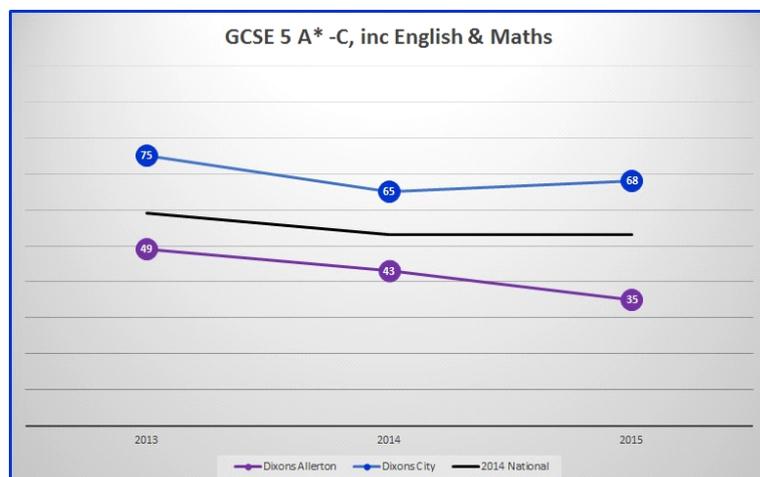
Dixons Manningham is again our fastest-improving academy from a low base. Dixons Marchbank consolidated its improvement of a year ago, despite the fact that this cohort performed 10% worse than the previous one four years earlier at the end of KS1.

This illustrates the challenge that both academies will face over the next couple of years as they pull themselves out of Special Measures: we are inheriting Year 6 cohorts who have previously had a very poor deal in Years 3 and 4: these are crucial years for building success at primary level, but because they are remote from any national testing they are where failing schools have often hidden their weakest teachers.

Despite some very strong individual student performances at both Dixons City and Allerton, overall, GCSE results this year were more disappointing, especially at Allerton:

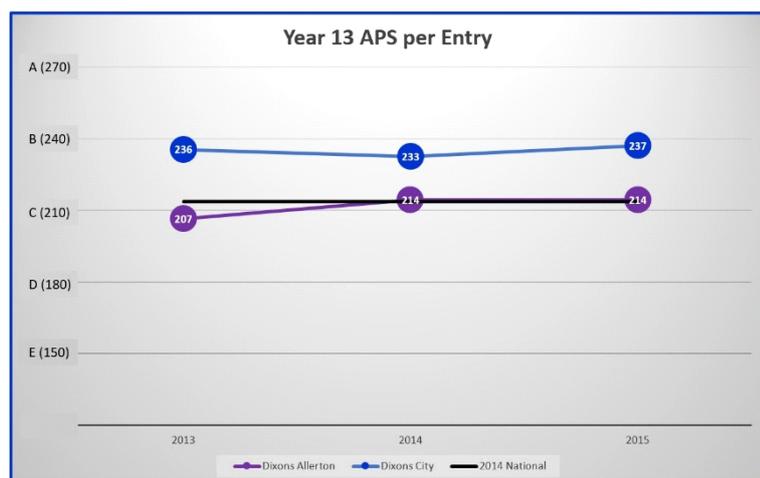
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FOR THE YEAR ENDED 31 AUGUST 2015



Dixons City bounced back a little this year, and although we failed to break 70%, we have tracked the national drop over the past two years. City compares very well to other local schools, but we need to widen further our gap on the national. At Allerton, problems with coursework and Paper 2 hit English results hard. English has been the bedrock of Allerton’s improved performance over the past six years, and the focus of the Senior Leadership Team has been on improving Science and Maths. These two subjects are now fully staffed with Good or better teachers, and I am confident that Allerton’s results will recover strongly this year. However, having fallen below the floor target of 40% 5 A*-C including English and Maths, we have attracted the attention of the DfE again for the first time in five years. Meanwhile at Dixons Kings, some Year 10 students took their first GCSE examinations, in Core Science. 99% of those sitting achieved three Levels of Progress and 74% achieved four. This bodes well for next year.

Post 16 results at both academies were more positive:



For the second year running, Dixons Allerton exceeded the National Average Points Score per entry, and the average achieved by Dixons City students was an impressive Grade B. However, a much higher proportion of Dixons City’s qualifications were at A Level, while at Allerton the majority of qualifications are vocational BTECs, which are not as demanding and therefore somewhat inflate the overall aps in the Sixth Form.

a. GOING CONCERN

After making appropriate enquiries, the Governing Council has a reasonable expectation that Dixons Academies Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it

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continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial review

a. FINANCIAL OBJECTIVES

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

The responsibility for the monitoring and support of open Academies lies with the Education Funding Agency (EFA).

A significant proportion of Dixons Academies Trust income is obtained from the EFA 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 EFA and Education Authority during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Dixons Academies 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 2005), 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) amounted to £40.374 million and were sufficient to cover all outgoings to produce an operating surplus of £8.429 million.

The net book value of fixed assets at 31 August 2015 was £67.587 million (2014 £59.348 million). Movements in tangible fixed assets are shown in note 15 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 £5.515 million (2014 £4.635 million)

b. PRINCIPAL RISKS AND UNCERTAINTIES

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

- In excess of 90% of Dixons Academies Trust activities are government funded via grants received from the Department of Education. There is little reassurance that government policy and funding levels will continue at existing levels in future years.

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

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

c. RESERVES POLICY

The Trustees review the reserve levels of Dixons Academies Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of

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reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to 3% of turnover, excluding restricted and fixed asset restricted funds, approximately £900k. 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. Dixons Academies Trust level of free reserves (total funds less the amount held in fixed assets and restricted funds), as at 31 August 2015 were £1,351k (2014 £630k).

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

d. 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 Dixons Academies Trust in the form of an increase or decrease in the employer's pension contributions over a period of years. Dixons Academies 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 Dixons Academies Trust pension liability has been taken into consideration when preparing the annual budgets and therefore Dixons Academies Trust's reserves requirement will continue to be calculated without setting aside a designated reserve to cover the pension liability.

e. 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 future periods

a. FUTURE DEVELOPMENTS

- To ensure all schools are assessed as outstanding by actioning those issues raised by Ofsted during their various inspections of schools within the trust
- Dixons Academies 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.

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TRUSTEES' REPORT (continued)
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DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report was approved by order of the Governing Council on 29 December 2015 and signed on the Council's behalf by:

J Williams
Chair of Governing Council

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, 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 Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Dixons Academies Charitable Trust Ltd and the Secretary of State for Education. The Accounting Officer is 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 Trustees' responsibilities statement. The Governing Council has formally met 4 times during the year - attendance during the meetings of the Governing Council was as follows:

Trustee	Meetings attended	Out of a possible
Sir J Hill, Chair of Trust	3	4
J Williams, Chair of Governing Council	4	4
J Davies (resigned July 2014)	1	4
J Bowers, Chair of Dixons Kings Academy Local Governing Body (joined Governing Council January 2015)	2	3
L Barrett, Chair of Dixons Allerton Academy Local Governing Body	3	4
B Collins, Chair of Dixons Trinity Academy Local Governing Body	4	4
R Bhatti, Chair of Dixons Marchbank Academy Local Governing Body	4	4
B Fitzpatrick, Chair of Finance committee	2	4
G Alderson, Chair of Audit Committee	4	4

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 Council in respect of the financial administration of Dixons Academies Trust, except for those items specifically reserved for the Governing Council and those delegated to the Principal and other staff;
- to report on decisions taken under delegated powers to the next meeting of the Governing Council.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Collins	3	4
B Fitzpatrick	4	4

New Governing Council Members

Narinder Thapar joined the Governing Council November 2015

Tim Birtwistle joined the Governing Council October 2015

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GOVERNANCE STATEMENT (continued)

Governing Council meeting dates
November 2014/January 2015/April 2015/July 2015

Group Finance meeting dates
October 2014/December 2014/March 2015/June 2015

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Principal has responsibility for ensuring that Dixons Academies Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how Dixons Academies Trust use of its resources has provided good value for money during each academic year, and reports to the 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 Group Finance Director and Academy Principal 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 ongoing process designed to identify

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

GOVERNANCE STATEMENT (continued)

and prioritise the risks to the achievement of 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 for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Council has reviewed the key risks to which Dixons Academies 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 identifying, evaluating and managing the significant risks, which has been in place for the year 1 September 2014 to 31 August 2015 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

Dixons Academies Trust 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;
- identification and management of risks.

The Governing Council has considered the need for a specific internal audit function and has decided to retain RSM as internal auditor.

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

On a quarterly basis, the internal auditor reports to the Audit Committee of the Governing Council on the operation of the systems of control and on the discharge of the Governing Council's financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within Dixons Academies 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 29 December 2015 and signed on its behalf, by:

DIXONS ACADEMIES CHARITABLE TRUST LTD
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GOVERNANCE STATEMENT (continued)

J Williams
Chair of Governors

Sir N Weller
Accounting Officer

DIXONS ACADEMIES CHARITABLE TRUST LTD
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Dixons Academies Charitable Trust Ltd I have considered my responsibility to notify Dixons Academies Trust Governing Council and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between Dixons Academies Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and Dixons Academies 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 (2014).

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 EFA.

Sir N Weller
Accounting Officer

Date: 29 December 2015

DIXONS ACADEMIES CHARITABLE TRUST LTD
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

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

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

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

Approved by order of the members of the Governing Council on 29 December 2015 and signed on its behalf by:

J Williams
Chair of Governing Council

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

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

We have audited the financial statements of Dixons Academies Charitable Trust Ltd for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Michael Jackson (Senior statutory auditor)

for and on behalf of

BHP, Chartered Accountants

Chartered Accountants

First Floor, Mayesbrook House

Lawnswood Business Park

Redvers Close

Leeds

West Yorkshire

LS16 6QY

30 December 2015

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

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

In accordance with the terms of our engagement letter dated 1 May 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dixons Academies Charitable Trust Ltd during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF DIXONS ACADEMIES CHARITABLE TRUST LTD'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Dixons Academies Charitable Trust Ltd's funding agreement with the Secretary of State for Education dated 13 June 2007, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DIXONS ACADEMIES CHARITABLE TRUST LTD AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

BHP, Chartered Accountants

Chartered Accountants

First Floor, Mayesbrook House
Lawnswood Business Park
Redvers Close
Leeds
West Yorkshire
LS16 6QY

30 December 2015

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

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income transferred in from Local Authority	2	-	479	8,925	9,404	38,083
Donations - Net Assets transferred in on joining trust	2	-	-	-	-	3,117
Other voluntary income	2	11	-	-	11	-
Activities for generating funds	3	1,245	57	-	1,302	898
Investment income	4	-	147	-	147	12
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	5	17	28,053	1,440	29,510	19,555
Project management grants	6	-	-	-	-	76
Other incoming resources	7	-	-	-	-	34
TOTAL INCOMING RESOURCES		1,273	28,736	10,365	40,374	61,775
RESOURCES EXPENDED						
Charitable activities:						
Academy's educational operations		552	27,441	3,915	31,908	20,398
Loss on disposal of fixed assets		-	-	10	10	48
Governance costs	10	-	27	-	27	31
Other resources expended	9					
Transfer of liabilities on conversion to academy trust		-	-	-	-	506
Transfers in on joining trust		-	-	-	-	576
TOTAL RESOURCES EXPENDED	8	552	27,468	3,925	31,945	21,559
NET INCOMING RESOURCES BEFORE REVALUATIONS		721	1,268	6,440	8,429	40,216

DIXONS ACADEMIES CHARITABLE TRUST LTD
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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Note					
Actuarial gains and losses on defined benefit pension schemes	25	-	47	-	47
NET MOVEMENT IN FUNDS FOR THE YEAR	721	1,315	6,440	8,476	40,624
<i>Total funds at 1 September 2014</i>	<i>630</i>	<i>754</i>	<i>59,348</i>	<i>60,732</i>	<i>20,108</i>
TOTAL FUNDS AT 31 AUGUST 2015	1,351	2,069	65,788	69,208	60,732

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 52 form part of these financial statements.

DIXONS ACADEMIES CHARITABLE TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 02303464

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	15		67,587		59,348
CURRENT ASSETS					
Stocks	16	5		4	
Debtors	17	1,864		1,460	
Cash at bank and in hand		5,515		4,635	
			<u>7,384</u>	<u>6,099</u>	
CREDITORS: amounts falling due within one year	18	(3,405)		(2,807)	
NET CURRENT ASSETS			<u>3,979</u>		<u>3,292</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>71,566</u>		<u>62,640</u>
Defined benefit pension scheme liability	25		<u>(2,358)</u>		<u>(1,908)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>69,208</u></u>		<u><u>60,732</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	4,427		2,662	
Restricted fixed asset funds	19	65,788		59,348	
			<u>70,215</u>	<u>62,010</u>	
Restricted funds excluding pension liability					
Pension reserve		(2,358)		(1,908)	
			<u>67,857</u>	<u>60,102</u>	
Total restricted funds					
Unrestricted funds	19		<u>1,351</u>		<u>630</u>
TOTAL FUNDS			<u><u>69,208</u></u>		<u><u>60,732</u></u>

The financial statements were approved by the Governing Council, and authorised for issue, on 29 December 2015 and are signed on their behalf, by:

J Williams
Chair of Governing Council

The notes on pages 29 to 52 form part of these financial statements.

DIXONS ACADEMIES CHARITABLE TRUST LTD
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	21	13,032	43,119
Returns on investments and servicing of finance	22	12	12
Capital expenditure and financial investment	22	(12,164)	(40,010)
INCREASE IN CASH IN THE YEAR		880	3,121

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	2014 £000
Increase in cash in the year	880	3,121
MOVEMENT IN NET FUNDS IN THE YEAR	880	3,121
Net funds at 1 September 2014	4,635	1,514
NET FUNDS AT 31 AUGUST 2015	5,515	4,635

The notes on pages 29 to 52 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Consolidation

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

1.3 Fund accounting

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

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

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

1.4 Incoming resources

All incoming resources are recognised when Dixons Academies 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.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

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.

The value of donated services and gifts in kind provided to Dixons Academies Trust are recognised at their open market value in the period in which they are receivable in incoming resources, where the benefit to Dixons Academies 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 Dixons Academies Trust policies.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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

Capital income by way of grants from the Government and private donations are recognised in the income and expenditure account in the period in which they are receivable.

1.5 Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

In accordance with the Charities SORP, expenditure has been analysed between direct charitable and other expenditure. The only activity undertaken by Dixons Academies Trust is the operation of the academy school and indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of Dixons Academies Trust. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Governance costs comprise the costs of Dixons Academies Trust in meeting its constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

After making appropriate enquiries, the governors have a reasonable expectation that Dixons Academies Charitable Trust Ltd 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.

1.7 Tangible fixed assets and depreciation

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
Motor vehicles	-	25% straight line
Fixtures and equipment	-	10%-20% straight line
Computer equipment and software	-	25%-33% straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Software purchased independently of computers is written off in year of purchase.

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

1.8 Investments

The Trustees' investment powers are governed by the Memorandum and Articles of Association and allow Dixons Academies Trust to be invested in a wide range of investment vehicles without restriction.

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the 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.

1.10 Pensions

Retirement benefits to employees of Dixons Academies 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 Dixons Academies Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with Dixons Academies 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 25, the TPS is a multi-employer scheme and such as Dixons Academies 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 as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

DIXONS ACADEMIES CHARITABLE TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.11 Reserves policy

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

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Voluntary income transferred in from Local Authority	-	9,404	9,404	38,083
Donations - Net Assets transferred in on joining trust	-	-	-	3,117
Total Net Assets transferred	<u>-</u>	<u>9,404</u>	<u>9,404</u>	<u>41,200</u>
Other donations	11	-	11	-
Voluntary income	<u>11</u>	<u>9,404</u>	<u>9,415</u>	<u>41,200</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Hire of facilities	2	-	2	18
Music income	37	-	37	35
Catering income	832	-	832	502
Other income	374	57	431	343
	<u>1,245</u>	<u>57</u>	<u>1,302</u>	<u>898</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. INVESTMENT INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Short term deposits	-	12	12	12
Pension finance adjustment	-	135	135	-
	<u>-</u>	<u>147</u>	<u>147</u>	<u>12</u>
	<u>-</u>	<u>147</u>	<u>147</u>	<u>12</u>

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
DfE/EFA revenue grants				
General Annual Grant	-	23,238	23,238	16,212
Start up Grants	-	493	493	354
Other DfE/EFA Grants	-	1,722	1,722	345
Feasibility Grant	-	-	-	25
Capital Grants	-	1,440	1,440	1,247
Income for hosting trainee teachers	17	-	17	-
Pupil Premium	-	1,900	1,900	933
Other	-	-	-	-
	<u>17</u>	<u>28,793</u>	<u>28,810</u>	<u>19,115</u>
Other government grants				
Local authority grants	-	694	694	433
Other grants	-	6	6	6
	<u>-</u>	<u>700</u>	<u>700</u>	<u>-</u>
	<u>17</u>	<u>29,493</u>	<u>29,510</u>	<u>19,555</u>

6. PROJECT MANAGEMENT GRANTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Academies programme	-	-	-	76
	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>

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7. OTHER INCOMING RESOURCES

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Sickness Insurance	-	-	-	34

8. RESOURCES EXPENDED

	Staff costs 2015 £000	Non Pay Expenditure Other costs 2015 £000	Total 2015 £000	<i>Total 2014 £000</i>
Education	17,613	2,835	20,448	14,654
Support costs - Education	3,628	7,843	11,471	5,792
Charitable activities	21,241	10,678	31,919	20,446
Governance	-	27	27	31
Transfers from conversion (note 9)	-	-	-	1,082
	21,241	10,705	31,946	21,559

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Charitable Activities

	2015	<i>2014</i>
	£000	<i>£000</i>
Direct costs - educational operations		
Wages and salaries	17,613	11,469
Staff development	171	169
Technology costs	116	192
Educational supplies	1,831	681
Educational consultancy	414	281
Examination fees	293	217
Depreciation	-	1,579
Other costs	10	66
	<u>20,448</u>	<u>14,654</u>
Support costs- educational operations		
Wages and Salaries	3,628	3,041
Recruitment and other staff costs	44	-
Technology costs	256	-
Maintenance of premises	505	228
Cleaning	107	82
Rent and rates	353	148
Heat and light	482	391
Insurance	197	134
Security and transport	75	70
Catering	1,136	480
Office overheads	582	-
Depreciation	3,915	492
Loss on disposal of fixed assets	10	48
Other costs	282	678
Bank charges	6	-
Legal and professional	18	-
	<u>11,722</u>	<u>5,792</u>
Total direct and support costs	<u><u>32,044</u></u>	<u><u>20,446</u></u>

9. OTHER RESOURCES EXPENDED

	Unrestricted	Restricted	Total	<i>Total</i>
	funds	funds	funds	<i>funds</i>
	2015	2015	2015	<i>2014</i>
	£000	£000	£000	<i>£000</i>
Transfers to Local Authority on conversion	-	-	-	506
Transfers in on joining Trust	-	-	-	576
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,082</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,082</u></u>

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10. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Auditors' remuneration	-	24	24	20
Auditors' non audit costs	-	-	-	10
Other costs	-	2	2	-
Governance - Trustees expenses reimbursed	-	1	1	1
	<u>-</u>	<u>27</u>	<u>27</u>	<u>31</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £000	<i>2014 £000</i>
Wages and salaries	17,075	11,891
Social security costs	1,176	807
Other pension costs (Note 25)	2,315	1,615
	<u>20,566</u>	<u>14,313</u>
Supply teacher costs	590	240
Restructuring costs	85	-
	<u>21,241</u>	<u>14,553</u>

b. Staff numbers

The average number of persons employed by Dixons Academies Trust during the year expressed as full time equivalents was as follows:

	2015 No.	<i>2014 No.</i>
Teachers	326	209
Administration and support	302	238
Management	17	7
	<u>645</u>	<u>454</u>

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11. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	10	<i>4</i>
In the band £70,001 - £80,000	6	<i>4</i>
In the band £80,001 - £90,000	3	<i>1</i>
In the band £90,001 - £100,000	1	<i>0</i>
In the band £100,001 - £110,000	1	<i>2</i>
In the band £120,001 - £130,000	1	<i>0</i>
In the band £150,001 - £160,000	0	<i>1</i>
In the band £160,001 - £170,000	1	<i>0</i>
	=====	=====

All the employees earning over £60,000 participated in one of the final salary defined benefit pension schemes. Contributions made by the Trust on behalf of these employees during the year ended 31 August 2015 totalled £217,621 (2014 - £132,187).

12. TRUSTEES' REMUNERATION AND EXPENSES

The Executive Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from Dixons Academies Trust in respect of their role as trustees. The value of trustees' remuneration, including pension contributions were as follows: Sir N Weller £165,000 - £170,000 (2014: £160,000 - £165,000). During the year ended 31 August 2015, travel and subsistence expenses totalling £249 (2014: £654) were reimbursed to 1 trustee (1 trustee).

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NOTES TO THE FINANCIAL STATEMENTS
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13. CENTRAL SERVICES

In order to obtain economies of scale as new academies and free schools are opened, the following functions have been centralised and recharged back to individual schools as detailed below:

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

Dixons Academies Trust charges for these services on a percentage of an academy's total annual income 3% (2.1% 2013/2014).

The actual amounts charged during the year were as follows:

	2015	<i>2014</i>
	£000	<i>£000</i>
Dixons City Academy	210	<i>154</i>
Dixons Allerton Academy	313	<i>157</i>
Dixons Trinity Academy	83	<i>141</i>
Dixons Music Academy	32	<i>54</i>
Dixons Marchbank Primary	85	<i>-</i>
Dixons McMillan Academy	33	<i>-</i>
Dixons Kings Academy	153	<i>-</i>
	<hr/>	<hr/>
Total	909	<i>506</i>
	<hr/> <hr/>	<hr/> <hr/>

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A summarised Income and Expenditure Account for the year ended 31 August 2015 in respect of the above is as follows:

	2015	<i>2014</i>
	£000	<i>£000</i>
Income		
Recharges to Academies	909	<i>539</i>
Project management fees	51	<i>76</i>
Other Income	124	<i>103</i>
	<hr/> 1,084	<hr/> <i>718</i>
Expenditure		
Staff costs	582	<i>594</i>
Staff development - Dixons Masters	-	<i>16</i>
Appeals	11	<i>15</i>
Consultancy	195	<i>-</i>
HR and legal services	34	<i>-</i>
Audit and accountancy	42	<i>-</i>
IT Licensing and software	102	<i>-</i>
Other	118	<i>83</i>
	<hr/> 1,084	<hr/> <i>708</i>
	<hr/>	<hr/>
Excess of Income over Expenditure	<hr/> -	<hr/> <i>10</i>
	<hr/>	<hr/>

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice Dixons Academies Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Insurance cover is provided up to £2,000,000 in any one claim and the cost for the year ended 31 August 2015 was £2,856 (2014 - £4,884). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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15. TANGIBLE FIXED ASSETS

	Freehold property £000	Long term Leasehold Property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and equipment £000
Cost					
At 1 September 2014	24,413	36,791	2,263	-	3,850
Additions	1,430	244	25	-	376
Transfers into Trust	-	10,375	-	14	138
Disposals	-	-	-	-	-
At 31 August 2015	<u>25,843</u>	<u>47,410</u>	<u>2,288</u>	<u>14</u>	<u>4,364</u>
Depreciation					
At 1 September 2014	4,905	763	989	-	2,917
Charge for the year	466	2,155	157	3	200
Transfers into Trust	-	1,021	-	11	51
On disposals	-	-	-	-	-
At 31 August 2015	<u>5,371</u>	<u>3,939</u>	<u>1,146</u>	<u>14</u>	<u>3,168</u>
Net book value					
At 31 August 2015	<u>20,472</u>	<u>43,471</u>	<u>1,142</u>	<u>-</u>	<u>1,196</u>
At 31 August 2014	<u>19,508</u>	<u>36,028</u>	<u>1,274</u>	<u>-</u>	<u>933</u>
				Computer equipment £000	Total £000
Cost					
At 1 September 2014				3,968	71,285
Additions				349	2,424
Transfers into Trust				564	11,091
Disposals				(13)	(13)
At 31 August 2015				<u>4,868</u>	<u>84,787</u>
Depreciation					
At 1 September 2014				2,363	11,937
Charge for the year				934	3,915
Transfers into Trust				268	1,351
On disposals				(3)	(3)
At 31 August 2015				<u>3,562</u>	<u>17,200</u>
Net book value					
At 31 August 2015				<u>1,306</u>	<u>67,587</u>
At 31 August 2014				<u>1,605</u>	<u>59,348</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

16. STOCKS

	2015	<i>2014</i>
	£000	<i>£000</i>
Catering	5	<i>4</i>

17. DEBTORS

	2015	<i>2014</i>
	£000	<i>£000</i>
Trade debtors	34	<i>35</i>
Amounts owed by subsidiary undertakings	-	<i>31</i>
VAT recoverable	602	<i>300</i>
Other debtors	493	<i>8</i>
Prepayments and accrued income	735	<i>1,086</i>
	1,864	<i>1,460</i>

18. CREDITORS:
Amounts falling due within one year

	2015	<i>2014</i>
	£000	<i>£000</i>
Trade creditors	249	<i>885</i>
Other taxation and social security	411	<i>282</i>
Other creditors	1,269	<i>538</i>
Accruals and deferred income	1,476	<i>1,102</i>
	3,405	<i>2,807</i>

Deferred income

Deferred income at 1 September 2014	196
Resources deferred during the year	242
Amounts released from previous years	(196)
Deferred income at 31 August 2015	242

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	2015 £000	2014 £000
Devolved Formula Capital	9	21
Rates	75	75
Music Lessons	-	3
UIFSM	96	41
Primary Growth Funding	-	56
Amlin	2	-
Universal Funding	30	-
EAG lease income	25	-
Catering income	3	-
School trips	2	-
	<u>242</u>	<u>196</u>
Total	<u><u>242</u></u>	<u><u>196</u></u>

19. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds					
General funds	630	1,273	(552)	-	1,351
	<u>630</u>	<u>1,273</u>	<u>(552)</u>	<u>-</u>	<u>1,351</u>
Restricted funds					
General Annual Grant (GAG)	517	24,817	(23,972)	-	1,362
Transfers in on joining trust	2,030	479	253	-	2,762
Other restricted	115	3,305	(3,117)	-	303
Pension reserve	(1,908)	135	(632)	47	(2,358)
	<u>754</u>	<u>28,736</u>	<u>(27,468)</u>	<u>47</u>	<u>2,069</u>
	<u>754</u>	<u>28,736</u>	<u>(27,468)</u>	<u>47</u>	<u>2,069</u>
Restricted fixed asset funds					
DfE/YPLA capital grants	21,497	1,440	(3,925)	-	19,012
Transfers in on conversion	37,717	8,925	-	-	46,642
Private sector capital sponsorship	134	-	-	-	134
	<u>59,348</u>	<u>10,365</u>	<u>(3,925)</u>	<u>-</u>	<u>65,788</u>
Total restricted funds	<u>60,102</u>	<u>39,101</u>	<u>(31,393)</u>	<u>47</u>	<u>67,857</u>
Total of funds	<u><u>60,732</u></u>	<u><u>40,374</u></u>	<u><u>(31,945)</u></u>	<u><u>47</u></u>	<u><u>69,208</u></u>

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

Other restricted income represents surpluses which have been generated from Dixons Academies Trust

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19. STATEMENT OF FUNDS (continued)

trading activities which the Trustees have earmarked for future capital replacements.

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

Under the master funding agreement with the Secretary of State, none of the academies in the Multi-Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £000
Dixons City Academy	172
Dixons Kings Academy	1,228
Dixons Allerton Academy	3,366
Dixons Music Primary	131
Dixons Marchbank Academy	302
Dixons Trinity Academy	182
Dixons McMillan Academy	195
Dixons Manningham Academy	176
Central Services	26
Total before fixed asset fund and pension reserve	<u>5,778</u>
Restricted fixed asset fund	65,788
Pension reserve	(2,358)
Total	<u><u>69,208</u></u>

Analysis of academies by cost

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

	Staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total £000
Dixons City Academy	5,852	291	1,664	7,807
Dixons Kings Academy	2,296	224	353	2,873
Dixons Allerton Academy	7,330	687	1,249	9,266
Dixons Music Primary	575	184	183	942
Dixons Marchbank Academy	1,799	107	345	2,251
Dixons Trinity Academy	1,721	172	659	2,552
Dixons McMillan Academy	672	91	106	869
Dixons Manningham Academy	996	75	389	1,460
	<u>21,241</u>	<u>1,831</u>	<u>4,948</u>	<u>28,020</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Summary of funds

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
General funds	630	1,273	(552)	-	1,351
Restricted funds	754	28,736	(27,468)	47	2,069
Restricted fixed asset funds	59,348	10,365	(3,925)	-	65,788
	<u>60,732</u>	<u>40,374</u>	<u>(31,945)</u>	<u>47</u>	<u>69,208</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	67,587	67,587	59,348
Current assets	(234)	7,618	-	7,384	6,099
Creditors due within one year	1,585	(3,191)	(1,799)	(3,405)	(2,807)
Provisions for liabilities and charges	-	(2,358)	-	(2,358)	(1,908)
	<u>1,351</u>	<u>2,069</u>	<u>65,788</u>	<u>69,208</u>	<u>60,732</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £000	Discontinued £000	2015 Total £000	2014 £000
Net incoming resources before revaluations	8,429	-	8,429	40,216
Interest receivable	(12)	-	(12)	(12)
Depreciation of tangible fixed assets	3,915	-	3,915	2,071
Loss on disposal of tangible fixed assets	10	-	10	48
Capital grants from DfE	-	-	-	(1,247)
(Increase)/decrease in stocks	(1)	-	(1)	11
Increase in debtors	(404)	-	(404)	(916)
Increase in creditors	598	-	598	1,629
FRS 17 adjustments	497	-	497	1,319
Net cash inflow from operations			<u>13,032</u>	<u>43,119</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015	<i>2014</i>
	£000	<i>£000</i>
Returns on investments and servicing of finance		
Interest received	12	12
	<u>12</u>	<u>12</u>
	2015	<i>2014</i>
	£000	<i>£000</i>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,424)	(2,352)
Capital grants from DfE	-	1,247
Gifts in kind	(9,740)	(38,905)
	<u>(12,164)</u>	<u>(40,010)</u>
Net cash outflow capital expenditure	(12,164)	<i>(40,010)</i>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1		Other	
	September	Cash flow	non-cash	31 August
	2014		changes	2015
	£000	£000	£000	£000
Cash at bank and in hand:	4,635	880	-	5,515
	<u>4,635</u>	<u>880</u>	<u>-</u>	<u>5,515</u>
Net funds	4,635	880	-	5,515

24. CAPITAL COMMITMENTS

At 31 August 2015 the Academy Trust had capital commitments as follows:

	2015	<i>2014</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements	86	160
	<u>86</u>	<u>160</u>

25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 £199,545 were payable to the scheme at 31 August 2015 (2014 - £207,078) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £2,108,256 (2014: £1,627,508).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

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25. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £844,339, of which employer's contributions totalled £600,728 and employees' contributions totalled £243,611. The agreed contribution rates for future years are 5.5% for employers and 12.5% for employees.

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

Dixons Academies Trust share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £000</i>
Equities	7.00	6,706	7.50	5,613
Bonds	5.70	1,325	3.03	1,159
Property	6.20	398	6.80	247
Cash & Other	8.00	406	3.40	456
Total market value of assets		<u>8,835</u>		<u>7,475</u>
Present value of scheme liabilities		<u>(11,193)</u>		<u>(9,383)</u>
(Deficit)/surplus in the scheme		<u><u>(2,358)</u></u>		<u><u>(1,908)</u></u>

The overall expected return on assets is derived from a weighted average of the expected return from each of the main asset classes (which is the best estimate of the future investment return for that asset class at the accounting date).

The actual return on scheme assets was £105,000 (2014: £717,000).

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	<i>2014 £000</i>
Fair value of scheme assets	8,835	7,475
Present value of unfunded obligations	<u>(11,193)</u>	<u>(9,383)</u>
Net liability	<u><u>(2,358)</u></u>	<u><u>(1,908)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2015	<i>2014</i>
	£000	<i>£000</i>
Current service cost	(1,010)	<i>(687)</i>
Interest on obligation	(387)	<i>-</i>
Expected return on scheme assets	522	<i>-</i>
	<hr/>	<hr/>
Total	(875)	<i>(687)</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	<i>2014</i>
	£000	<i>£000</i>
Opening defined benefit obligation	9,383	<i>4,346</i>
Current service cost	1,010	<i>687</i>
Contributions by scheme participants	254	<i>170</i>
Actuarial Gains	(464)	<i>(92)</i>
Interest cost	387	<i>358</i>
Benefits paid	(189)	<i>(150)</i>
Liabilities assumed in a business combination	812	<i>4,064</i>
	<hr/>	<hr/>
Closing defined benefit obligation	11,193	<i>9,383</i>
	<hr/> <hr/>	<hr/> <hr/>

Movements in the fair value of Dixons Academies Trust share of scheme assets:

	2015	<i>2014</i>
	£000	<i>£000</i>
Opening fair value of scheme assets	7,475	<i>3,349</i>
Actuarial gains and (losses)	(417)	<i>316</i>
Contributions by employer	631	<i>407</i>
Contributions by employees	254	<i>170</i>
Expected return on assets	522	<i>401</i>
Benefits paid	(189)	<i>(150)</i>
Assets assumed in a business combination	559	<i>2,982</i>
	<hr/>	<hr/>
	8,835	<i>7,475</i>
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £47,000 gain (*2014 - £408,000 gain*).

Dixons Academies Trust expects to contribute £1,025,000 to its defined benefit pension scheme in 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	<i>2014</i>
Discount rate for scheme liabilities	3.80 %	<i>3.70 %</i>
Rate of increase in salaries	3.50 %	<i>3.60 %</i>
Rate of increase for pensions in payment / inflation	2.00 %	<i>2.10 %</i>
Inflation assumption (CPI)	2.00 %	<i>2.10 %</i>
Commutation of pensions to lump sums	66.00 %	<i>75.00 %</i>

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

	2015	<i>2014</i>
Retiring today		
Males	22.6	<i>22.5</i>
Females	25.5	<i>25.4</i>
Retiring in 20 years		
Males	24.8	<i>24.7</i>
Females	27.8	<i>27.7</i>

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
	£000	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Defined benefit obligation	(11,193)	<i>(9,383)</i>	<i>(4,346)</i>	<i>(3,880)</i>	<i>(2,963)</i>
Scheme assets	8,835	<i>7,475</i>	<i>3,349</i>	<i>2,783</i>	<i>2,435</i>
Deficit	(2,358)	<i>(1,908)</i>	<i>(997)</i>	<i>(1,097)</i>	<i>(528)</i>
Experience adjustments on scheme liabilities	464	<i>133</i>	<i>(1)</i>	<i>(3)</i>	<i>(339)</i>
Experience adjustments on scheme assets	(417)	<i>316</i>	<i>207</i>	<i>36</i>	<i>(54)</i>

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26. OPERATING LEASE COMMITMENTS

At 31 August 2015 Dixons Academies Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	<i>2014</i>	2015	<i>2014</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Expiry date:				
Between 2 and 5 years	-	-	29	-
After more than 5 years	296	-	-	-
	=====	=====	=====	=====

27. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year:

National Governors Association - an association in which B Fitzpatrick (member of the Trust) is also a governor:

Incurred costs in respect of membership of The National Governors Association totalling £80 (2014 - £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014 - £nil).

Action for Business (Bradford) Ltd - a company in which R Bhatti (Trustee of the Trust) is also a director:

The Trust incurred costs in respect of the use of facilities to host its Post-16 Induction Event from Action for Business (Bradford) Ltd totalling £854 (2014 - £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014 - £nil).

SSAT The School Network Ltd - a company in which Sir J Hill (Chair of the Trust) is also a director:

Dixons Academies Trust incurred costs in respect of CPD programmes and subscriptions for both primary and secondary academies from SSAT The School Network Limited totalling £4,392 (2014 - £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014 - £nil).

Future Leaders Ltd - a company in which Mr J Bowers (Trustee of the Trust) is also a Leadership Development Advisor at Future Leaders Ltd:

Dixons Academies Trust incurred costs in respect of lectures and courses for aspiring and emergent head teachers from Future Leaders Ltd totalling £2,867 (2014 - £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014 - £nil).

The Bradford Partnership Ltd - a company in which Sir N Weller (Executive Principal and Accounting Officer) has a business interest:

Dixons Academies Trust incurred costs in respect of membership fees from The Bradford Partnership Ltd totalling £16,000 (2014 - £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014 - £nil).

Carlisle Business Centre - a company in which R Bhatti (Trustee of the Trust) is also a non-executive director.

Dixons Academies Trust incurred costs in respect of services provided from Carlisle Business Centre totalling £2,295 (2014 - £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014 - £nil).

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

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NOTES TO THE FINANCIAL STATEMENTS
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29. INVESTMENTS IN SUBSIDIARIES

Dixons Academies Trust was previously gifted the whole of the issued share capital of Dixons Innovation Centre Limited comprising 2 shares of £1 each. The principal activity of Dixons Innovation Centre Limited is the development of resources to support and extend Design Technology within schools and colleges. The company is registered in England and Wales.

During the year ended 31 August 2015, Dixons Innovation Centre Limited generated turnover of £nil (2014 - £16,000) and made a profit of £nil (2014 - £1,000).

The Minerva Centre Limited and Interactive Learning Limited

Dixons Academies Trust also holds the entire issued share capital of The Minerva Centre Limited and Interactive Learning Limited. Both of these companies were dormant during the period and had net assets of £nil. Both companies are registered in England and Wales.

Both, The Minerva Centre Limited and Interactive Learning Limited were dissolved post year end.