

**COPY FOR THE REGISTRAR OF
COMPANIES**

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

Annual Report and Financial Statements
For the year ended 31 August 2014

Company Registration Number 2303464

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Dixons Academies Charitable Trust
Financial Statements
Year ended 31 August 2014

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Dixons Academies Charitable Trust Ltd
Legal and Administrative
Year ended 31 August 2014

Members (who are also Trustees)	<p>Sir James Hill (Chair of Trust)</p> <p>Joanne Williams (Chair of Governing Council)</p> <p>John Davies</p>
Company Secretary	<p>Terence Archer</p>
Governing Council (who are also Trustees)	<p>Sir James Hill (Chair of Trust)</p> <p>Joanne Williams Chair Governing Council</p> <p>Lynn Barrett- Chair Dixons Allerton Academy Local Governing Body</p> <p>Bryan Collins – Chair Dixons Trinity Academy Local Governing Body</p> <p>Ruby Bhatti– Chair Dixons Marchbank Primary Local Governing Body (Appointed January 2014)</p> <p>Brent Fitzpatrick – Chair Finance Committee</p> <p>Grace Alderson – Chair of Audit Committee (Appointed March 2014)</p>
Senior Staff	<p>Nicholas Weller - Executive Principal</p> <p>R Kidd – Principal Dixons Allerton Academy</p> <p>S Watson Principal – Dixons City Academy</p> <p>L Sparkes – Principal Dixons Trinity Academy</p> <p>W Davies – Principal Dixons McMillan Academy</p> <p>M Long – Principal Dixons Music Primary</p> <p>J Relton – Principal Dixons Marchbank Primary</p> <p>T Archer – Director of Finance</p>
Principal Registered Office	<p>Dixons Academies</p> <p>Ripley Street</p> <p>Bradford</p> <p>West Yorkshire</p> <p>BD5 7RR</p>
Company Registration Number	<p>6775198</p>
Bankers	<p>Lloyds Bank</p> <p>35 Hustlergate</p> <p>Bradford</p> <p>BD1 1NT</p>
Solicitors	<p>Gordons LLP</p> <p>14 Piccadilly</p> <p>Bradford</p> <p>BD1 3LX</p>
Auditor	<p>Baker Tilly UK Audit LLP</p> <p>2 Whitehall Quay</p> <p>Leeds</p> <p>LS1 4HG</p>

Dixons Academies Charitable Trust Ltd

Governors' Report

Year ended 31 August 2014

The Trustees' present their annual report, together with the financial statements and auditor's report, of the charitable company for the year ended 31 August 2014.

Structure, Governance and Management

Constitution

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

The Governors Act as the Trustees for the charitable activities of Dixons Academies Charitable Trust Ltd 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 governors who served throughout the year except as noted are included in the Legal and Administrative Information on page 2.

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.

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 on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £4,884 (2013 - £1,540). The cost of this insurance is included in the total insurance cost.

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.

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 the multi academy trust.

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

Dixons Academies Charitable Trust Ltd

Governors' Report (contd.)

Year ended 31 August 2014

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

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

(*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).

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

Successful candidates will be:

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

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

Organisational Structure

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

- a) The Members of the Company define the Object, Purpose and Ethos of the Company
- b) The Trustees, who form the Governing Council, have overall responsibility and ultimate decision making authority for all the work of the Company, including the establishing and running of schools and in particular each Academy as a school. This is largely exercised through strategic planning and the setting of policy. It is managed through the business planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes.
- c) The Trustees have the power to direct change where required to ensure that the Object, Purpose and Ethos of the Company are met.
- 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 the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them regularly. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff through appointment boards. Some spending control is devolved to members of the Management Team with financial limits above which a Senior Manager must countersign.

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

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

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

- The Audit and Risk Management Committee
- The Finance Committee

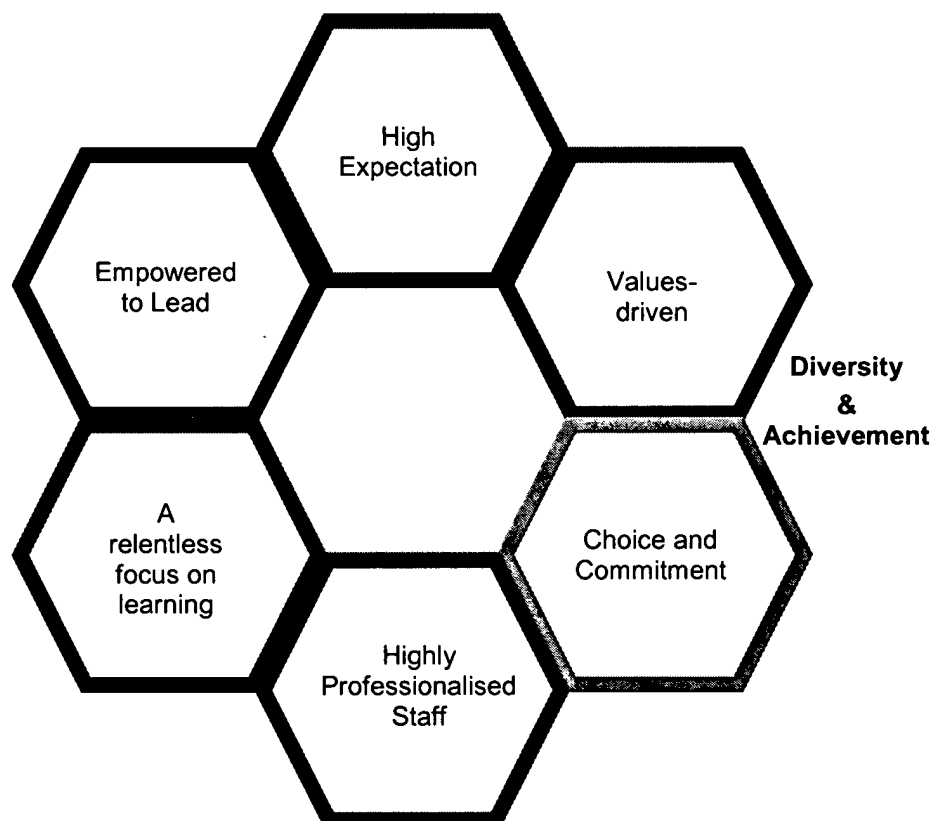
During the year the Trust consisted of the following academies:

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

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 share a set of Six Core Principles:



High Expectations of All

The Dixons Academies have high expectations for all students, and our governors set ambitious targets for academic achievement and conduct that make no excuses based on the students' backgrounds. Students,

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

parents, teachers and staff create and reinforce a culture of achievement and support through a range of formal and informal rewards and consequences for academic performance and behaviour. There are no shortcuts, and we do not make excuses. All students are expected to make outstanding progress that will enable them to succeed in further or higher education and in the world of work.

Empowered to Lead

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

Relentless Focus on Learning

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

Highly Professionalised Staff

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

Choice and Commitment

Success at Dixons is built on a three-way partnership between students, parents and the Academy. To attend and work in a Dixons Academy is a choice. Each of us must make and uphold a commitment to the school and to each other to put in the time and effort required to achieve success. We do not tailor our curriculum to the diverse communities we serve, but expect our students to share and engage in common learning experiences which maximise the achievement of all.

Values-Driven

Dixons Academies are communities with a strong sense of moral purpose. The interests of students and their learning are at the heart of all we do. Each Academy is built around a clear set of values which demand and nurture personal responsibility, integrity and respect for others.

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.

Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the Academy. The Academy 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.

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through appropriate training and career development.

Risk Management

The Governors have assessed the major risks to which the Academies are exposed, in particular those relating to the specific provision of teaching, facilities management and other operational areas of Academies and their finances. The 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. The Trust has an effective system of internal financial controls and this is explained in more detail below.

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

- the type of risks the Academies face;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the Management Team to implement the 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 system in the Academy's operations so that it becomes part of the culture of the Academy;
- developed systems to respond quickly to evolving risks arising from factors within the Academy 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.

Going Concern

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

Connected Organisations, including Related Party Partnerships

Multi-Academy Trust

During the year the following schools became part of the Dixons Academies Charitable Trust Ltd:

Dixons Allerton Academy which previously was part of a loose federation with Dixons City Academy.
Dixons Marchbank Primary (formerly Bradford Moor Community Primary School) which converted to an academy on 1 January 2014.

Dixons Academies Charitable Trust Ltd

Governors' Report (contd.)

Year ended 31 August 2014

Free Schools and Academy Conversions

On the 1 September 2014 the Trust opened its second 11-19 Secondary Free School the Dixons McMillan Academy.

In addition to the above, the Trust will be sponsoring the conversion of a locally maintained primary school to an academy with effect from 1 January 2015 plus an existing Bradford based Academy will become part of the trust also as at 1 January 2015.

Partnerships

Existing links with other schools in the South Bradford Confederation are being strengthened and extended through groups of representatives at various levels from each school. The confederation is aimed at school improvement and curriculum co-operation, and in particular assisting those students who are least well served by traditional classroom based curriculum, or who are in danger of exclusion.

Strategic Report

Achievements and Performances

The achievements and performances of the individual academies within the multi academy trust are summarised below:

Dixons Marchbank Primary

In Early Years Foundation Stage

- The measure for Good Level of Development GLD has improved significantly from 19.4% in 2013 to 52.5% in 2014, as a comparison the national figure for 2013 was 52%. This is a within year increase of 33.1% closing the gap towards national attainment.

In Year 1 phonics

- The percentage of children in Year 1 achieving the national standard in phonics was 72% in 2014 an increase of 14% from 2013, again closing the gap and exceeding the national average of 69% in 2013.

In Key Stage 1

- The average progress within Year 2 is 5.96 APS which equates to outstanding progress.
- There is a rising 3 year trend in all subjects in KS1.

In reading

- all measures increased from 2013, closing the gap and in some aspects exceeding national expectations.
- By the end of Year 2, 93% of our pupils achieved Level 2+ in Reading as compared to 83% in 2013. The national average in 2013 was 89%. For Level 2b+, 78% achieved as compared to 61% in 2013 an increase of 17%, the national figure in 2013 was 79%. The percentage of children reaching Level 3 in reading was 19%, an increase of 4% on 2013.

Dixons Academies Charitable Trust Ltd

Governors' Report (contd.)

Year ended 31 August 2014

In writing

- All measures increased from 2013, closing the gap and in some aspects exceeding the national expectations.
- 88% of pupils achieved Level 2+ compared to 71% in 2013 with 85% nationally. For Level 2b+, there was an increase of 11% from 2013 to 63% of pupils, the national figure in 2013 was 67%. For level 3 the pupils matched the national figure of 19% as compared to 6% in 2013

In maths

- Level 2+ and level 2b+ figures increased from 2013 closing the gap to national expectations.
- Level 2+ rose by 8% to 92% in 2014, compared to 91% nationally in 2013. Level 2b+ increased from 61% to 71% in 2014, the national comparison was 78% in 2013. Level 3 maths dropped slightly from 16% to 12% during this period.

In Key Stage 2

- The academy results are above floor standards.
- There have been significant improvements in all attainment measures by the end of Year 6. The average progress within Year 6 is 4.39 APS which equates to at least good progress for KS2.
- There is a rising 3 year trend in all subjects in KS2, this is rising with some inconsistencies in writing and maths.

In reading:

- Level 4+ has improved by 24% to 83% in 2014, national average was 86% in 2013.
- Level 4b+ has improved by 25% to 61% closing the gap to the national expectation.
- Level 5 has improved by 7% to 21% in 2014 with 3.5% of children achieving Level 6 reading this year.
- 2 Levels progress has improved by 17% to 86%, national figure was 88% in 2013. 3LP has improved by 4% to 18% in 2014 closing the gap to national.

In writing:

- Level 4+ has improved by 7% to 82% in 2014, the national figure was 83% in 2013.
- Level 5 has improved by 15% to 25% in 2014, closing the gap to national.
- 2 Levels progress at 92% matches the national 2013 figure. 3 Levels progress at 27% has improved and is closing the gap to the national figure of 30%

In maths:

- Level 4+ has improved to 76% closing the gap to national expectations which were 85% in 2014.
- Level 4b+ has significantly improved by 11% to 60% in 2014, compared with national of 73%.
- Level 5 has improved by 17% to 32% in 2014, compared to national of 41% in 2014. We also have 7% working at Level 6 in maths.
- 2 levels progress was 78% compared with national of 88%
- 3 levels progress improved to 27% in 2014 closing the gap to national at 30% in 2013.

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

Dixons Music Primary

In Early Years Foundation Stage:

- In 2014 the Good Level of Development (GLD) was 71.2%. This is above the 2014 National Figure of 60%. This has improved 23% on our GLD figure from 2013.
- 64.4% of pupils met all 17 ELGs. This is 6.4% above National Figures for 2014.
- 75% of pupils met the Early Learning Goal (ELG) for reading. This is an improvement of 7.9% from 2013.
- 73% of pupils met the ELG for writing. This is an improvement of 31.2% from 2013.
- 71.2% of pupils met the Literacy ELG (reading and writing) which again is above the National figure of 66%.
- The average EYFSP point score is 33.5 which is very close to the National EYFSP point score of 33.8.

In Year 1 phonics:

- The percentage of children in Year 1 achieving the national standard in phonics was 63%. This is just below the National Average of 69%. However, on entry to Year R, only 4% were at age-related expectations for reading, so gaps are being closed. This was the academy's first year of completing the check and the phonics coordinator has put things into place to ensure more pupils meet the required standard in 2015.

In Key Stage 1:

- 93% of pupils made expected progress in reading and 53% made more than expected progress. 87% of pupils are reading at level 1a and above and 40% of pupils are reading at level 2c and above.
- 93% of pupils made expected progress in writing and 43% made more than expected progress. 57% of pupils are writing at a level 1a and above. 20% of pupils are writing at level 2c and above.
- 100% of pupils made expected progress in mathematics and 33% of pupils have made more than expected progress. 93% of pupils have achieved a 1a in maths, with 23% working at a 2c and above.
- Pupil premium children do as well as their peers in terms of progress and attainment in all subjects.

Dixons Allerton Academy

Whilst the continual improvement in the academy's results since 2009 can be seen in the tables below, the latest Ofsted Report has indicated that improvements still need to be made in the following areas:

- Quality of teaching
- Achievement of pupils
- 6th Form Provision

Areas that were considered good include:

- Leadership and Management
- Behaviour and Safety of Pupils
- Early years provision

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

KS4 Results & Targets									
Performance Indicator	2009	2010	2011	2012	2013	2014	National 2013	Target 2015	Target 2016
% of students achieving expected progress in English K2-4	42	55	61	64	64	70	69	77	80
% of students achieving at least 4 levels of progress in English K2-4		12	19	29	16	36	30	38	40
% of students achieving expected progress in Maths KS2-4	44	51	55	58	59	57	70	70	75
% of students achieving at least 4 levels of progress in Maths K2-4		26	25	26	19	22	32	32	32
Closing the gap - Pupil Premium - English 3+ LoP (Non PP students)					69	63 (74)	(74)	75 (80)	78 (82)
Closing the gap - Pupil Premium - Maths 3+ LoP (Non PP students)					68	46 (68)	(76)	65 (75)	72 (80)
% of Year 11 students gaining 5 or more GCSEs or equivalents at grade A*-C including English & Maths	25	27	43	41	49	43	60	55	50
% of Year 11 students gaining 5 or more GCSEs or equivalents at grade A*-C .	41	65	65	78	84	48	90	55	60
% of grades at GCSE or equivalent being A*-A .		8.2	9.5	15.7	12.5	18.5		18	12
% achieving English Baccalaureate				0	2	4	7		
% of Year 11 students gaining 5 or more GCSEs or equivalents at grade A*-G		91	89	90	96	89	95	90	93
% of Year 11 students obtaining 2 or more (A*-C) GCSEs (only) in Science (% of entries).		8	5	4	13	26			
Percentage of pupils at the end of KS4 who have achieved at least one full GCSE (or equivalent) at grades A*-C in MFL		4	1	1	8	26			
Percentage of pupils at the end of KS4 who have achieved at least one short course GCSE (or equivalent) at grades A*-G in MFL		6	1	13	19			28	30
Average Total Point Score Capped (best 8) per student in Y11	251.6	299	303.5	336.2	364.4	280	338.3	280	280

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

Post 16 Results & Targets

Performance Indicator	2009	2010	2011	2012	2013	2014	National 2013	Target 2015	Target 2016
ALPs T Score			A2=6 B=1	A2=2 B=2	A2=8 B=4	A2=8 B=1	-	A2 - 5 B - 2	A2 - 4 B - 2
Average Total UCAS points score for students taking 2 or more A-levels or equivalent		613.4	754.7	733.1	726	779	709.1	750	750
Average UCAS points score per post-16 examination entry		187.2	218.8	215.8	199	214	212.7	215	215
% of grades at GCE or equivalent being A*/A /B.									

Dixons City Academy

At the recent Ofsted inspection, despite a much more challenging framework, the Academy secured an overall judgement of Good with Outstanding behaviour and safety.

To reach a secure Outstanding at the next inspection, the Academy needs to ensure that there is more outstanding teaching and that students of lower ability and those in receipt of the Pupil Premium make the same progress as other groups of students.

Historical and 2014 results are summarised below.

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

Key Stage 4 Results and Targets	2009	2010	2011	2012	2013	2014	Target 2014	Target 2015
% of students achieving expected progress in English K2-4	80%	78%	80%	66%	83%	77%	80%	80%
% of students achieving at least 4 levels of progress in English K2-4	51%	36%	36%	24%	41%	32%	40%	40%
% of students achieving expected progress in Maths KS2-4	85%	81%	84%	71%	87%	73%	82%	82%
% of students achieving at least 4 levels of progress in Maths K2-4	59%	42%	48%	37%	42%	40%	40%	40%
Closing the gap - Pupil Premium - English 3+ LoP (Non PP students)					72% (87%)	75% (785)	82%	80% <10% in school gap
Closing the gap - Pupil Premium - Maths 3+ LoP (Non PP students)					81% (90%)	53% (78%)	51%	82% <8% in school gap
% of Year 11 students gaining 5 or more GCSEs or equivalents at grade A*-C including English & Maths	90%	79%	80%	61%	75%	64%	75%	75%
% of Year 11 students gaining 5 or more GCSEs or equivalents at grade A*-C .	97%	99%	98%	98%	98%	82%	96%	96%
% of grades at GCSE or equivalent being A*-A .	45%	35%	42%	38%	38%	24% (26%)	26%	26%
% achieving English Baccalaureate		22%	23% (35%)	27% (40%)	35% (51%)	35% (47%)	35% (47%)	35% (47%)
% of Year 11 students gaining 5 or more GCSEs or equivalents at grade A*-G	99%	99%	99%	100%	98%	98%	99%	99%
% of Year 11 students obtaining 2 or more (A*-C) GCSEs (only) in Science (% of entries).			86%	68%	80%	83%	80%	80%
Percentage of pupils at the end of KS4 who have achieved at least one full GCSE (or equivalent) at grades A*-C in MFL	43%	55%	69%	55%	68%	80%	85%	70%
Average Total Point Score Capped (best 8) per student in Y11	399	395	403	398	398	345	380	380

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Governors' Report (contd.)
Year ended 31 August 2014

Post 16 Results and Targets	2009	2010	2011	2012	2013	2014	Target 2014	Target 2015
ALPs T Score			A 6 BTEC 2	A 5 BTEC 2	A 4 BTEC 2	A6 BTEC 2-	A4 BTEC 2	A 4 BTEC 2
Average Total UCAS points score for students taking 2 or more A-levels or equivalent	336	358	372	370	373	354	360	360
Average UCAS points score per post-16 examination entry	89	99	93	96	97	96	90	90
% of grades at GCE or equivalent being A*/A /B.	54%	63%	56%	52%	61%	55%	48%	48%

Dixons Trinity Academy

The Academy opened in September 2012 with 112 students and will rise to its full capacity of 720 students by 2018.

In January 2014 the Academy became the first secondary Free School to be judged outstanding by Ofsted.

Even though the Academy has been judged "outstanding" in all aspects of its work, the pace for school improvement remains very strong. There has been no slackening in approach or in the desire to be highly successful for all. (Bradford Partnership June 2014)

Financial Review

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) which handles the funding for all 11-19 education.

Most of the Academy's 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 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy 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 £19.3 million and were sufficient to cover all outgoings to produce an operating surplus of £0.9 million.

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Governors' Report (contd.)
Year ended 31 August 2014

Transfers in from joining schools/academies amounted to:

	Unrestricted General Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000
Dixons Allerton Academy	258	1810	1,049
Dixons Marchbank Primary (formerly Bradford Moor Community Primary School)	-	220	3,563
	258	2,030	4,612

The net book value of fixed assets at 31 August 2014 was £59.350 million (2013 £20.210 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 £4.635 million (2013 £1.513 million)

Principal Risks and Uncertainties

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

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

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

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

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to 3% of turnover, excluding restricted fixed asset funding, approximately £600k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's level of free reserves (total funds less the amount held in fixed assets and restricted funds), as at 31 August 2014 were £650k (2013 £269k).

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

Pension Reserve

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

Dixons Academies Charitable Trust Ltd
Governors' Report (contd.)
Year ended 31 August 2014

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

Investment Policy

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

Plans for the Future

- To ensure all schools are assessed as outstanding by actioning those issues raised by Ofsted during their various inspections of schools within the trust
- The Trust has ambitions to support even more young people by bringing other schools into the Dixons Academies family of schools and by establishing new academies.

Auditor

Insofar as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body together with the Strategic Report which is approved by the Governors in their capacity as directors on 21/01/2015 and signed on its behalf by:



J Williams

Chair Governing Council

Date: 21/01/15

Dixons Academies Charitable Trust Ltd

Governance Statement

Year ended 31 August 2014

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 Body 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. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met four times during the year.

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

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

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

Governor	Governing Council	Finance Committee
Alderson G (Appointed March 2014)	1/1	
Barrett L	3/4	
Bhatti R (Appointed January 2014)	2/2	
Collins B*	2/4	3/3
Davies J	4/4	
Fitzpatrick B* (Chair of Finance Committee)	1/4	3/3
Hill J (Sir) (Chair of Trust Board)	3/4	
Williams J* (Chair of Governing Council)	4/4	3/3

*Also Members of Finance Committee

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Dixons Academies Charitable Trust Ltd for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Dixons Academies Charitable Trust Ltd

Governance Statement

Year ended 31 August 2014

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific Internal Audit function and has decided to appoint Baker Tilly as Internal Auditor. The Internal Audit function reports directly to the Audit Committee.

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:

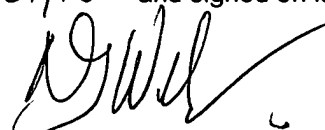
- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Body on 21/01/15 and signed on its behalf by:



Joanne Williams
Chair of Governors



N Weller
Executive Principal
Accounting Officer

Dixons Academies Charitable Trust Ltd
Statement on Regularity, Propriety and Compliance
Year ended 31 August 2014

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

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

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



N Weller
Executive Principal
Accounting officer

Date: 21/1/15

Dixons Academies Charitable Trust Ltd

Statement of Governors' Responsibilities

Year ended 31 August 2014

The governors (who act as trustees for charitable activities of Dixons Academies Charitable Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that Year. In preparing these financial statements, the governors are required to:

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

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

The governors 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 Body on 21/01/15 and signed on its behalf by:



J Williams
Chair of Governing Council

Independent Auditor's Report to the Members of Dixons Academies Charitable Trust Ltd Year ended 31 August 2014

We have audited the financial statements of Dixons Academies Charitable Trust Ltd for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and 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 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 20, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Dixons Academies Charitable Trust Ltd Year ended 31 August 2014 (cont'd)

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:

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Alan Dunwell (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP
2 Whitehall Quay
Leeds
LS1 4HG

Date: 28.1.15

Dixons Academies Charitable Trust Ltd

Statement of Financial Activities for the Year to 31 August 2014

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

		Unrestricted	Restricted	Restricted		
		Funds	General	Fixed		
		Funds	Funds	Asset	Total	Total
		Funds	Funds	Funds	2014	2013
Note		£000	£000	£000	£000	£000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income		-	-	-	-	182
Voluntary income transferred in from Local Authority	2	-	220	37,863	38,083	-
Voluntary income transferred in on joining trust	2	258	1,810	1,049	3,117	-
Activities for generating funds	3	785	113	-	898	637
Investment income	4	12	-	-	12	13
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	18,308	1,247	19,555	14,942
Project management grants	6	-	76	-	76	34
Other incoming resources	7	34	-	-	34	-
Total incoming resources		1,089	20,527	40,159	61,775	15,808
Resources expended						
<i>Cost of generating funds:</i>						
<i>Charitable activities:</i>						
Academy's educational operations	9	882	17,445	2,071	20,398	8,993
Loss on disposal fixed assets	8	-	-	48	48	-
Governance costs	10	-	31	-	31	19
<i>Other resources expended –</i>						
Transfers from Local Authority on conversion		-	506	-	506	-
Transfers in on joining trust		-	576	-	576	-
Total resources expended	8	882	18,558	2,119	21,559	9,012
Net incoming resources before transfers		207	1,969	38,040	40,216	6,796
Transfers						
Gross transfers between funds	19	-	(1,098)	1,098	-	-
Net incoming resources before other recognised gains and losses		207	871	39,138	40,216	6,796
Actuarial gains on defined benefit pension schemes	19, 27	-	408	-	408	208
Net movement in funds		207	1,279	39,138	40,624	7,004
Total funds brought forward at 1 September 2013		423	(525)	20,210	20,108	13,104
Total funds carried forward at 31 August 2014	19	630	754	59,348	60,732	20,108

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

Dixons Academies Charitable Trust Ltd
Balance Sheet as at 31 August 2014

Company Number 203464

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	15		59,348		20,210
Investments	29		-		-
Total fixed assets			59,348		20,210
Current assets					
Stock	16	4		15	
Debtors	17	1,460		544	
Cash at bank and in hand		4,635		1,513	
Total current assets		6,099		2,072	
Creditors: Amounts falling due within one year	18	(2,807)		(1,177)	
Net current assets			3,292		895
Total assets less current liabilities			62,640		21,105
Pension scheme liability	27		(1,908)		(997)
Net assets including pension liability			60,732		20,108
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	19	59,348		20,210	
General fund(s)	19	2,662		472	
Pension reserve	19	(1,908)		(997)	
Total restricted funds			60,102		19,685
Unrestricted funds					
General fund(s)	19	630		423	
Total unrestricted funds			630		423
Total Funds			60,732		20,108

The financial statements on pages 23 to 44 were approved by the Governors, and authorised for issue on 21/01/15 and signed on their behalf by:


 Joanne Williams
 Chair of Governing Council

Dixons Academies Charitable Trust Ltd
Cash Flow Statement for the Year ended 31 August 2014

		2014 £000	2013 £000
Net cash inflow from operating activities	22	43,119	405
Returns on investments and servicing of finance	23	12	3
Capital expenditure	24	<u>(40,010)</u>	<u>(70)</u>
Increase in cash in the year	25	3,121	338
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		1,513	1,175
Net funds at 31 August		<u>4,634</u>	<u>1,513</u>

Dixons Academies Charitable Trust Ltd

Notes to the Financial Statements

For the year ended 31 August 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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.

Consolidation

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

Incoming resources

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

Grants receivable

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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

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.

Donations

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

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 the Academy is the operation of the Academy and indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of the Academy. 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 the Academy 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.

Dixons Academies Charitable Trust Ltd

Notes to the Financial Statements

For the year ended 31 August 2014

Fund accounting

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

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

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

Donated services and gifts in kind

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

Capital income

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.

Tangible fixed assets

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	10% straight Line
Plant and machinery	10%-20% straight line
Furniture and equipment	10%-20% straight line
Computer equipment and software	25%-33% straight line

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.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised 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

Dixons Academies Charitable Trust Ltd

Notes to the Financial Statements

For the year ended 31 August 2014

Pension benefits (cont'd)

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.

Reserves policy

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

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

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.

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.

2 Voluntary Income	Unrestricted	Restricted	2014	2013
	Funds	Funds	Total	Total
	£000	£000	£000	£000
Donations - Net Assets transferred in from Local Authority	-	38,083	38,083	-
Donations - Net Assets transferred in on joining trust	258	2,859	3,117	-
Gifts in Kind	-	-	-	182
Other Donations	-	-	-	-
	<u>258</u>	<u>40,942</u>	<u>41,200</u>	<u>182</u>

3 Activities for Generating Funds	Unrestricted	Restricted	2014	2013
	Funds	Funds	Total	Total
	£000	£000	£000	£000
Hire of Facilities	18	-	18	13
Catering Income	502	-	502	234
Music Income	-	35	35	-
Other Income	265	78	343	390
	<u>785</u>	<u>113</u>	<u>898</u>	<u>637</u>

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	2014 Total £000	2013 Total £000
Gift aid payment from wholly owned subsidiary	-	-	-	10
Short term deposits	12	-	12	3
	<u>12</u>	<u>-</u>	<u>12</u>	<u>13</u>

5 Funding for Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
DfE / EFA grants				
General Annual Grant (GAG) (note 2)	-	16,212	16,212	7,133
Pupil Premium	-	933	933	-
Start Up Grants	-	354	354	383
Feasibility grants	-	25	25	-
Lead in and implementation grant	-	-	-	-
Capital grants	-	1,247	1,247	6,975
Other DfE / EFA grants	-	345	345	408
	<u>-</u>	<u>19,116</u>	<u>19,116</u>	<u>14,899</u>
Other Government grants				
Local authority grants	-	433	433	43
Other Grants	-	6	6	-
	<u>-</u>	<u>439</u>	<u>439</u>	<u>43</u>
	<u>-</u>	<u>19,555</u>	<u>19,555</u>	<u>14,942</u>

6 Project management grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Academies programme	-	76	76	34

7 Other incoming resources

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Sickness insurance	34	-	34	-

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

8 Resources Expended

	Staff Costs	Non Pay expenditure Premises	Other Costs	Total 2014	Total 2013
	£000	£000	£000	£000	£000
Academy's educational operations					
Direct costs	11,469	1,579	1,606	14,654	6,520
Allocated support costs	2,804	1,545	1,395	5,744	2,473
Loss on disposal fixed assets	-	-	48	48	-
Transfers from Local Authority on conversion	-	-	506	506	-
Transfers in on joining trust	-	-	576	576	-
	14,273	3,124	4,131	21,528	8,993
Governance costs including allocated support costs	-	-	31	31	19
	14,273	3,124	4,162	21,559	9,012

Net Incoming/outgoing resources for the year include:

	2014	2013
	£000	£000
Operating leases	-	-
Fees payable to auditor - audit	20	10
- other services	10	7
Profit/(loss) on disposal of fixed assets	(48)	-

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

9 Charitable Activities - Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Direct costs				
Teaching and educational support staff costs	-	11,469	11,469	5,327
Depreciation	-	1,579	1,579	480
Technology costs	-	192	192	109
Educational supplies	-	681	681	360
Examination fees	-	217	217	145
Staff development	-	169	169	35
Educational consultancy	-	281	281	
Other direct costs	-	66	66	64
	-	14,654	14,654	6,520
Allocated support costs				
Support staff costs	402	2,402	2,804	1,101
Depreciation	-	492	492	158
Recruitment and support	-	-	-	23
Maintenance of premises and equipment	-	228	228	141
Cleaning	-	82	82	27
Rent & rates	-	148	148	58
Energy costs	-	391	391	208
Insurance	-	134	134	89
Security and transport	-	70	70	69
Catering	480	-	480	173
FRS 17 Pension Adjustment	-	237	237	108
Other support costs	-	678	678	318
	882	4,862	5,744	2,473
Loss on disposal fixed assets		48	48	
	882	19,564	20,446	8,993

10 Governance costs	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Auditor's remuneration				
. Audit of financial statements	-	20	20	10
. Responsible officer audit	-	10	10	7
Support costs				
Governors' reimbursed expenses	-	1	1	2
	-	31	31	19

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

11 Staff numbers and costs

Staff costs during the period were:

	2014	2013
	£000	£000
Wages and salaries	11,891	5,471
Social security costs	807	303
Other pension costs	1,335	630
	14,033	6,404
Supply teacher costs	240	24
Compensation payments	-	-
	14,273	6,428

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	2014	2013
	No.	No.
Charitable Activities		
Teachers	209	87
Administration and support	238	72
Management	7	5
	454	164

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

	2014	2013
	No.	No.
£60,001 - £70,000	4	3
£70,001 - £80,000	4	2
£80,001 - £90,000	1	-
£90,001 - £99,999	-	1
£100,001 - £110,000	2	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

All the employees earning over £60,000 participated in one of the final salary defined benefit pension schemes. Contributions made by the Trust on behalf of these employees during the year ended 31 August 2014 totalled £132,187 (2013:£76,094)

12 Governors' 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 the Academy Trust in respect of their role as trustees. The value of trustee's remuneration was as follows:

N Weller Executive Principal and Trustee £160,503 (2013: £149,944)

During the year ended 31 August 2014, travel and subsistence expenses totalling £654 (2013 - £1,476) were reimbursed to 1 trustee (2013 - 2 trustees).

Related party transactions involving the trustees are set out in note 28.

Dixons Academies Charitable Trust Ltd

Notes to the Financial Statements

For the year ended 31 August 2014

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

The trust charges for these services on the following basis:

Flat percentage of income 2.1% (Established Academies)

Time-apportioned i.e. daily rate multiplied by the agreed number of days members of staff worked at each school. (New and growing academies)

As the trust received project finance for the conversion of Dixons Marchbank Primary to an academy no central costs were recharged.

	2014 £000	2013 £000
The actual amounts charged during the year were as follows:		
Dixons City Academy	154	151
Dixons Allerton Academy	157	-
Dixons Trinity Academy	141	85
Dixons Music Primary	54	44
	506	280
For the two months to 31 October 2013 prior to joining the Trust, Dixons Allerton Academy was charged	33	164

A summarised Income & Expenditure Account for the year ended 31 August 2014 in respect of the above is as follows:

	2014 £000	2013 £000
Income		
Recharges to Academies	539	444
Project Management Fees	76	34
Other Income	103	51
	718	529
Expenditure		
Staff Costs	594	472
Staff Development - Dixons Masters	16	11
Appeals	15	8
Other	83	22
	708	513
Excess of Income over Expenditure	10	16

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

14 Governors' and Officers' Insurance

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 on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 is included within the Academies' Public Liability Insurance costs of £4,884 (2013 Directors Professional Indemnity - £1,540).

The cost of this insurance is included in the total insurance cost.

15 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Plant and Machinery	Total
	£000	£000	£000	£000	£000	£000
At 1 September 2013	23,483	-	3,306	2,123	914	29,826
Additions	930	600	169	581	72	2,352
Transfers	-	35,660	-	1,036	1,158	37,854
Inherited assets	-	531	375	442	119	1,467
Disposals	-	-	-	(214)	-	(214)
At 31 August 2014	24,413	36,791	3,850	3,968	2,263	71,285
Depreciation						
At 1 September 2013	4,474	-	2,686	1,650	806	9,616
Charged in year	431	761	166	560	153	2,071
Inherited assets	-	2	65	319	30	416
Disposals	-	-	-	(166)	-	(166)
At 31 August 2014	4,905	763	2,917	2,363	989	11,937
Net book values						
At 31 August 2014	19,508	36,028	933	1,605	1,274	59,348
At 31 August 2013	19,009	-	620	473	108	20,210

16 Stock

	2014 £000	2013 £000
Books & Materials	-	10
Catering	4	5
	<u>4</u>	<u>15</u>

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

17 Debtors	2014	2013
	£000	£000
Trade debtors	35	43
VAT recoverable	300	346
Other debtors	8	2
Prepayments and accrued income	1,086	123
Amount due from subsidiary undertaking	31	30
	<u>1,460</u>	<u>544</u>
18 Creditors: amounts falling due within one year		
	2014	2013
	£000	£000
Trade creditors	885	206
Taxation and social security	282	121
Other creditors	538	588
Accruals and deferred income	1,102	262
	<u>2,807</u>	<u>1,177</u>
Deferred income	2014	2013
	£000	£000
Deferred Income at 1 September 2013	18	37
Resources deferred in the year	196	18
Amounts released from previous years	(18)	(37)
Deferred Income at 31 August 2014	<u>196</u>	<u>18</u>
Devolved Formula Capital	21	13
Rates	75	-
Music Lessons	3	5
UFSM	41	-
Primary Growth Funding	56	-

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

19 Funds

	Balance at 1 September 2013 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2014 £000
Restricted general funds					
General Annual Grant (GAG)	472	16,211	(15,068)	(1,098)	517
Start Up Grant	-	320	(320)	-	-
Other DfE/YPLA grants	-	1,303	(1,303)	-	-
DfE project management grants	-	76	(76)	-	-
LEA and other grants	-	472	(472)	-	-
Transfers in on joining Trust	-	2,030	-	-	2,030
Pension reserve	(997)	-	(237)	(674)	(1,908)
Other restricted	-	115	-	-	115
	(525)	20,527	(17,476)	(1,772)	754
Restricted fixed asset funds					
DfE/YPLA capital grants	20,028	1,247	(876)	1,098	21,497
Transfers in on conversion	-	38,912	(1,195)	-	37,717
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	182	-	(48)	-	134
	20,210	40,159	(2,119)	1,098	59,348
Total restricted funds	19,685	60,686	(19,595)	(674)	60,102
Unrestricted funds					
Unrestricted funds	423	1,089	(882)	-	630
Total unrestricted funds	423	1,089	(882)	-	630
Total funds	20,108	61,775	(20,477)	(674)	60,732

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

Under the master funding agreement with the Secretary of State, none of the academies in the multi-academy trust were subject to a limit of the amount of GAG that they could carry forward at 31 August 2014.

Other restricted income represents surpluses which have been generated from the Academy's trading activities which the Governors have earmarked for future capital replacements.

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

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

19 Funds (contd.)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £000
Dixons City Academy	780
Dixons Allerton Academy	2,528
Dixons Trinity Academy	(9)
Dixons Music Primary	53
Dixons Marchbank Primary	(86)
Central services	26
Total before fixed assets and pension reserve	3,292
Restricted fixed asset fund	59,348
Pension reserve	(1,908)
Total	60,732

Dixons Marchbank Primary is carrying a deficit of £86,000 as a result of having to finance an £800,000 refurbishment programme following its conversion to an academy, and becoming a member of the Trust on 1 January 2014. Dixons Marchbank Academy is projected to generate sufficient funds by 2019 to bring this back into surplus.

Despite Dixons Trinity Academy opening in September 2012 in a building newly refurbished under the Free Schools building programme a number of deficiencies were identified which it was believed may have been detrimental to achieving a satisfactory outcome at an Ofsted visit. Given the funds available to the trust as a whole, the identified upgrade programme was brought forward and subsidised by the Trust. Again, it is predicted that the Academy will generate sufficient surpluses within the next 12 months to regularise the situation, although further work is still necessary.

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	Balance at 31 August 2014 £000
Dixons City Academy	4,078	1,260	332	1,685	7,355
Dixons Allerton Academy	4,801	978	769	2,055	8,603
Dixons Trinity Academy	919	161	293	175	1,548
Dixons Music Primary	269	79	118	142	608
Dixons Marchbank Primary	993	141	158	198	1,490
Central services	409	185	2	95	691
Academy Trust	11,469	2,804	1,672	4,350	20,295

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

20 Analysis of net assets between funds

	Unrestricted general fund	Restricted general fund	Restricted fixed asset fund	Total 2014
	£000	£000	£000	£000
Tangible fixed assets	-	-	59,348	59,348
Current assets	630	5,469	-	6,097
Current liabilities	-	(2,807)	-	(2,807)
Pension scheme liability	-	(1,908)	-	(1,908)
Total net assets	630	754	59,348	60,732

21 Capital commitments

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	160	793

22 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2014 £000	2013 £000
Surplus on continuing operations after depreciation of assets at valuation	41,298	6,796
Depreciation (note 15)	2,071	638
Loss on disposal of tangible fixed assets	48	-
Donated assets on conversion	-	(182)
Capital grants from DfE and other capital income	(1,247)	(6,975)
Interest receivable (note 4)	(12)	(3)
FRS 17 pension cost less contributions payable (note 27)	280	122
FRS 17 pension finance income (note 27)	(43)	(14)
Decrease/(increase) in stocks	11	(9)
Increase in debtors	(916)	(266)
Increase in creditors	1,629	298
Net cash inflow from operating activities	43,119	405

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

		2014	2013
		£000	£000
23 Returns on investments and servicing of finance			
Interest received		12	3
Net cash inflow from returns on investment and servicing of finance		12	3
24 Capital expenditure and financial investment			
Purchase of tangible fixed assets		(2,352)	(7,227)
Capital grants from DfE/YPLA		1,247	6,975
Gifts in Kind		(38,905)	182
Net cash outflow from capital expenditure and financial investment		(40,010)	(70)
25 Analysis of changes in net funds			
	At 1		At 31
	September		August
	2013	Cash	2014
		flows	
	£000	£000	£000
Cash in hand and at bank	1,513	3,122	4,635
	1,513	3,122	4,635
26 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.

27 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £207,078 (2013: £85,231) were payable to the schemes at 31 August 2014 and are included within creditors.

Dixons Academies Charitable Trust Ltd
Notes to Financial Statements
Year ended 31 August 2014

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

Dixons Academies Charitable Trust Ltd

Notes to the Financial Statements

For the year ended 31 August 2014

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (contd.)

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate 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.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £1,627,508

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £577,000, of which employer's contributions totalled £407,000 and employees' contributions totalled £170,000. The agreed contribution rates for future years are 12.8 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.60%	4.7%
Rate of increase for pensions in payment / inflation	2.10%	2.8%
Discount rate for scheme liabilities	3.70%	4.5%
Inflation assumption (CPI)	2.10%	2.8%
Commutation of pensions to lump sums	75	75

Dixons Academies Charitable Trust Ltd
Notes to Financial Statements
Year ended 31 August 2014

27 Pension and similar obligations (continued)

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

	At 31 August	At 31 August
	2014	2013
<i>Retiring today</i>		
Males	22.5	22.1
Females	25.4	23.9
<i>Retiring in 20 years</i>		
Males	24.7	24.3
Females	27.7	26.2

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
	%	£000	%	£000
Equities	7.50%	5,614	7.90%	2,445
Bonds	3.03%	1,159		573
Property	6.80%	247		100
Cash & Other	3.40%	456		231
Total market value of assets		7,475		3,349
Present value of scheme liabilities				
- Funded		(9,383)		(4,346)
Deficit in the scheme		(1,908)		(997)

Dixons Academies Charitable Trust Ltd employs a building block approach in determining the rate of return of Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected rate of return for each asset class over the actual asset allocation for the fund as at 31 August 2014

The actual return on the scheme assets was £717,000 (2013: £386,000)

Total expenditure recognised in the Statement of Financial Activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	687	280
Past service cost	-	-
Total operating charge	687	280

Dixons Academies Charitable Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2014

27 Pension and similar obligations (continued)

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(401)	(179)
Interest on pension liabilities	358	165
Pension finance income	(43)	(14)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £408,000 gain (2013: £208,000 gain).

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

	2014	2013
	£000	£000
At 1 September	4,346	3,880
Current service cost	687	280
Interest cost	358	165
Employee contributions	170	68
Actuarial (gain)/loss	(92)	(1)
Benefits paid	(150)	(46)
Liabilities assumed in a business combination	4,064	-
At 31 August	9,383	4,346

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

	2014	2013
	£000	£000
At 1 September	3,349	2,783
Expected return on assets	401	179
Actuarial gains / (losses)	316	207
Employer contributions	407	158
Employee contributions	170	68
Benefits paid	(150)	(46)
Assets acquired in a business combination	2,982	-
At 31 August	7,475	3,349

The estimated value of employer contributions for the year ended 31 August 2014 is £570,000.

Dixons Academies Charitable Trust Ltd
Notes to Financial Statements
Year ended 31 August 2014

27 Pension and similar obligations (continued)

The five-year history of experience adjustments is as follows:

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation at end of year	(9,383)	(4,346)	(3,880)	(2,963)	(3,123)
Fair value of plan assets at end of year	7,475	3,349	2,783	2,435	2,200
Deficit	(1,908)	(997)	(1,097)	(528)	(923)

Experience adjustments on share of scheme assets

Amount £'000*	316	207	36	(54)	150	(193)
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Experience adjustments on scheme liabilities:	(133)	(1)	(3)	(339)	139	186
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Amount £'000*

28. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

29. Investment in subsidiaries

The Academy 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 2014, Dixons Innovation Centre Limited generated turnover of £16k (2013: £16k) and made a profit of £1k (2013: £10k), which in 2013 was donated to Dixons Academies Trust via a gift aid contribution, and had net assets of £1k (2013: £1k).

The Minerva Centre Limited and Interactive Learning Limited

The Academy 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.

Dixons Academies Charitable Trust Ltd

Independent Reporting Accountant's Assurance Report on Regularity to Dixons Academies Charitable Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 9 September 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013 to 2014, 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 period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Dixons Academies Charitable Trust Ltd and the EFA in accordance with the terms of our engagement letter dated 9 September 2014. Our work has been undertaken so that we might state to the Dixons Academies Charitable Trust Ltd and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Dixons Academies Charitable Trust Ltd and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Dixons Academies Charitable Trust Ltd accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Dixons Academies Charitable Trust Ltd funding agreement with the Secretary of State for Education dated 13 June 2007 and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Dixons Academies Charitable Trust Ltd

Independent Reporting Accountant's Assurance Report on Regularity to Dixons Academies Charitable Trust and the Education Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baker Tilly UK Audit LLP

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