

## Academy Accounts Workshop: Part One – Q&A responses

For more information on any of the answers provided, please contact the partner quoted using the information below:

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Question	Answer
What is the expectation for achievements and outcomes disclosures given that we have no external data?	<p>The first thing to note is that all academy trusts will be in the same situation, not having external data available, so this shouldn't be something to be concerned about.</p> <p>Whilst there is a requirement in this section of the report to include an analysis against KPIs, and it is expected these would include examination outcomes and key stage results, these aren't the only measures.</p> <p>There are a number of ways in which academies can still include information on their performance using internal benchmarks for student progress and achievements, as well Ofsted inspection outcomes, pupil attendance data and pupil recruitment data. Additionally, this section could include reference to the financial performance of the academy, as well as how it has been impacted by the COVID-19 pandemic.</p> <p>Catherine Biscoe</p>
Currently we include legal costs on conversion on the balance sheet as the conversion grant is a ring-fenced fund would we still need to disclose the costs under the charitable activities section?	<p>Expenditure on legal costs should be recorded in the year that the service was provided. If the legal costs were incurred in 2019/20, they would need to be reported within the notes to the financial statements this year.</p> <p>If a restricted (ring-fenced) grant was provided for conversion, then this should be recorded as income from charitable activities in the year in which the academy trust was entitled to the grant. The income will be reported in the</p>

	<p>restricted general fund on the Statement of Financial Activities. The grant will also be reported within the breakdown of funds in the notes to the financial statements.</p> <p>A balance will remain on this fund until it is fully expended. Relevant legal costs can be reported as expenditure against the fund when the costs are incurred.</p> <p>Hugh Swainson</p>
<p>How much information on individual schools, as part of a MAT, do you need to disclose in the Trustees' report?</p>	<p>This really does depend on the scale of the academy trust. If you are a small trust it may be appropriate to report achievements and performance for each individual school. However such detailed individual school reporting could be very lengthy for a larger MAT, and it may be more appropriate to summarise overall performance against the Trust-wide strategy and objectives, perhaps including some individual school highlights.</p> <p>Catherine Biscoe</p>
<p>If member of senior team is on maternity leave for all the reporting year, how does this get disclosed in the senior staff salaries section?</p>	<p>You should consider your key management personnel note in this instance. If there is someone covering the maternity leave and are they are considered to be key management personnel then it maybe that the salary is considered in this section. The person on maternity leave would usually remain as key management personnel and so that salary would continue to be included.</p> <p>If the individual was previously earning over £60k, they may also drop out of the higher paid banding whilst on maternity leave.</p> <p>Hugh Swainson</p>
<p>For staff cost we have many support staff on the local authority pay spine however they have not yet issued the pay award and are unlikely to receive this before year end. It will</p>	<p>This depends on the conditions that exist at the balance sheet date. if you are obliged to award the pay-award as a result of contractual obligations and it's just confirming the amount there could be an argument for accruing it in the</p>

be backdated to April 2020. How do you recommend we account for this?

accounts but this does depend on whether you have a choice to pay it prior to the year end.

Hugh Swainson

It was mentioned that if your annual energy consumption is >40000 kwh but you are not a large entity you had to make disclosures on your website by 31 March 2021. Is this a requirement and where does it come from as ESFA Guidance seems to say this is additional voluntary reporting.

You are quite right. The draft guidance which we reviewed was very specific as to what needed to be reported by those trusts which do not qualify as large companies:

“If the Academy Trust consumes more than 40,000 kWh of energy in a reporting period but does not meet the definition of a large company it is not required to include these disclosures in its trustees’ report but it should still make the disclosure on its website by 31 March 2021.

Where an AT does not consume more than 40,000 kWh of energy in a reporting period it qualifies as a low energy user and is exempt from reporting under these regulations, and this fact should be stated wherever its energy information is required to be published (in line with the preceding paragraphs).”

However, the final published guidance is much less prescriptive and now includes just an encouragement from the ESFA and BEIS to report voluntarily.

“ESFA encourages large academy trusts to reproduce the energy and carbon disclosures from their accounts in a readily accessible format on their website before 31 March each year.

Where a company is not required to report under the 2018 Regulations, because of its size and/or consumption, BEIS encourages them to do so on a voluntary basis. Academy trusts in this position, which choose to report voluntarily, may do so on their website.”

Catherine Biscoe