



Education & Skills  
Funding Agency

# **Academies accounts return 2018/19: updates and additional information requirements**

**July 2019**

## Introduction

This document highlights the updates to information that will be required by the Department for Education (DfE) for the 2018/19 accounts return (AR). The document also sets out the differences between the financial statements prepared by trusts in accordance with the academies accounts direction (AAD) and the information required for the AR, as there are some areas where the AR requires additional information or information that is more detailed compared to that required in the financial statements. We have provided this information to help trusts and auditors prepare for and plan their returns.

This year's AR online financial return will be available on the DfE website from 4 November 2019 and must be submitted by your auditors by the deadline 20 January 2020.

Updates to the 2018/19 AAD are summarised in the latest version of this document published on the DfE website under the heading "What has changed in this edition?" Link to AAD 2018/19: [Academies Accounts Direction 2018 to 2019](#) .

## New items for the 2018/19 AR

The 2018/19 AR is being built on a new platform to improve user experience. The new form is broadly similar to the 2017/18 AR with subtle changes to the layout and navigation of the form.

## General benefits of the new AR form

- there is likely to be noticeable improvement to the performance of the form now that it is built as a single-page application
- the referencing system has been updated to improve consistency across the AR
- validations with interdependencies between data entry cells, the validation will now not trigger until all applicable data entry cells have been input
- tables within the AR form are shown in a cascading dashboard style showing information on the status of completion for each table, 'Not started', 'In progress', 'x' Errors', 'Completed'
- each page of the form will have a link to take the user directly to the relevant part of the AR guidance
- improved functionality to speed up the completion of the Counterparties section of the form

## Changes to the navigation through the on-line AR form

- 'Save and next' has been replaced with 'Mark as complete' which will validate the data input into the table
- 'Next' and 'Previous' buttons have been added to facilitate navigation
- tables of the AR are now displayed as a list with each section accessed by clicking on links
- users will not be able to carry on with the rest of the AR form until they have completed tables 'External auditor details', 'Academy trust information', 'Academy information' and 'Questionnaire'

## Technical updates overview for the 2018/19 AR form

As with previous years, there are also some technical updates which are as a result of responding to user feedback and for policy and regulatory changes. In summary, the primary changes to this year's AR form are:

- trusts with a teaching school will be able to report the income and expenditure in dedicated data entry cells
- changes to the bandings for 'Exit Packages' and 'Related Party Transactions'
- changes in the guidance of what should be included in 'Employees Whose Emoluments Exceed £60k/£100k'
- further analysis of pension actuarial gains/losses in line with 'IAS' (information contained in actuarial report)
- capital and revenue grants received from DfE/ESFA, trusts will no longer be required to also report cash received from the said entities in a separate column
- pre-population of external auditor details and land and buildings opening balances

## AR technical changes in detail:

**External auditor details** – these will be pre-populated with 2017/18 AR data (where applicable), with an option to tick to confirm whether they are correct.

**Academy trust Information** - additional questions:

- 'During this financial year have you had any personal data breaches that you have reported to the Information Commissioner's Office?' If 'YES' is selected, details of the data breach will need to be provided
- 'During this financial year, have you received any gifts per the description in Managing Public Money?' Trusts will need to provide the number of gifts and the total value of the gifts. If the value is greater than £50k, then an explanation will need to be provided

### SOFA – income

- other Income – Additional category 'Teaching School other income'
- capital grants – the following 2 columns have been removed, 'Cash received in period per DfE and ESFA record' and 'Cash received in period per Academy record'
- revenue grants - the following 2 columns have been removed, 'Cash received in period per DfE and ESFA record' and 'Cash received in period per Academy record'
- revenue grants – 3 new categories added; 'Teachers Pay Grant', 'ITT Bursaries Grant' and 'Teaching School Grant'.
- capital & revenue grants – 3 additional questions added;
  - 'Have you included any accrued/deferred income on DfE/ ESFA grants?' If 'Yes', the grants and their values will need to be specified
  - 'Have you included any receipts of loans or deducted loan repayments from your grant income?' If 'Yes', the loans and their values will need to be specified
  - 'Our records indicate that an academy school in your trust has either transferred in /out during the year, please provide detail of any adjustments made to grant income as a result of the transfer'. A text box for a response will be provided for those trusts that this is applicable for

### SOFA – expenditure

- numbers of 'Employees Whose Emoluments Exceed £60k' – guidance updated to also include employer pension costs (previously excluded)
- numbers of 'Employees Whose Emoluments Exceed £100k' – guidance updated to also include employer pension costs (previously excluded)
- 'Exit Packages' – all lower and upper banding limits have been increased by

£499, for example, banding £50,001 to £100,000, has been increased to £50,500 to £100,499

- cost of raising funds - new data entry cell added to allow trusts to report in more details. The amount would be included in note 7 of the academy accounts direction as part of 'Expenditure on raising funds'. See details in the table below:

AR Reference	AR Description (£000)
CRF010	Staff costs
CRF020	Premises Costs
CRF030	Depreciation
CRF040	Amortisation
CRF050	Impairment
CRF060	Learning resources
CRF070	Technology Costs
CRF080	Governance Costs
CRF090	Other
CRFTOT	Total

- teaching school expenditure – a new table has been added when an academy school within the trust has teaching school status. Expenditure would be included in Note 36 'Teaching school trading account' as shown in the AAD model accounts, as part of 'direct costs' or 'other costs'. See details in the table below;

AR Reference	AR Description (£000)
	<b><u>Direct costs:</u></b>
TSE010	Direct staff costs
TSE020	Staff development
TSE030	Other direct costs
TSES010	Total direct costs
	<b><u>Other costs</u></b>
TSE040	Support staff costs
TSE050	Depreciation
TSE060	Technology costs
TSE070	Recruitment and support
TSE080	Security and support
TSE090	Other support costs
TSE100	Share of governance costs
TSES020	Total other costs

**Balance sheet – assets**

- tangible fixed assets – there is a new requirement to add the trusts capitalisation limit for each class of asset

**Balance sheet – funds**

- non-cancellable contracts – the guidance has been extended to clarify that ‘PFI Support Costs to Local Authority’ are included in the ‘Other Government’ column
- changes to the present value of the defined benefit obligation – ‘Actuarial (Gain)/Loss’ has now been split into 3 categories (this information is included in your Actuarial report, if applicable):
  - ‘Actuarial (loss)/gain – financial assumption’
  - ‘Actuarial (loss)/gain – demographic assumption’
  - ‘Actuarial (loss)/gain – experience gains/losses’
- changes to the fair value of assets – ‘Actuarial (Gain)/Loss’ has now been specified as ‘Actuarial (loss)/gain – experience gains/losses’
- major assumptions for pensions – the ‘Rate of Inflation’ has been updated to specify this inflation rate as CPI
- related party transactions – all lower and upper banding limits have been increased by £499, for example, banding £50,001 to £100,000, has been increased to £50,500 to £100,499

**Land and buildings** - opening balances will be pre-populated for the first time this year, providing that a breakdown of assets between centrally held and individual academies was completed last year, or in response to the follow up e-mail sent out to appropriate trusts in May 2019

**Assets under construction** - this table will no longer be pre-populated with opening balances information

**Benchmarking** – allocation basis no longer required

## Comparison to financial statements:

The following information details additional information requirements for the AR 2018/19 compared to the financial statements outlined in the Academies Accounts Direction 2018/19 [Academies Accounts Direction 2018 to 2019](#).

### Statement of financial activities

	Comparator
<b>Grants – revenue and capital</b>	
Revenue and capital grants are broken down into DfE and ESFA, DfE Group and Other. Within these categories, they are then split into detailed rows. Please refer to AR guidance as to how these are further broken down.	Detailed breakdown
<b>Charitable activities – direct and support costs</b>	
These are split into detailed categories. Please refer to the AR guidance as to how these are broken down.	Detailed breakdown
<b>Staff costs</b>	
Wages and salaries are split into three categories: teachers, leadership, and administration and support.	Detailed breakdown
<b>Average staff numbers</b>	
Teachers, leadership and administration and support staff must be categorised into permanently employed or temporary/interim staff on a full time equivalent basis.	Additional information
<b>Gender analysis</b>	
Permanent employees (accounting officer, staff who serve as trustees, teachers, leadership and administration and support staff) must be categorised by gender on an average full time equivalent: male or female.	Additional information
<b>Number of employees whose emoluments exceed £100k (in £10k bandings)</b>	
Trusts should disclose further details on employees whose full time equivalent annualised emoluments exceed £100k. Further details required will be job role and role description undertaken, whether the role is predominantly curriculum and education leadership or school business management and the full time equivalent position for each employee.	Additional information
<b>Staff sickness</b>	
Trusts should disclose days lost to sickness.	Additional information

	Comparator
<b>Related party transactions - trustee's remuneration</b>	
In addition to the related party transactions disclosures, trusts must indicate the number of unpaid trustees.	Additional information
<b>Exit packages – non-civil service schemes</b>	
Trusts should identify exit packages on a value scale and categorise into the following: number of compulsory redundancies, value of compulsory redundancies (contractual), value of compulsory redundancies (non-contractual), number of other agreed departures, value of other agreed departures (contractual) and value of other agreed departures (non-contractual). Any non-contractual redundancy payments should also be disclosed in the losses and special payments table in balance sheet funds and other disclosures.	Detailed breakdown
<b>Loss of office payments</b>	
The value of loss of office payments for accounting officers and other trustees should be disclosed.	Detailed breakdown
<b>Provision of boarding activities – income and expenditure</b>	
Trusts should break these down into detailed categories. Please refer to the AR guidance as to how these are broken down.	Detailed breakdown
<b>Teaching Schools – income and expenditure</b>	
Trusts should break these down into detailed categories. Please refer to the AR guidance as to how these are broken down.	Detailed breakdown

## Balance sheet assets

	Comparator
<b>Tangible and intangible assets</b>	
Trusts should indicate whether their assets are owned, finance leased, other, or on-balance sheet PFI contracts.	Detailed breakdown
<b>Debtors</b>	
Debtors, particularly prepayments and accrued Income, are further broken down into categories contained within the guidance.	Detailed breakdown



## Balance sheet liabilities

	Comparator
<b>Creditors</b>	
Creditors are further broken down into categories contained within the AR guidance.	Detailed breakdown
<b>Loan movement table</b>	
Trusts should categorise loans into DfE group, other government and other. They then must be broken down into categories contained within the AR guidance.	Detailed breakdown
<b>Loan analysis</b>	
Trusts should break down their loans into due within one year, between two and five years and after more than five years.	Detailed breakdown
<b>Provisions (ageing)</b>	
Trusts must break down their provisions into due within one year, between two and five years and after more than five years.	Detailed breakdown
<b>Contingent liabilities</b>	
Contingent liabilities must be broken down into the following categories: premises issues, potential repayment of grants, disputed invoices, contract termination costs, unrecovered fees and other. Trusts should provide a numerical indication rather than a narrative.	Detailed breakdown
<b>Commitments under PFI contracts</b>	
Trusts must break down their commitments under PFI contracts into due within one year, between two and five years and after more than five years. Trusts must indicate whether these are off or on balance sheet. Please note a PFI commitment is one where the academy has a PFI contract, not where an academy makes payments to a local authority to lease/use an asset.	Detailed breakdown

## Balance sheet funds and other disclosures

	Comparator
<b>Capital commitments</b>	
These are broken down into property, plant and equipment (PPE) and intangible assets.	Detailed breakdown
<b>Operating leases</b>	
Alongside the aging details, operating leases are broken down	Detailed

	<b>Comparator</b>
into land, buildings and other. They are then further broken down into DfE/ESFA, other government and other.	breakdown
<b>Commitments under finance leases</b>	
Trusts must split finance leases into buildings and other. They are then further broken down into DfE/ESFA, other government and other. Trusts must indicate whether their commitments under finance leases are pre-discounted or discounted values, give ageing details and subtract the interest element.	Additional information
<b>Non-cancellable contracts</b>	
These are broken down into DfE group, other government and other. Trusts must also provide ageing details.	Additional information
<b>Breakdown of SOFA pension charge</b>	
Trusts must provide the number of paid trustees who were not part of a main pension scheme.	Additional information
<b>Losses and special payments</b>	
Trusts must provide the amount, recognition date, payment date and type of any losses or special payments.	Detailed breakdown
<b>Analysis of net assets between funds</b>	
Trusts must also split out provisions between unrestricted funds, restricted general funds, restricted asset funds and endowment funds.	Detailed breakdown

## **Breakdown required at individual academy level:**

### **Land and buildings**

In this section, trusts should provide details of trust owned and academy owned land and buildings. Details of academy owned land and buildings must be on an individual academy basis. The data required must be broken down into freehold land and buildings, leasehold land and buildings, leasehold improvements and assets under constructions. Details required are:

- cost
- depreciation
- impairment

### **Assets under construction**

In this section, trusts should provide details of any ESFA funded assets under construction. Details required are:

- capital grants (listed in excel workbook)
- donations
- transfers – transferred in on conversion – local authority, transferred in on existing academies joining the trust, transferred out on existing academies leaving the trust
- tangible fixed assets (cost, depreciation and impairment) – broken down into freehold land and buildings, leasehold land and buildings, leasehold improvements, plant and machinery, computer equipment and assets under construction
- debtors
- other (commentary)

### **Transfers and conversions**

**Transfers in (Existing academies joining the trust)** - For each academy that has transferred into the trust during the period, trusts must provide the value received, adjustments and value per accounts for the following:

- tangible fixed assets – land, buildings, other assets
- intangible fixed assets
- investments – non-current investment, current investment
- stock
- debtors less than one year – trade debtors before bad debt, prepayments and accrued income, VAT, other debtors

- debtors after more than one year
- cash at bank and in hand
- creditors less than one year – bank overdrafts, loans, trade creditors, other taxation and social security, finance leases, VAT, other creditors, accruals and deferred income
- creditors more than one year – loans, finance leases, other creditors
- provisions for liabilities and charges
- pension scheme surplus/deficit

**Transfers out (existing academies leaving the trust)** - For each academy that has transferred out of the trust during the period, trusts must provide the value per accounts according to the detail given in the transfers in section.

**Newly converted academies** - For each school that has converted to an academy during the period, trusts must provide the value per accounts according to the detailed given in the transfers in section.

## **Benchmarking**

In this section, trusts should provide the following values for each individual academy. There are also columns for MAT central services and allocation basis.

### **Revenue income**

- grant funding – DfE/ESFA revue grants, other DfE/ESFA revenue grants, SE, other income, start-up grants, other grants
- other revenue income – government source (non-grant), academies, non-government
- self-generated income – income from facilities and services, income from catering, receipts from supply teacher insurance claims, other income - revenue
- donations – donations and/or voluntary funds – revenue
- investment income
- funds inherited on conversions/transfers
- contribution from academies to trust

### **Revenue expenditure**

- staff costs – teaching staff, supply teaching staff, education support staff, administration and clerical staff, premises staff, catering staff, other staff, indirect employee expenses, staff development and training, supply-teacher insurance, staff-related insurance

- maintenance of premises
- other occupancy costs – cleaning and caretaking, water and sewerage, energy, rent and rates, grounds maintenance, other occupation costs
- special facilities
- educational supplies and services – learning resources (not ICT equipment), ICT learning resources, examination fees, educational consultancy, agency supply teaching staff
- other supplies and services – catering supplies, auditor costs, other insurance premiums, administrative supplies (non-educational), direct revenue financing (revenue contributions to capital), professional services (non-curriculum)
- funding costs – interest charges for loan and bank, PFI charges

### **Counterparty data**

In this section, trusts must provide details of counterparty transactions. A full list of all counterparties can be found within the excel workbook and on the online form. Trusts must provide the data according to the following categories:

- donations - value includes donated fixed assets, donated intangible assets and other donations
- capital grants – grants DfE/ESFA, DfE group, capital grants, trading activities, investment income
- funding for academy's educational operations - grants DfE/ESFA, DfE group, revenue grants, other income, boarding activities
- expenditure – wages and salaries, pension contribution, operating lease rentals – buildings, operating lease rentals – land, lease interest payments, rates, goods and services, boarding activities
- debtors under and over one year - trade debtors before bad debts, prepayments and accrued income (excluding government grants), accrued government grants, VAT recoverable, other debtors
- liabilities under and over one year – loans within one year, loans, trade creditors, other taxation and social security, finance lease creditors within one year, finance lease creditors, other creditors within one year, other creditors, VAT payable, accruals and deferred income (excluding deferred government grants), deferred government grants
- other – provisions, pension scheme surplus/deficit