



Education
Funding
Agency

Academies accounts return 2015 to 2016

A guide to completing the online form

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Part 1: Introduction

This guide provides explanations to academy trusts on how to use the online form to complete and submit their 2015 to 2016 accounts return to the Education Funding Agency (EFA).

You should complete the return if:

- your academy trust is preparing financial statements as at 31 August 2016; and/or
- your trust had academies open during the year ended 31 August 2016

Please note that new trusts incorporated on or after 1 March have previously been able to defer submission of the annual return to match the deferral of their first set of financial statements. This will no longer be the case and an accounts return is required from these trusts.

This change has arisen because it has now been agreed with Treasury and the National Audit Office that we can report an academies sector annual return and accounts (SARA) with a reporting period to 31 August. Previously we have asked newly incorporated academy trusts to produce a separate accounts return for the period to the end of March in the year of incorporation to match the department's financial reporting period. Ultimately, the financial performance and position of academies will form part of the Whole of Government Accounts (WGA).

Trusts that have not had any open academies during the year ended 31 August 2016 should not complete this return.

If this is the first August return your trust will complete, the return should cover the entire period from incorporation to 31 August 2016. Trusts may also have completed a March return covering the period from incorporation.

Trusts should read this guide in conjunction with the 2015 to 2016 accounts return online form and/or accompanying workbook (referred to in this guide as 'the 2015 to 2016 return' or 'the return'), and the [2015 to 2016 Academies Accounts Direction](#).

Academy trusts' financial statements are prepared in accordance with the Charities Statement of Recommended Practice (FRS102), known as the SORP. However, Government Departments, including the DfE and its executive agencies such as the EFA, prepare accounts based on international financial reporting standards (as amended for the public sector context) described in HMT's financial reporting manual (FReM). We therefore need to request through the accounts return some information which will not appear in trusts' financial statements to bridge the financial reporting gap between SORP and FReM.

Throughout the return, additional analysis is often required so we can identify academy trust balances with the wider DfE group of organisations, composed of the core department, its executive agencies and directorates:

- Department for Education (DfE)
- Education Funding Agency (EFA)
- National College for Teaching and Leadership (NCTL)
- Standards and Testing Agency (STA)
- Office of the Children's Commissioner (OCC)
- Equality and Human Rights Commission (EHRC)
- Skills Funding Agency (SFA)
- Academy trusts

Collectively, these bodies are referred to as the DfE/EFA family group.

New features of the return

Trusts may have completed this return in previous years and be familiar with its content. While this section is not intended to substitute for a full reading of the guidance, it does try to highlight the areas where changes have been made so trusts can focus on those.

The principal changes to the return are:

- The submission of the return should be through an online form.
- The Excel workbook can be used to assist trusts prepare their data for return through the online form, using inbuilt validations to help identify potential issues or errors. The completion of the workbook is optional. Anyone completing this workbook will find it different to prior years due to the structure following the online form.
- In recognition that some trusts have already tried to complete a workbook and have had late access to the online form, by exception for year 1 of the SARA, trusts will ONLY be able to submit the excel workbook to the EFA providing that it is submitted by email to accountsreturn@fasst.org.uk before 31 December 2016, completed with no validation errors and contains a signed auditor assurance statement. No such submissions will be accepted after 1 January 2017.
- Trusts incorporated in the 2015 to 2016 year but on or after 1 March 2016 will be required to submit a return. Previously trusts with these 'short period accounts' have been able to defer their first return to the following August.
- Academies are now referenced by their more familiar LAESTAB number, rather than the former UPIN.
- A new table to capture the changes to the opening balance values arising from the transition to FRS102.
- Additional breakdown of capital grant accounting to reconcile grant values in the accounts with amounts received during the accounting period.

- The net book value of tangible and intangible fixed assets requires a new disclosure to show the total value of each category of asset by ownership.
- The loan maturity analysis has been replaced by a loan movement table with headings for DfE loans and other loans.
- Additional pension note disclosures to capture sensitivity analysis, the major categories of planned assets and major assumptions behind the valuation.
- Exit packages are to be broken down between contractual and non-contractual payments.
- As the SARA will only reflect academy information, rather than as part of the wider Department, there are some additional disclosures required in order to produce the remuneration and staffing section of the SARA. This includes a gender analysis of staff at the balance sheet date and the number of days lost to sickness.
- Removal of a significant amount of data at fund level as the majority of data at unrestricted or restricted fund level is not required for accounting under FReM.

1.1 Scope of the 2015 to 2016 accounts return exercise

Organisations included within the exercise

Throughout this document and the associated return, the term ‘academy’ or ‘trusts’ includes the following entities:

- sponsored academies
- academy converters
- free schools
- university technical colleges
- special academy schools
- alternative provision academies
- studio schools

These guidance notes use the terms ‘academy trusts’ and ‘trusts’ deliberately to avoid confusion as to the nature of the reporting entity. Academies do not prepare financial statements. The individual academies are the operational units, or trading names, of the charitable companies that manage or own them, known as academy trusts. The legal requirement to prepare, have audited and file financial statements sits with the charitable companies (academy trusts) and arises from the Companies Act 2006. This means that multi-academy trusts (MATs), which operate more than one academy, have one corporate legal entity (the charitable company) but several operational units and trading names (the individual academies).

The requirements to file their audited financial statements and provide information to enable EFA and the department to fulfil their statutory duty to prepare their own consolidated accounts, fall on the directors (trustees) of the charitable companies (the trusts).

The return dataset

The return for 2015 to 2016 should be through an online form. The published excel workbook is an optional tool for trusts to use to prepare their data for submission through the online form route. However, the EFA will accept the submission of a workbook by trusts providing that it is submitted by 31 December 2016, completed with no validation errors and contains a signed auditor assurance statement. We have designed the return to capture the financial results and financial position of trusts as at 31 August 2016, which explains the reliance placed on trusts' audited financial statements for the period ended 31 August 2016.

Academy trusts in scope are set out in the introduction on page 4.

Charities SORP 2015 (FRS102)

The Charities SORP (FRS102) applies to all accounting periods starting on or after 1 January 2015. All trusts completing this return will therefore be preparing their accounts to comply with SORP (FRS102).

Trusts incorporated before 1 January 2015 will have completed the 2014 to 2015 accounts return on the basis of the previous SORP (SORP 2005). Their 2015 to 2016 accounts will reported under FRS102 and there may be adjustments to opening balances as a result of the transition to the new SORP. Additional rows and a reconciliation table have been included in this return in order to capture the effect of the transition to the new SORP.

1.2 The online form process

Trust employees that need access to the online form will need to register on the Hub, which provides online services for use by organisations working with the Skills Funding Agency (SFA) and the Education Funding Agency (EFA). Employees who register will be allocated to a role as an **accounts return preparer**, or an **accounts return approver**. Information on how to register and further information on the roles is contained in the guide '[setting up the Hub for the accounts return](#)'.

The online form is accessed as follows:

- logging onto the Hub at <https://hub.fasst.org.uk/Pages/default.aspx> and selecting 'sign in' at the very top right hand corner of the webpage
- entering their Hub userID or email address, followed by their hub password and pressing 'sign in'
- clicking on the grey 'Form Services' tab

Once registered, trusts must carry out some initial tasks, which are detailed in section 2. These tasks ensure the trust's auditors are linked to the trust and that the correct trust and academy data is contained within the return. **We would strongly recommend trusts to perform these tasks at the earliest opportunity.**

Trusts will then populate the return with the data required for the EFA to be able to produce the SARA. Trusts should refer to sections 3 to 5 of this guide to assist them in this process.

Trusts will approve the return, which acts as a submission to their auditors, who are required to provide assurance over the preparation of the return from the trust's audited financial statements and/or underlying financial records. The final auditor assurance report also acts as the final submission of the return to the EFA. Trusts should refer to the 'accounts return – approval, assurance and submission' guide to assist them in this process.

1.3 Navigating the online form

The online form is navigated using headings within the menu bar at the top of the page. These headings represent the main sections of the accounts return and each heading contains a number of tables, which sit below the menu bar.

By clicking on each section in the menu bar, trusts will note that the tables change to reflect the content of that section of the menu bar.

Trusts are able to complete the return in any order their wish by navigating through the menu bar and tables. Once data is entered on any table, clicking on the 'next' button at the bottom right hand corner of the page will save the content of that table. Trusts can also navigate through the return using the 'next' button, which will take them through each table and each section of the menu bar in order.

At first log-in the online form defaults to the 'Standing Data' section of the menu bar and, for an **accounts return approver**, the 'external auditor details' table is shown. The same 'Standing Data' section also includes tables for 'academy trust information' and 'academy', which will be visible to all users. The **accounts return approver** should review these three tables as soon as practicable and specific instructions are found within section 2 of this guide.

1.4 The online form structure

The menu bar contains 11 sections (5 separate returns), which have different purposes:

- **Financial return** - This return provides EFA and the department with sufficient information to consolidate the trusts' financial positions and results into the SARA and the whole of government accounts. Most of the information in this return

should be sourced directly from information that appears in trusts' financial statements (or the accounting working papers) and is split into 6 sections:

- SoFA
 - balance sheet assets
 - property assets
 - balance sheet liabilities
 - balance sheet funds and other disclosures
 - transfers and conversions
- **Counterparty return** – This return supports the financial return and is focused on identifying trusts' balances (transactional and period end) for the period ending 31 August 2016, with government bodies other than the departmental group. Balances identified in this return will be used to prepare the WGA.
 - **Benchmarking return** – This return will enable benchmarking among academies and maintained schools. The department publishes benchmarking information at individual academy level to support local transparency and closer comparability between the income and expenditure data of local authority maintained schools and academies.

There is a standing data section on the menu bar which requests trusts to provide information to identify the trust and its member academies covered by the return. There is also a summary section, which produces the trust SoFA and balance sheet once all of the sections of the financial return have been completed and a declaration and submission section for the academy trust approval and a section only visible to auditors containing their auditor assurance statement.

1.5 The return length

The return is extensive in order to meet the requirements to prepare the SARA and Whole of Government Accounts (WGA), plus the commitment to publishing benchmarking information at academy level.

It is not expected that trusts will have to complete all the cells in the return and some tables may only apply to a handful of the larger trusts. However, for purposes of completeness and transparency EFA requires positive confirmation from the trusts, via the accounting officer's declaration that will be included in the online form, that they do or do not have such balances. If a cell is not relevant to a trust and no entry is required, it may be left blank or populated with a zero.

1.6 Data entry

Throughout the return all monetary balances should be entered in £000s, not pounds and pence. For example, you should enter an amount of £1,533,974 as 1,534.

Only the white cells require data entry.

1.7 Validations

There are validation checks throughout the online form to ensure that different parts do not conflict with other sections. When trusts have completed a table and clicked the 'next' button, the return will check the entered data and flag up any validation issues in a red box underneath the page heading.

The error messages will guide you to the cause of the problem, explain why it has occurred and advise of the corrective action required in order to resolve the problem.

Validation checks are defined as 'hard' or 'soft'. Hard validations occur where data in different parts of the return should match, but do not. For example, if the total depreciation in the SoFA does not agree with the fixed assets (FA) note. Hard validations must be resolved by correcting the figures in the return. Soft validations occur where data entered is outside a particular threshold, but may be a correct value. For example, if the value of 'other capital donations' exceeds £500,000. Soft validations may occur because an erroneous figure has been entered, for example if the value is entered in £ rather than £'000. The figure can simply be corrected if required. If the figure is correct, trusts will note that soft validations will produce an 'explanation' box next to the value in question. Trusts will be required to provide an explanation for the figure and each box explains the relevant detail required for that cell.

If a validation check is triggered, the warning box contains the validation code number. For example VAL1031S. This will be a useful reference should trusts need to seek support from the EFA to resolve a validation issue. The final digit of the validation code is either an 'S' or a 'H', which is another indication whether the validation is 'soft' or 'hard'.

Validations that have been triggered can be resolved at the point at which they appear on screen, or they can be resolved later by clicking 'next'. Any unresolved validation triggers will appear in the 'outstanding validation triggers' table, which is found in the 'summary' section of the menu bar.

1.8 Selection of academies and counterparties

When completing the benchmarking return, or the transfers and conversions section of the financial return, the academies within the trust will be pre-populated from the standing data.

When completing the counterparty return trusts will be able to search for the relevant counterparty by typing any part of their name.

1.9 Submission of returns for MATs

Submission of the return should be through an online form, not the Microsoft Excel workbook. However, the EFA will accept the submission of a workbook by trusts providing that it is submitted by 31 December 2016, completed with no validation errors and contains a signed auditor assurance statement. A trust should submit a return that matches the contents of its financial statements. Therefore, a trust preparing consolidated financial statements should also submit a consolidated return, which includes the same academies and/or trading subsidiaries.

A MAT will only prepare or submit consolidated financial statements or a consolidated return if they own trading subsidiaries. Whilst the MAT will cover more than 1 academy, there is only 1 reporting entity: the company. Remember, the individual academies are not the reporting entities as these requirements are focussed on companies, and arise primarily from the Companies Act 2006.

If a MAT or a single academy trust (SAT) has subsidiary companies (for example to manage its property portfolio or letting its facilities out), then that company (MAT or SAT) should prepare consolidated financial statements for the trust and any subsidiaries. For clarity, if the trust is required to prepare consolidated financial statements, including all its subsidiaries, then the trust should also prepare and submit a consolidated return.

Federations should follow their corporate structure and complete returns, if relevant, for each member trust.

1.10 Return signoff

The online form includes a declaration by the trust's accounting officer. The trust should ensure that the **accounts return approver** is the accounting officer, or someone with the delegated authority to act on behalf of the accounting officer.

The online form includes a process for the trusts external auditor to provide the independent reporting accountant's report on the accounts return, the 'auditor's declaration' and submit the return to the EFA.

1.11 Submitting your return

You must submit the completed return to us by 31 January 2017.

The return is submitted to the EFA when the auditor approves the return. Further details on this process can be found within the ['a guide to approving, assuring and submitting the online form'](#).

Part 2: Academy trust approver adds external users to their accounts return and checks standing data

2.1 Summary

By the end of this section the trust will have:

- submitted the email addresses of any individuals who are not employees of the trust
- requested those individuals to register for the Hub
- reviewed the standing data for the academy trust and raised any errors with the EFA

2.2 Academy trust approver initial tasks

There are 2 tasks that the **academy trust approver** should perform as soon as practicable:

- link their auditor to the trust and any other staff who are external to the trust that require access to the online form
- check the standing data within the online form

2.3 Link the auditor and any other external party to the trust

The Hub requires a single unique email address to be attached to a single role within a single trust. Whilst this will work for an individual within a single trust, who will be carrying out the role assigned to them, we are aware that this is impractical for audit firms, where individuals will be carrying out the audit function across numerous clients. In the same vein, audit firms, or other third party organisations may include individuals who are completing the accounts return on behalf of a number of academy trusts.

This issue is resolved by the **accounts return approver** submitting any external party email addresses, which is done by completing the first screen of the online form.

The **academy trust approver** will need to enter the name of the audit firm and then populate the main section of the report with the name of the individual, their telephone number, their email address and the role in the system that the trust requires them to carry out, either as **external auditor preparer** or **external auditor approver**. If a trust uses a third party organisation to complete the return that is not their audit firm, they should allocate the relevant individual within that organisation the role of **external auditor preparer** as the functionality of that role will meet their requirements.

Further individuals can be added by clicking the 'add another name' button and completing the details.

Trusts must include at least 1 person with the **external auditor approver** role as the EFA requires trusts to arrange for their auditors to provide an independent assurance report covering the preparation of the return.

Internal employees of the trust should not be registered in this way as they will not work across numerous trusts. All internal employees should follow the process set out in the [‘setting up the Hub for the accounts return’](#) guide

Once this page has been completed, the ‘next’ button can be pressed. This will store the email address in the database, therefore linking those email addresses entered to the trust. Trusts are able to amend this screen and submit updates at any time, should the names of their auditors change.

An automatic email will be sent to each email address submitted to alert them that they have been registered as an **external auditor preparer** or **external auditor approver** for the trust. Those individuals should then register for access to the Hub, as set out in section 2.4 below.

*All external parties, including auditors, **must** ensure they receive confirmation from at least 1 of their clients that this process has been completed before registering on the Hub.*

All external parties, including auditors, can perform registration for the Hub after only one trust has registered their email address. When another trust submits their email address through the above route it will be linked to their account. This means that when an external party logs into the Hub, they will see a current list of clients that their email address has been linked to.

2.4 Registering with the Hub – external parties

To register with the Hub, external parties, including auditors should follow the process below:

- the individual should access the registration form in the user administration screen. To begin the registration process, they should leave the User ID and password fields blank and click on the ‘I don’t have an account’ link under the ‘Problems signing in?’ section.
- the next page requires the individual to register their name and email address, set an appropriate password (minimum of 8 characters with upper and lower case letters and at least one number) and accept the terms and conditions.
- once completed the individual should click on the ‘Register’ button. This will take them to a new screen that confirms an email has been sent to their email address for verification. They should access that email and click on the ‘confirm my email address’ button within the received email. This returns them to a webpage headed ‘Registration’ and contains their unique user ID.

- the individual should record their user ID. They will require this ID, or their email address, to log into the Hub when their account is created.
- the next screen provides the individual with options for the preferred method for resetting their password if it is required.
- the final screen requires the individual to enter an academy trust UPIN or UKPRN. The EFA has written to the accounting officer in each academy trust to provide them with those numbers. External parties should ensure they have the correct numbers, which are unique for the accounts return. For registration purposes, external parties only need the numbers from 1 of their clients. They then click Submit. They should NOT select the 'sponsored user' button.
- The registration request will be sent to the superuser of the trust they have chosen to register against for approval who will also need to assign the role of 'accounts return preparer' or 'accounts return auditor'.

2.5 Check standing data

Within the 'standing data' menu bar trusts will see tables for 'academy trust information' and 'academy information'. Trusts should check that the pre-populated data on these tables is correct as soon as practicable.

Academy Trust Information

The first section of this page has been pre-populated with the records we hold regarding your academy trust. If any of this data is incorrect trusts should mark the box 'the above academy trust data is **not** correct'. This will create a link to the EFA enquiry form, which trusts should complete and submit so that we can investigate any errors and, if required, correct them well before the submission date of 31 January.

If the information is correct trusts should click the 'next' button in the bottom right of the screen. Please note you can return to this screen at a later date to confirm the status of your accounts in the second part of this page.

Academy

The academy table has been pre-populated with the records we hold regarding all academies within your academy trust. Trusts should check each academy to ensure that the list of academies and the data for each one is accurate and use the drop down menu to select the status of each academy:-

- member for whole period – the academy has been part of the trust for the whole reporting period
- newly created in period – this is a brand new academy created within the trust, for example a free school. It is not the option for academies that convert from a former maintained school

- newly converted member – this is an academy that has converted from a former maintained school during the reporting period.
- in period transfer in – an existing academy that has joined the trust during the reporting period.
- in period transfer out – an existing academy that transferred from the trust to another trust during the reporting period
- closure in period – an academy that closed during the reporting period.

Please ensure care is taken when selecting the relevant option for each academy as the selection will confirm those academies for which additional disclosures are required for transfers and conversions.

Please note that for any academies where **newly converted member** is selected, trusts will need to come back to this 'academy information' screen after they have clicked 'next' to complete a further drop down menu that asks for the type of predecessor school.

Again, selecting the option that the data is not correct will provide trusts with a link to the EFA enquiry form, which trusts should complete and submit so we can investigate any errors and, if required, correct them well before the submission date of 31 January.

If the information is correct trusts can progress to the rest of the form by clicking the 'next' button.

Part 3: Financial return

3.1 Introduction

EFA will use the financial return to consolidate trusts' financial results and position into the sector report and accounts (SARA). Each trust should complete their financial return from their own audited financial statements for the period ended 31 August 2016.

Wherever possible, entries in the online form should be sourced directly from what appears in the financial statements without any amendment. Some entries will require some degree of aggregation or disaggregation of financial statement balances or new SORP-style disclosures.

To streamline the process of completing the financial return, we have split it into 6 worksheets; the SoFA (statement of financial activity), balance sheet assets, property assets, balance sheet liabilities, balance sheet funds and other disclosures and transfers and conversions. Once these tables have been populated a summary SoFA and balance sheet will be available in the 'summary' menu bar to check to trust financial statements.

The Questionnaire

Trusts should start to populate the online form by reviewing the questionnaire table from the 'standing data' menu bar. Most trusts will not have disclosures for every table in the return and would previously have to navigate around numerous empty tables in the excel workbook.

The questionnaire has been designed so that trusts can confirm the tables, assets and investment types that are relevant to them. Where a trust selects 'no' on the questionnaire, or leaves an asset type unticked, they will not see the table in the online form. Trusts should complete this questionnaire first to create their own customised accounts return.

Please note that should a table be accidentally deselected, trusts can return to the questionnaire and change the option to 'yes'. The table will then be available within the relevant menu bar once 'next' has been clicked.

Local guidance notes

Extensive guidance has been built into the online form, which can be accessed by placing your cursor over the question mark found next to each data entry cell. Each cell contains guidance on the information required to populate it including, where relevant, links to the relevant note to the accounts where the data should be found.

More extensive notes for specific issues are also included in this guidance document.

Sign convention

By placing your cursor in the data entry cells of the workbook, the guidance notes relating to that cell will also include guidance detailing the sign convention trusts should follow when entering their data.

The financial return sign convention follows the normal accounting sign convention; which is dependent upon the specific primary statement and/or note in which the balance is found. For example, in the SoFA, both income and expenses are positive since they are clearly denominated. Elsewhere it may be different and fluid; entries in the notes to the financial statements are always positive if they are the expected value for that specific note. For example both debtors and creditors are represented as positive numbers since they have specific notes that clearly separate the balances.

Conflict between the return and financial statements

The accounts return, and specifically the financial return, is not designed to be an exact facsimile of a trust's financial statements. The return is designed to support the integration of trusts' financial statements into the consolidated SARA. Therefore, the return is formatted to mirror the SARA.

As the EFA expects to receive more than 3,000 returns from the sector, it requires an automated aggregation tool to consolidate the data. One of the significant weaknesses of the previous system of submitting the Microsoft Excel workbook was that returns had been compromised by the addition of rows and columns. This significantly slowed the consolidation process. The move to submission through an online form will remove this issue.

If there are differences between the disclosures in the accounts of individual trusts and those set out in the return, trusts will have to re-analyse their disclosures to fit those required by the return.

Opening balances

In previous years the largest number of validation errors resulted from differences between opening balance values entered by trusts and the closing balance from their final previous year's return.

For trusts that submitted an August accounts return for 2014 to 2015 the online form opening balances will be pre-populated with the closing balance from that accounts return. Trusts will notice that additional rows have been provided throughout the return where changes to opening balances can be recorded, for example for the transition to FRS102 or prior period adjustments.

For new academy trusts, the opening balance values should be zero and all transactions should be recorded in year using the 'transfer on conversion' or 'transfer in' rows

depending on how each academy joined the new trust. Similarly, where academy trusts completing this return have prepared audited accounts for periods prior to the opening of their first academy, the opening balances for the current accounting period should be shown as 'transfers on conversion' in the return.

3.2 Statement of financial activity (SoFA)

Unlike previous years the SoFA will be populated by data feeding from the tables in the online form as they are completed. Trusts should be able to reconcile the SoFA in this accounts return to the SoFA in their annual accounts. The SoFA can be found in the section labelled 'summary' on the menu bar once the SoFA and balance sheet tables have been populated.

Donations

Trusts should note that the information to be included under this heading will be found in the Donations and Capital Grants disclosure in their accounts. Capital grants should not be included in this heading but under capital grant income below.

Any capital donations entered in this section should equal donations shown in the fixed asset tables in the 'Balance Sheet Assets' menu bar.

A capital donation is the gift of an asset. Where cash is donated, even if it is specifically for capital purposes, trusts should record it as other donations.

Transfers on conversion are not donations and should be shown under transfers on conversion, and not in this section.

Capital grant income

Irrespective of how trusts account for their capital grant income in their financial statements, EFA requires all grant income (revenue and capital) to be included within the 'charitable activities – academy's educational operations' section.

The inclusion of all grant income into a single section will greatly simplify the consolidation process. Any re-presentation compared to a trust's financial statements will therefore be reflected in the SoFA.

In addition there is a significant difference in how capital grants are recognised in the accounts between the SORP and FReM. A new table has been added which identifies the difference between the grant recognised in the SORP compared to what has been paid. Trusts should also note the table includes a request for information of expenditure against those grants. These figures should be within the information disclosed in the 'funds' tables on the 'balance sheet funds and other disclosures' menu bar, but should also be included here as it is part of the FReM grant recognition issue.

Any re-presentation does not suggest that a trust's financial statements are incorrect.

Trusts should include capital grants in this section not under donations.

Revenue grant income

As part of the consolidation process at both EFA and DfE level, all trust balances with members of DfE/EFA family group will need to be identified and eliminated. Therefore, unlike SORP, which requires grants to be disclosed based on programme type, the EFA requires grant funding income to be split by issuer body.

The grant headings have been updated in this return, so trusts should be able to identify the correct grant heading to record income against.

Local authority grants, e.g. for special educational needs and early years, should be recorded as grants as they are being given for the purpose of education for those groups of pupils. They should be recorded in the relevant headings of the 'other revenue grants' table not as general income in the 'other income' table.

Risk protection arrangement (RPA)

RPA fees are deducted from the general annual grant (GAG) paid by EFA. In accounting terms, the contractual GAG amount, before deduction of RPA fees, should be accounted for as income. We expect trusts to make a monthly journal adjustment in their financial ledgers to gross up the GAG cash receipt to the contractual amount and thereby recording the RPA fees paid by the trust as educational activities.

The RPA disclosure in the return should follow that of trusts' own financial ledgers and be included in the relevant line in the 'charitable activities - support costs' table of the return.

Any income in respect of claims made under the arrangement should be shown as income in the 'other trading activities' section following on from trusts' own entries in their financial ledgers.

Conversions and academy transfers

Trusts should include (as a separate line) the resources transferred to the trust when academies convert or transfer into the trust, split between capital and revenue. Trusts should show these on the relevant line regardless of whether the net transfer in was an asset (income) or a liability (expense).

Similarly, the table includes a line for the resources transferred from the trust on the transfer out of existing academies to another trust. Trusts should show these on this line regardless of whether the net transfer out was an asset (expense) or a liability (income).

The return requires trusts to present transfers of existing academies between trusts separately because such movements are becoming increasingly common.

The related notes in the transfer and conversions table are validated against the values that are entered in the SoFA.

Staff costs

SORP does not require trusts to separately present pay costs dependent upon employment status (permanent and interim/temporary). Accounting standards applicable to EFA/DfE require this. Therefore, trusts are required to breakdown their total pay costs as disclosed under SORP between staff members on permanent contracts and those on temporary or interim contracts.

The split between permanent and interim/temporary staff is not based on hours worked but on length of contract. Accordingly, all supply and maternity cover teachers would automatically be classified as interim staff since they are employed by the trust for a specific period of time, which is the period of illness and maternity leave.

Part-time staff such as teaching assistants and lunch-time staff could be either permanent or temporary staff depending on the terms stipulated in their contract. For example a teaching assistant who has an open-ended contract of employment with a trust, but may not have guaranteed weekly hours, would still be classified as a permanent staff member. However, a teaching assistant brought into a trust to cover a known staff absence would be temporary, since their contract has a set end date.

Agency staff are by definition temporary. The total cost of agency staff included in trust's accounts should be shown as temporary staff costs on the agency line.

The term 'pay costs' is used throughout to indicate all staff pay costs, including employer's national insurance and pension contributions. Staff-related non-pay costs such as travel and training should not be included in pay costs. These should be disclosed under another appropriate heading according to the format of the particular analysis being completed.

Under SORP (FRS102) trusts are now required to accrue for any outstanding holiday entitlement at the end of the accounting period. Trusts completing the return should accrue for the value of untaken holiday entitlement at 31 August 2016 for academies covered by the return.

Pay costs should include pension finance costs as detailed below.

The return has validations to highlight where the analysis totals do not agree to SORP disclosure totals.

Staff numbers

SORP requires disclosure of the average number of full time equivalent staff undertaking a trust's charitable activities. EFA requires such an analysis for all staff at the trust split by employment status. To allow for an audit trail we require trusts to complete their SORP disclosures and then provide additional fuller disclosures for all staff employed by the company.

Calculations of full time equivalents should be based on contracted hours. Teachers are generally contracted and paid 12 months per year. If a teacher is contracted to work 25 hours per week then the FTE should be calculated by dividing 25 by the number of 'standard' contracted hours of a fulltime teacher, usually 32.5 hours. Such an individual would therefore be counted as 0.77 of an FTE.

Workers who only work part of the year (e.g. those on term time only contracts) should be counted only at the time they are being paid. If someone works full time in term time only but they are paid as if they worked for the full 12 months per year they should be counted as 1 FTE.

If someone works full time in term time only and is only paid in term time, they should only be counted for the period they work (plus any deemed paid holiday). For example, if someone works 39 weeks and has 4 weeks deemed paid holiday, they should count as 0.83 (43/52) of an FTE.

The Teachers category should include staff with day to day teaching duties, including senior leadership team members with day to day teaching duties. Management category should include senior leadership team members who do not have day to day teaching duties. Administration and support includes all other staff.

Trusts should also 'annualise' the impact on staff of any academy transfers during the period. So full time staff should still be recorded as 1FTE if the academy they work at was only in the trust for part of the year.

The EFA reporting requirements also include new disclosures on gender and sickness. For permanent staff only, the number (not FTE) of male and female employees is required as at the balance sheet date, split by those serving as trustees and all other staff. A disclosure is also required on the total number of days lost in the trust to sickness.

Exit packages and loss of office payments

EFA and DfE disclose breakdowns of employee exit packages agreed during the period of the accounts. Consequently, the consolidated SARA will require trusts to provide similar disclosures.

EFA and DfE disclosures are split between civil service and non-civil service exit schemes, although it is expected that only non-civil service schemes will be applicable to

trusts. The value of the packages disclosed is the total cost including pension contributions, split by the contractual element of the package and the non-contractual element, and not just sums paid directly to the departing employees.

Any non-contractual element of exit packages reported must also be included as a special payment in the 'losses and special payments' table as detailed below.

Separately, should trusts make any loss of office payments to the accounting officer, or any other trustee, these are required to be disclosed.

Trustee remuneration

The trustee remuneration table has been expanded to provide greater clarity between it and the staff emoluments table. Information is requested on remuneration payments to trustees by number of trustees receiving payments of up to £60,000 and then in £10,000 bands. Remuneration payment includes gross salary, benefits and exit packages.

For completeness the return includes a column for trustee remuneration as a staff member and a column for remuneration as a trustee. We would normally only expect trustees to receive remuneration because they are also a paid staff member of the trust, for example a head teacher. Trusts require prior approval to pay remuneration to trustees where they are only carrying out the role of trustee. If the trust has no disclosable transactions they should select the option of £0 and enter the number of trustees who receive no remuneration.

Trusts should note that a staff member receiving remuneration above £60k and serving as a trustee should be disclosed in this section **and** the staff emoluments disclosure.

Off-payroll arrangements

The disclosure for off-payroll arrangements is intended to capture details where individuals who use private service companies instead of being paid through the academy payroll. It is intended to capture payments that do or are expected to exceed £220 per day for a period of 3 months or more.

This disclosure is NOT intended to capture temporary supply staff cover paid by invoice to an employment agency. It is also NOT intended to cover bought in curriculum services such as peripatetic teachers, often in subject areas such as music, PE. It is also NOT intended to capture reimbursement of expenses incurred by staff paid through expenses or petty cash.

The disclosure should capture payments made for members of staff for work that is essentially paid employment, but where those payments are not paid through payroll. This will capture where the individual is working regular hours set by the trust, e.g. within a curriculum plan, and work is always carried out by that individual.

Other expenditure

This line is provided where trusts have expenditure that is not possible to be allocated to other expenditure headings in the accounts. Trusts should manually enter this data if they have a value for 'other expenditure' in the SoFA in their accounts.

3.3 Balance sheet

The balance sheet notes are separated over 4 menu bar sections to help make the online form manageable. As with the SoFA, the online form will produce a Balance Sheet after the tables in the workbook are completed. The balance sheet can be found in the 'summary' section of the menu bar.

Tangible fixed assets

Trusts should complete the tangible fixed asset section using the asset classifications from their financial statements.

The return requires separate disclosure of tangible fixed assets:-

- funded through the free schools or priority schools building programmes, for example assets constructed by the EFA and transferred to the trust
- funded from other DfE/EFA capital grant
- transferred in on conversion of academies and on the transfer in of existing academies
- transferred out on the transfer out of existing academies

As well as the closing net book value (NBV) EFA and DfE also have to disclose the split of the NBV by the owner of the asset, for example, assets owned by the trust, finance leased, licence to occupy (e.g. faith schools occupying their building on licence from their Diocese), or on-balance sheet PFI schemes. All trusts should provide an analysis of their closing net book values accordingly.

Please note that under SORP 2015 software has been reclassified as an intangible fixed asset and therefore should be disclosed under that heading.

Intangible fixed assets

As with tangible fixed assets, trusts should provide separate disclosure of intangible fixed assets:

- transferred in on conversion of academies and on the transfer in of existing academy trusts
- transferred out on the transfer out of existing academies

Under SORP 2015 trusts should disclose software fixed assets here.

Depreciation and amortisation periods

These rows do not refer to the period of the financial statements or return. Trusts should enter the periods of the useful economic lives used to calculate the depreciation (tangible fixed assets) and amortisation charges (intangible fixed assets), as disclosed in the trust's accounting policies note.

For example, if a trust's accounting policy is to depreciate buildings over 50 years, the value to be entered is 600 (50 years x 12 months).

If trusts have a range of periods for any single asset class, they should disclose the lower and upper ranges in the rows provided.

If trusts use a reducing balance methodology for an asset class, they should enter the rate used in the row provided.

Property assets

EFA and DFE need to capture certain information about trusts' land and property assets to reflect them properly in their consolidated accounts. The menu bar for property assets includes a separate table for each academy in the trust.

Trusts are required to enter details of each separate land and property asset that they hold, adding further lines as required. The details required are:

- description of the property – selected from a dropdown menu
- whether freehold or leasehold
- lease term (if relevant) – in years
- lease type (if relevant) – operating or finance. This should match the classification adopted in the finance return
- donor/lessor/purchaser type – selected from a dropdown menu
- rental type (if relevant) – whether market value, nominal or not applicable (if freehold)
- net book value – as it is included as part of the fixed asset note in the financial return

The net book value is validated against the total net book value for freehold and leasehold property and leasehold improvements in the fixed asset table of the return.

Investment asset classes

Two tables are provided for investments, 1 for non-current investments (longer than 1 year) and 1 for current investments (held less than one year). Both tables require the same level of disclosure and include 2 broad categories of investments:

- investments carried at market (fair) value
- investments carried at cost

The investment asset classes appear in more than one place as asset class can be accounted for under either cost or market value depending on the individual circumstances.

A summary of the assets that we expect to find within each asset class is given below:

Subsidiaries are companies wholly owned by the trust but not included in the trust's consolidated financial statements, which is why the shares held are recorded as investments. In addition we would expect the subsidiaries to be limited by shares with all issued shares owned by the trust. Subsidiaries are only carried at cost.

Investment properties are properties owned by a trust that are not used in the furtherance of their educational activities, such as rental houses and flats. Under UK generally accepted accounting principles (GAAP) such assets can be carried at either costs (depreciated) or fair value (non-depreciated).

Shares refer to any shares held by the trust but not subsidiaries. These shares should be held for investment purposes (capital growth or dividend income). Therefore, these shares can be carried at either cost (unlisted private companies) or market value (listed public limited companies such as Marks and Spencer or BP). In all cases the percentage of shares held will not be significant compared to the number the investment has issued otherwise the non-subsidiary classification would not be permitted.

Corporate bonds are securities that operate in a similar manner to loans. A trust owning a bond will receive interest income (coupon) and on the maturity of the bond will receive the face value of the bond.

Like shares, bonds can be either held at cost (generally issued by an unlisted private company without a secondary market) or at market value when issued by a public limited company (such as Marks and Spencer, BP, Shell etc.).

Managed funds are listed investment funds that allow investors to buy in by acquiring individual units. Temporary, uninvested cash balances held by the money manager should be classified as unit trust funds.

Cash term deposits are bank accounts that have set maturities and often offer restricted access rights. For instance a trust with surplus cash may want to use the surplus cash wisely by investing it until it is needed. Fixed term accounts often offer attractive interest

rates since the banks know how long the cash will be deposited with them for. These bank accounts are accounted for as market (fair) value as the cash is effectively fair valued.

Other is a generic asset class for all other asset types held by a trust such as art, which could be carried at either cost or fair value; or derivatives, which are specialised financial instruments which are designed to perform specific tasks such as mitigate foreign exchange risk. All derivatives are carried at fair value.

Endowments are not an asset class. Endowment refers to restrictions a trust may have holding and/or using the investment's income stream. Endowments do not feature in DfE or EFA's FReM-based accounts.

Loan creditors

Balances owed on loans are included in the creditor table (due within 1 year or due after more than 1 year) under the 'balance sheet liabilities' menu bar. These are brought together and analysed by loan movement and loan maturity. Loan movement reconciles the opening and closing balances on loans through providing details of new borrowing, repayments and interest charges. The loan maturity analyses the outstanding loan over time periods.

Loan interest paid to DfE group and to others is separately disclosed in the 'charitable activities - support costs' table under the SoFA menu bar.

Provisions for liabilities and charges

Disclosure requirements applicable to the SARA, set out in the FReM, require provisions to be broken down into various headings - SORP does not require any breakdown across provision types. The analysis, for those trusts with multiple provisions, should be available from accounting records.

EFA also require a maturity analysis across the 3 financial reporting time steps provided, which are less than 1 year, between 1 year and 5 years, and greater than 5 years. The totals here must agree to those in the provision class given previously.

Contingent liabilities

A breakdown of any contingent liabilities disclosed in the trust's financial statements should be provided. This should include the closing position and a schedule of movements across the period.

The opening balances of contingent liabilities will be pre-populated from the previous year AR closing balance (for those trusts that submitted a 2014 to 2015 return). However, this value will only be the overall total of contingent liabilities. Trusts will need to allocate this to the correct headings.

In order to support accurate consolidation the table provides a list of common headings for contingent liabilities. If none of those applies then the 'other' heading should be used. Please note that the online form will ask trusts to provide sufficient description of the 'other' closing balance to allow EFA and DfE to understand the underlying issue.

We do not expect trusts to have contingent assets.

PFI commitments

PFI commitments are required to be split between off-balance sheet PFI and on-balance sheet PFI. Should any trust PFI contracts have been deemed to be 'on-balance sheet' they will have disclosed the future costs as imputed finance lease charges.

Operating lease commitments

An operating lease is a short-term lease in which rental payments (usually monthly) are made by the trust in order to use the asset without acquiring ownership of that asset. It is a type of lease in which the contract period is shorter than the useful economic life of the asset. Costs associated with operating leases are classified as expenses, not assets as is the case with finance leases.

Leasing of land should always be treated as operating leases and never finance leases, as land is considered to have an infinite economic life.

Under SORP (FRS 102), there is no longer any difference between the operating lease commitment disclosures required of academy trusts and those required by EFA and DfE. The whole remaining cost of the lease is apportioned across 1 year, 2 to 5 years and 5 years plus time steps.

For example, for a lease with ten years remaining with an annual cost of £10,000 all three time steps would have disclosures relating to the lease: £10,000 in 'within 1 year'; £40,000 for '2 years to 5 years' and £50,000 for 'more than 5 years'.

Worked example

Lease A – 10 years remaining at £10,000 per year.

Lease B – 4 years remaining at £5,000 per year.

Lease C – 2 years remaining at £15,000 per year.

	Lease A	Lease B	Lease C	Total
	£000	£000	£000	£000
Within 1 year	10	5	15	30
Within 2 and 5 years	40	15	15	70
Over 5 years	50	-	-	50
Total	100	20	30	150

Finance lease disclosures

A finance lease (also called a capital lease) is a type of lease in which the trust has operating control over the asset and a substantial share of the economic risks and returns from the change in the valuation of the underlying asset. The lease will therefore run for most of the useful economic life of the asset.

The disclosures required for finance leases are similar to those required for operating leases. We do not expect there to be many trusts with finance leases as they are classed as a form of borrowing, but have added the disclosures for completeness.

Pension schemes

The majority of the pension disclosures are as required by SORP. The EFA needs to identify the different pension schemes and classify them depending upon the FRS17 scheme type (eg defined benefit and defined contribution). Other than the scheme analysis all other disclosures should be a straight lift from the trust's financial statement pension disclosures or actuarial report.

There is an additional analysis of the SoFA pension charge to allow EFA to correctly aggregate the charges for the different scheme types. In addition, defined benefit SoFA charges will need to be analysed out between contributions payable for the period and the FRS17 adjustment.

Trusts are required to break down employer pension contributions further according to the FRS17 scheme type in the pension commitments note. We expect that the majority of trusts will only have two pension schemes: Teachers' Pension Scheme (TPS) and a Local Government Pension Scheme (LGPS).

Pension finance costs

The total of the 'breakdown of SoFA pension charge' table under the 'balance sheet funds and other disclosures' menu bar is validated against the pension costs shown in the 'staff costs' table under the 'SoFA' section of the menu bar. The SoFA pension charge includes pension finance costs. Therefore, trusts need to include pension finance costs in the staff costs note, even if the trust has legitimately chosen not to include pension finance costs as part of staff costs in their published financial statements.

The return requires pension finance costs split between permanently employed and temporary or interim staff. We would normally expect such costs to only relate to permanent staff.

Other pensions disclosures

The EFA will also have to report on underpinning data behind the pension disclosures. New tables have been included that identify the impact of sensitivity analysis, the major

categories of plan assets, the major assumptions and expected future life expectancies. These tables may be disclosed in trust accounts or be found within the actuarial report received from your pension fund actuary.

Academy trusts' own related parties

As indicated in the introduction on page 4, EFA is collecting information on trusts' own related parties as part for the sector annual report and accounts. This is not at the level of detail of the disclosures required in trusts financial statements.

This section should NOT include trustee remuneration, as this will be covered in the separate table under the 'SoFA' menu bar. But, if a trustee received remuneration and also has other transactions with the trust, then these may appear in both sections.

The disclosure in these tables relates to transactions with related parties. The 'payments to a related party' table is to capture transactions where the related party has provided goods or services to the trust and the trust has paid them for those goods or services. The 'payments from a related party table' is to capture transactions where the trust has provided goods or services to the related party and the related party has paid the trust for those goods or services.

Trusts should disclose the number of related parties that they have made payments to and the number of related parties they have received payments from. For both categories the disclosure should be by the number of related parties within each banding range provided in the tables. Further to this we are required to disclose the total value of transactions for each banding range.

If the trust has no disclosable transactions the online form will ask for them to explicitly confirm this.

Losses and special payments

All government departments and their consolidated bodies are required to disclose losses and special payments under the terms of the HM Treasury publication '[Managing Public Money](#)'. The scope of the disclosure requires trusts to capture payments that fall into the categories provided for inclusion in the SARA.

It is important to note that any non-contractual element of the exit packages reported in the previous section must be reported here as a special payment. The dropdown box under the column 'type' includes a descriptor for such payments.

For more information regarding losses and special payments please refer to:

- losses and write-offs – annex 4.10 of '[Managing Public Money](#)'
- gifts – annex 4.12 of '[Managing Public Money](#)'
- the [Academies Financial Handbook](#)

All applicable payments and losses should be listed in this table, adding additional lines where required. The details required include a description of the payment and the value. Details on when the loss or payment occurred (recognition date) and when the payment occurred should also be provided. If the payment or write-off has not yet occurred as at the balance sheet date, leave the 'payment date' cell blank.

Agency arrangements

A new table has been included to capture any circumstances where trusts are managing/holding funds on behalf of others even when the trust has no discretion on how the funds are used. Under the SORP, trusts are required to disclose such funds in their accounts as a note for agency arrangements and the new table in the return is designed to capture the content of this note.

Transition to FRS102

Trusts incorporated before 1 January 2015 may have prepared their 2014 to 2015 accounts under SORP 2005. Those trusts are now required to prepare their 2015 to 2016 accounts under SORP 2015 (FRS102) and the transition may require previous year closing balances to be restated for comparative purposes.

Throughout the return trusts are able to record the adjustment caused by this restatement to previous years closing balances by restating the current year opening balance. However, trusts are also required to disclose a table reconciling the transition to FRS102 in the notes to their accounts. The EFA also needs to capture the effects of the transition for consolidation purposes, and therefore in addition to the individual lines throughout the return, trusts are required to populate the transition table summarising the changes.

Conversion to an academy and academy transfers

Incoming resources and resources expended on conversion to an academy are shown in the SoFA. The SARA will have to provide extensive disclosures covering the entry of new trusts and new academies for existing trusts. The 'transfers and conversions' menu bar is designed to capture in more detail all assets and liabilities transferred into the new academies from their local authorities or elsewhere. Similar information is captured for existing academies moving between trusts in the relevant sections. The level of disclosures presented in the financial return provides EFA with sufficient information to support its disclosures.

For MATs, the online form will create a table to be completed for each relevant academy as identified in the trust standing data.

EFA does not require trusts to calculate a full balance sheet for converted schools or transferring academies including accruals and prepayments. Rather, EFA is looking for

an analysis of assets and liabilities transferred. The majority of transferred assets and liabilities are the land and buildings housing the school and the LGPS deficit. As the EFA has to balance the two sides of the transfer as part of the consolidation process it is vital that trusts agree the entries to be used in their respective accounts return.

Completion of this section is only required for the first accounting period after the school converts or the academy transfers. The balances disclosed should be those immediately after conversion and not those as at the period end.

This section will also be used to support the production of consolidated cash flow statements. The movement of opening to closing balance sheet items used in cash flow statements will need to be adjusted to reflect the 'new' assets and liabilities received by the sector through schools converting.

The total assets and liabilities transferred are validated against the transfers table in the 'SoFA' section of the menu bar. Tangible and intangible fixed assets and investments transferred are validated against the relevant lines in those notes as are pension scheme surpluses or deficits transferred.

Part 4: Counterparty return

4.1 Introduction

The consolidation of the trusts' accounts into the government's published accounts requires the identification of all transactions between, and closing balances with, trusts and government bodies during the period. All balances between trusts and government bodies must be identified in order to remove them during the consolidation process. The end result is the Whole of Government Accounts (WGA).

The method chosen to report trusts' identified government balances is the counterparty menu bar of the online form.

4.2 Format of the counterparty return

The online form requires trusts to select a counterparty first. This then creates a table for each created counterparty that should be populated with the data relevant to that counterparty.

As the return validates income, expenditure, assets and liabilities for a counterparty against other tables in the form entries should be entered as positive figures unless an unconventional value is contained in the financial statements, for example a rates rebate that means the rates cost in the SoFA is a negative value. The guidance on each cell provides information on the expected signage to be used.

4.3 Specific completion guidance

Transactions between the trust and other public bodies for the period

Trusts will need to identify transactions between the trust and other public bodies included within the financial statements for the period.

For each category of transaction and closing balance, a breakdown should be provided by first selecting the appropriate counterparty and then adding the data against the relevant heading in the table. Further counterparties can be added if required. Trusts are only required to provide totals by counterparty, not individual transactions.

Excluded transactions

Some transactions and caption balances are excluded from the counterparty return.

Although most trusts are stand-alone companies others are part of corporate groups. In certain circumstances, these groups may prepare financial statements that do not include all members of the group. Consequently, those financial statements will include amounts due to or from the reporting entity and other members of the corporate group. However,

since those counterparties have not been included within the return, their balances fall outside the scope of the counterparty return.

Other excluded counterparties are universities and higher education organisations. Such organisations have been classified by the Office for National Statistics as non-public sector and are therefore outside the scope of the WGA exercise.

List of applicable counterparties

The list of disclosable counterparties is accessed through the online form. There are a large number of possible counterparties once all academies are included. Trusts can search for a counterparty by typing part of the name. As academies can often have similar names, trusts are advised to check the LAESTAB number of the chosen counterparty and can do so via Edubase, found at <http://www.education.gov.uk/edubase/home.xhtml>

Completing the return

A breakdown of income and expenditure, closing assets and liabilities with other public bodies should be provided, based on financial return classifications.

Wages and salaries paid to trust employees, including employees' national insurance and pension contributions, are not counterparty transactions as they are paid to or on behalf of employees. Employer national insurance and pension contributions (where paid to a public sector pension scheme) are counterparty transactions as they are a trust resource expended directly with another public body.

In some circumstances, wages and salaries are paid to employees of other disclosable government bodies on behalf of those bodies. Within central government there are many inter-departmental staff secondments. In such a situation the seconded department may reimburse the seconding department their employee's salary; which would be disclosed here.

The online form will check to make sure the value of the rows in the counterparty data do not exceed the value the trust has declared in the accounts return.

Transactions within and between trusts

All transactions within a trust should have been removed in the preparation of their own financial statements. The removal of such transactions for financial statements will be echoed in the return.

Transactions between trusts will need to be identified so that we can eliminate such intra-group transactions when we prepare DfE group and EFA group consolidated accounts.

Transactions between trusts should therefore be treated just like other transactions between a trust and any other public body.

Totals report

There is a 'counterparty totals' table within the 'counterparty' menu bar for trusts to review the total values across all counterparties against each type of income, expenditure, asset or liability. A counterparty report in pdf format is also available within the 'summary' menu bar.

Part 5: Benchmarking return

5.1 General notes on completion

The accounting and disclosure framework underpinning the benchmarking return is not fully aligned with that underpinning a trust's statutory financial statements. In some areas of the return, the disclosure aggregations do not match those found in the trust's financial statements, and therefore some information required is not captured in the financial returns.

The analysis of staff costs described below is an illustration of such a divergence. Specifically, the financial return analyses pay costs into three cost types (salaries, NIC and pension contributions) split across three broad staff types (teachers, support and management). The benchmarking return requires a much more focused staff-type analysis for all costs, such as teaching staff, or education support staff.

In addition, the benchmarking return focuses on the classification of grant income received by trusts. Government spending is split into two broad groups: capital spending and revenue spending. **Analysis of capital spending is not required in the benchmarking return.**

This divergence in terminologies and treatments generates differences between the financial return and benchmarking return. Consequently, we do not expect a trust's retained surplus or deficit for the two returns to agree.

5.2 Completion of benchmarking return

Trusts are required to show the income and expenditure for the individual academies included with their consolidation return. This is to allow comparison of the benchmarking data across academies. MATs should detail central services costs from the overall trust income and expenditure amounts as well as by individual academy. When producing the benchmarking information, the EFA will allocate central service costs across academies based on pupil numbers. Should the trust wish any individual line to be allocated on a different basis, it should specify their preferred method in the 'allocation basis' heading.

In the online form, separate tables are available for each academy within the trust.

5.3 Data entry

Detailed line notes

We have reviewed the consistency between the financial statements disclosures and the benchmarking data published for all schools. This has identified a number of differences between previous disclosures for academies and maintained schools. We have updated the benchmarking rows, and our guidance, to remove these discrepancies. As a result, all trusts, including single academy trusts (SATS), should fully complete the benchmarking tab, entering the academy data into the form. In previous years SATs were asked to only disclose additional staffing information. This is no longer the case.

Totals report

Trusts can review a 'benchmarking totals' table within the 'benchmarking' menu bar to review the total values across all academies against each type of income, expenditure and closing balance. A benchmarking report in pdf format is also available under the 'summary' section of the menu bar.

5.4 Revenue income

Detailed guidance can be found by placing your cursor over the question mark next to each data entry cell. Trusts should refer to this guidance to calculate the correct value to be entered into each cell. The following section highlights any significant points trusts should note when completing this worksheet.

DfE/EFA revenue grants (line 1)

This line does not appear in the form for MAT central costs as we do not expect grant income to be defaulted to central services. All contributions from academy allocations should be included on the row entitled 'Contributions from academies to the trust'. The total DfE/EFA revenue grants should match the total of the 'DfE/EFA revenue grants' table under the 'SoFA' section on the menu bar.

Other DfE/EFA grant funding (line 2)

This line is deliberately blocked for MAT central costs as we do not expect grant income to be defaulted to central services. All contributions from academy allocations should be included on the row entitled 'Contributions from academies to the trust'. The total other DfE/EFA revenue grants should match the total of the 'DfE/EFA family revenue grants' table under the 'SoFA' section on the menu bar.

LA SEN

This relates to special educational needs funding from any local authority. The total should match the SEN row within the 'other revenue grants' table under the SoFA section on the menu bar.

LA Other Income

The total should match the 'local authority – early years' and 'other local authority revenue grants' rows within the 'other revenue grants' table under the SoFA section on the menu bar.

Other Grants

The total should match the 'other government' and 'non-government' revenue grants' rows within the 'other revenue grants' table under the SoFA section on the menu bar.

Other Revenue Income

There are 3 lines to capture other revenue income which correspond to the same rows on the 'other income' table under the SOFA section of the menu bar.

Self-Generated Income

There are 4 lines to capture self-generated income. These lines should correspond to the table 'other trading activities' within the SoFA section of the menu bar. The 'other income – revenue' line should also include the total from the 'provision of boarding activities (income) table in the SoFA section of the menu bar.

Donations

This should capture revenue donations only so should not capture any capital donations received. The total should match the 'total revenue' value on the 'donations' table under the SoFA section of the menu bar.

Investment Income

This should capture all investment income items and the total should match the 'investment income' table under the SOFA section of the menu bar.

5.5 Funds inherited on conversion

This includes the value of the revenue assets held by predecessor school(s) at the point of conversion to an academy, or by an existing academy joining the trust, which was (were) transferred to the trust. This value should match the revenue total of the 'transfers and conversions' table under the SOFA section of the menu bar.

5.6 Contributions from academies to the trust (MATs only)

This line should capture the contribution from each academy to the MAT central costs. The total value of this row should be zero as the MAT receives the allocation from each academy. The contribution under each academy should be entered as a negative figure, with the contribution under 'Central Services' shown as a positive figure.

5.7 Revenue expenditure

Staff costs

This should include the full costs of employment for staff employed directly by the trust including gross pay, bonuses, overtime, allowances, maternity and sick pay, all costs relating to redundancies, early retirements and severance packages, employer's national insurance and superannuation contributions. Do not include any staff not directly employed by the trust (eg contractors or agency staff). Include all costs relating to redundancies, early retirements and severance packages.

Trusts should use the 'other staff' line to capture the costs for staff that do not fit under one of the specific headings. Examples of categories of staff that might fall under 'other staff' are provided in the detailed cell guidance on the workbook.

As a guide, the total value of the benchmarking staff pay costs should be lower than the total of the 'staff costs' table under the SoFA section of the menu bar. The 2 tables will not balance as the SoFA worksheet total includes agency costs and pension finance costs.

Indirect employee expenses

This value should match the 'staff expenses' value in the 'charitable activities - direct costs' table under the SoFA section of the menu bar.

Staff development and training

This value should match the sum of the two 'other staff costs' values. One of these is found on the 'charitable activities - direct costs' table and the other is found in the 'charitable activities - support costs' table. Both tables are found under the SoFA section of the menu bar.

Staff-related insurance

This value should match the sum of the two 'staff related insurance' values. One of these is found on the 'charitable activities - direct costs' table and the other is found in the 'charitable activities - support costs' table. Both tables are found under the SoFA section of the menu bar.

Maintenance of premises

This value should match the 'maintenance of premises' value in the 'charitable activities - support costs' table under the SoFA section of the menu bar.

Other occupancy costs and special facilities

This includes all costs, other than staff and maintenance costs, related to the occupancy of the premises and grounds and the provision of any special facilities. It should not include any pay costs for directly employed staff as these will be included within the staff costs section. Do not include any depreciation, amortisation or impairment costs as these relate to capital items.

Some rows in this table correlate to lines in the SoFA section of the return, such as the cleaning and caretaking line. Some rows do not correlate, such as water and sewerage, which is found within 'other premises' costs in the 'charitable activities - support costs' table under the SoFA section of the menu bar.

However, the total value of this section, which is the sum of 'other premises costs' plus 'special facilities' should match the sum of the following rows from the SoFA section of the menu bar:-

- the total of the 'cost of raising funds' table
- 'special facilities' in the 'charitable activities - support costs' table
- 'cleaning and caretaking' in the 'charitable activities - support costs' table
- 'operating lease rentals (land and buildings)' in the 'charitable activities - support costs' table
- 'rates' in the 'charitable activities - support costs' table
- 'energy' in the 'charitable activities - support costs' table
- 'security' in the 'charitable activities - support costs' table
- 'other premises costs' in the 'charitable activities - support costs' table
- the total of the 'provision of boarding activities (expenditure)' table

Educational supplies and services

This includes the costs of supplies and services used directly for educational purposes during the period of the financial statements. This section should not include any capital expenditure on ICT or other equipment.

The total value of this section should match the sum of the following rows from the SoFA section of the menu bar:-

- 'educational supplies' in the 'charitable activities - direct costs' table
- 'technology costs' in the 'charitable activities - direct costs' table
- 'examination fees' in the 'charitable activities - direct costs' table
- 'educational consultancy' in the 'charitable activities - direct costs' table

- 'other direct costs' in the 'charitable activities - direct costs' table
- 'agency staff costs' in the 'staff costs' table

Other supplies and services

This includes the costs of supplies and services used as support costs during the period of the financial statements. This section should not include any capital expenditure.

The total value of this section should match the sum of the following rows from the 'charitable activities - support costs' table within the SoFA section of the menu bar, with the exception of the revenue contributions to capital line which is sourced separately as detailed below:-

- operating lease rentals (other)
- risk protection arrangement fees
- transport
- catering
- technology
- non-educational consultancy
- legal and professional
- auditor costs
- governor and trustee reimbursements
- net movement in provisions
- gain or loss on assets and investments
- other support costs
- revenue contribution to capital, which is the 'gross transfer between funds' row into the restricted fixed asset fund, which can be found in the 'restricted fixed asset funds' table under the 'balance sheet funds & other disclosures' section of the menu bar

Funding costs

This includes the cost of any interest charges from banks, loans and finance leases, plus the costs of any PFI service charges.

The total value of this section should match the sum of the following rows 'charitable activities - support costs' table within the SoFA section of the menu bar.

- PFI service costs
- loan interest
- finance lease interest

Closing balances

This is the closing balance of any 'restricted general funds' and 'unrestricted funds' at each academy in the trust. This would be found in the 'analysis of academies by fund

balance' as shown in note 18 'funds' in the accounts direction model accounts and should agree to the total of these 2 funds found within the 'funds' section of the balance sheet.

Frequently Asked Questions

Q I have logged back into the form and a list of validation warnings appear on the screen

A The online form will report all validations that have been triggered in this way, even when you have resolved them when you previously updated the form. You should ignore this list and access the form by clicking 'next'. Any validations that the form requires you to take action on can be found in the 'outstanding validation triggers' table in the 'summary' menu bar'.

Q My external auditor approver cannot access the form for my trust

A The **academy trust approver** should access the form and check that the 'external auditor approver' details have been entered correctly, particularly the email address must match the email address that the **external auditor approver** has used to register for the hub.

Q If the 'academy trust information' and 'academy information' is not correct can I still complete the form?

A Yes, trusts can complete the form if the data is not correct. Trusts should raise any issues with the standing data through the EFA enquiry form (using the link provided on those pages). The EFA will investigate each query and will reply with direct instructions to each trust. However, if the issue does not affect the financial data within the return, for example if an academy name contains a small error, it is likely that we will ask trusts to complete the form without amending the standing data error.

Q Do I have to complete the online form in the order presented?

A We would advise you complete the 'standing data' menu bar first as this contains information about your academies and the 'questionnaire', both of which will affect which tables appear for you to populate. After this has been completed, you can navigate through the form in any order using the menu bar at the top of the screen if you wish.

Q Can my auditor see the form I am completing so that they can provide advice?

A Your **external auditor approver** can access your return at any time by logging into the Hub and accessing the form, but their access will always be read-only.

Q There is a table missing in my online form

A Check the 'Questionnaire' in the 'Standing Data' menu bar. If you have answered 'No' to any questions in the questionnaire then the associated tables will not

appear. Change the relevant question to 'Yes', click 'Next' and the relevant table will appear under the relevant menu bar option.

If this issue affects your pension tables, you should check that you have entered the correct data about the auditor's view of your financial statements within the 'Academy Trust Information' table of the 'Standing Data' menu bar and then click 'next'.

Q Some of my fixed asset and/or investment types are missing

A Check the 'Questionnaire' in the 'Standing Data' menu bar. It is likely that the missing asset type has not been ticked in the tick box options for the fixed asset and/or investment questions. Make sure the correct asset types are ticked 'Next' and the relevant column(s) will appear in the fixed asset and/or investment tables in the 'balance sheet assets' menu bar.

Q One of our academies has no property assets. How do we complete their section of the 'property assets' menu bar?

A Trusts should select 'no freehold or leasehold assets' from the drop down menu within the 'asset type' cell. Trusts should also note they will need to select 'not applicable' from the drop down menu for the 'donor type' cell.

Q I am not able to complete the pension sensitivity analysis information as it is not contained in my actuarial report

A We would advise that you leave the cell values as zero. This will cause a validation to trigger asking you to confirm that the sensitivity analysis has not been provided to you. Please note that the sensitivity analysis covers 4 tables in the 'balance sheet funds and other disclosures' menu bar. Once the validation has triggered, the explanation box will be available across all 4 screens and you should add text as you progress through those screens.

Q I cannot see the SoFA and Balance Sheet in the 'Summary' menu bar

A These reports will only appear once all the data that affects them has been entered in the SoFA and balance sheet menu bars. However, you can see a current pdf version of the SoFA or balance sheet, which can be found in the 'reports' table on the 'declaration and submission' menu bar. Please note that any figures that have not yet been populated will show as '£unknown' on the report.

Q Is there a totals page for benchmarking that adds up all academies data?

A The benchmarking totals page will appear once the first academy data is populated and 'next' clicked. The same process occurs for 'transfers and conversions'.

Q What do I do if a validation triggers that I am unable to resolve, which means I cannot approve the form?

A Please contact us using the [EFA Enquiry Form](#) and we will be in touch with direct help on how to clear the issue.

Q What do I do with pdf reports? They contain boxes for the auditor's signature.

A The EFA does not require the pdf reports, but they have been included within the form for trusts to use for their own internal purposes. Some trusts may wish to print and file a copy, or present to directors. The auditor signature box is provided in case it is helpful for trust internal processes. There is no requirement from the EFA that these reports are signed.



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