



**Brontë Academy Trust**  
Great schools. Inspirational people. Strong foundations.

## **Bronte Academy Trust Accounting Policy**

<b>Reviewed By</b>	<b>Approved By</b>	<b>Date of Approval</b>	<b>Version Approved</b>	<b>Next Review Date</b>
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## **CONTENTS**

1. Aims
2. Legislation and statutory requirements
3. Roles and responsibilities
4. Basis of preparation
5. Accruals concept
6. Liabilities
7. Provisions
8. Financial instruments
9. Historical cost convention
10. Going concern
11. Consistency
12. Prudence
13. Netting off
14. Accounting treatment of income
15. Accounting treatment of resources expended
16. Accounting for fixed assets
17. Depreciation
18. Leased assets
19. Investments
20. Reserves policy
21. Stock
22. Taxation
23. Pension benefits
24. Fund accounting

## **1. AIMS**

As set out in the Academies Accounts Direction 2024 to 2025, these accounting policies aim to set out the principles, bases, conventions and rules by which transactions and items are recognised, measured and presented in the academy Trust's accounts.

## **2. LEGISLATION AND STATUTORY REQUIREMENTS**

The Department for Education (DfE) requires academy trusts to prepare their financial statements according to UK Generally Accepted Accounting Practice (UK GAAP) and this assumption must be disclosed in the notes to the annual accounts under the heading of 'accounting policies'

The accounting policies have also been written in line with the requirements of:

- The Academies Financial Handbook
- The Academies Accounts Direction

The Academies Accounts Direction 2024 to 2025 is based on Charities Statement of Recommended Practice (SORP) 2015 as amended by Charities SORP (FRS 102) Update Bulletin 1 and Financial Reporting Standard (FRS) 102.

## **3. ROLES AND RESPONSIBILITIES**

### **Academy Trustees**

The board of trustees is required to approve the Trust's accounting policies, which are incorporated within the annual report and accounts.

As per the Academies Accounts Direction 2024 to 2025, the trustees also review these policies annually, and only implement new policies where:

- This is required by Financial Reporting Standards (FRS) 102, or
- This is judged to provide reliable and more appropriate and relevant information about the effect of transactions, other events or conditions that affect the financial position, performance or cash flows of the academy trust

## **4. BASIS OF PREPARATION**

The financial statements are prepared under the accrual's convention using historical cost as the basis for asset evaluation.

In accordance with requirements, the financial statements reflect that the Trust is a public benefit entity and contain a balance sheet, a statement of financial activities and explanatory notes. The accounts are prepared and audited in line with:

- Financial Reporting Standard (FRS) 102
- The current regulations and requirements of the DfE, including the Academies Accounts Direction

- Applicable charity and company law

The trustees are required to ensure that the Trust's accounts are prepared in compliance with the Companies Act 2006. A departure from any of these basic accounting principles will require disclosure notes in the accounts together with the reasons for the departure.

The accounting officer is responsible for ensuring that all reasonable controls are in place.

Overall, the accounts must always give a true and fair view. This will be determined by the appointed auditors.

## **5. ACCRUALS CONCEPT**

All income and expenditure for the period to which the accounts relate are included in those accounts.

In preparation for year-end an exercise is completed to ensure all invoices and debts are settled to minimise the necessity for provisions.

## **6. LIABILITIES**

Liabilities are shown in the balance sheet where goods or services have been received but the payment has not been made during the period. Subject to the de-minimis value agreed, the value is that identified on the order or invoice or other contractual documentation.

## **7. PROVISIONS**

Provisions are shown in the balance sheet for obligations such as pension contributions, tax liabilities or other payments to similar funds or bodies where the payment has been deferred.

## **8. FINANCIAL INSTRUMENTS**

The academy trust only holds basic financial instruments as defined in The FRS 102

The financial assets and financial liabilities of the academy trust are as follows:

- Cash at bank, including all current and deposit accounts belonging to the Trust
- Cash in hand, including any petty cash interest and monies not yet banked
- Financial debtors, including all monies owing to the Trust
- Financial liabilities, including all current commitments of the Trust in terms of unpaid invoices and debts

## **9. HISTORICAL COST CONVENTION**

The revenue, cost and any assets bought by the Trust are recognised in the accounts at the original cost regardless of present value.

## **10. GOING CONCERN**

The policy is reviewed on an annual basis by the Trustees; any changes made to this policy will be communicated to the relevant members of staff

The accounts are prepared on the assumption that the Trust will continue to function in the future and is therefore a going concern.

The trustees will assess if there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees will make the assessment in respect of a period of one year from the date of the approval of the financial statement in respect of a period of one year from the date of the approval of the financial statements. If no such material uncertainties apply, then this will be stated.

## **11. CONSISTENCY**

The trustees have agreed on suitable accounting policies for depreciation of business assets. These are applied consistently across the Trust and over comparative financial years.

## **12. PRUDENCE**

The accounts are prepared prudently. This means that only realised transactions are included in the income and expenditure statements. For example, income is included only where it is either received or its receipt is certain and applicable within the period.

Debts are considered and only written off in accordance with DfE regulations.

## **13. NETTING OFF**

Items are not netted off in the accounts. The accounting system identifies all transactions and the financial procedures require that income and expenditure are fully recorded and not subject to netting off.

## **14. ACCOUNTING TREATMENT OF INCOME**

All income is on a receivable basis.

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable are included in the statement of financial activities (SOFA) on a receivable basis. Any balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is accrued and included in creditors as deferred income.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations are recognised on a receivable basis (where there are no performance related conditions).

Other income, including catering income and fees for care clubs, is recognised in the period it is receivable.

## **15. ACCOUNTING TREATMENT OF RESOURCES EXPENDED**

All expenditure is recognised in the period in which goods or services are received.

All expenditure is classified in the accounts under an appropriate heading to the type of goods or services purchased.

In relation to the costs of generating funds, where a fundraising activity incurs expenditure in order to raise the income, this is clearly shown in the accounts. Large activities (e.g. school trips and

residential) are given a discrete cost centre for both income and expenditure to enable a trading account to be extracted for monitoring purposes.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Resources are recorded net of VAT, with the exception of business costs where VAT is identified as irrecoverable. They are classified under headings that aggregate all costs relating to that activity.

Where identified, costs incurred centrally on behalf of the academies of the Trust are recharged for their proportion of those costs. The basis of proportion is determined for each type of cost incurred.

Where the expenditure is shared between more than one school within the Trust, the cost is apportioned on a basis consistent with the use of those resources and agreed in advance with each constituent academy.

## **16. ACCOUNTING FOR FIXED ASSETS**

Assets received on conversion or on transfer of an existing academy are valued at fair value and recognised in the balance sheet at the date of transfer.

Donated fixed assets are measured at fair value on the date of receipt.

Tangible fixed assets valued at £500 or greater are capitalised as tangible fixed assets and are carried at cost, net of depreciation. The value of assets is included in the balance sheet at cost and depreciated over their expected useful economic life.

Where tangible fixed assets are acquired with the aid of specific grants, either from the government or from other sources, they are written down in the year of purchase as fully funded to account for the receipt of the grant.

Intangible fixed assets costing £500 or greater are capitalised and recognised at cost and depreciated over their expected useful life.

## **17. DEPRECIATION**

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	-	2% straight line basis
Furniture and equipment	-	10% & 20% straight line basis
Computer equipment	-	33.3% & 20% straight line basis
Freeland land	-	not depreciated

Depreciation on assets still in construction is not charged until they are brought into use.

Should an asset become damaged or lost without recover, then this can be written off as disposed. Where there is a remaining value then this is charged to the year of write off.

## **18. LEASED ASSETS**

Leased assets rentals under operating leases are charged on a straight-line basis over the lease term reflecting the payment terms.

## **19. INVESTMENTS**

The accounting policy for investments is determined when the need arises. Should an investment become possible, then the Trust determines the minimum risk options available to protect monies.

Please refer to separate Investments policy.

## **20. RESERVES POLICY**

The trustees review the level of reserves annually.

The trustees have decided on an overall target level of core reserves, of 5% of General Annual Grant.

Please refer to separate reserves policy.

## **21. STOCK**

Catering stocks are the property of the catering provider.

Uniform, cleaning materials and resources are assessed and valued as the last day of the financial year.

## **22. TAXATION**

The academy trust meets the definition of a charitable company for UK corporation tax purposes.

The academy trust is, by definition, exempt from taxation in respect of income, capital gains and corporation taxes on the provision and understanding that all income and other gains are applied exclusively for educational purposes.

## **23. PENSION BENEFITS**

The trust holds two types of pension benefits for its employees.

The two schemes are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension (LGPS). These are defined benefit schemes, are contracted out of the State Earnings Related Pension Scheme (SERPS), and the assets are held separately from those of the Trust.

Actuarial reviews of the LGPS are conducted every 3 years and recognised as a separate fund within the accounts. The trust is liable for the 'deficit' payment based on the annual actuarial value.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

## **24. FUND ACCOUNTING**

Restricted general funds comprise income from any source where the funding is intended for a specific purpose. This includes all grants received from the ESFA and from any other funding body.

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

Restricted fixed asset funds refer to income which is to be applied to specific capital purposes imposed by the DfE or other funders where the asset acquired is for a specific purpose.

## MONITORING AND REVIEW

### Declaration of Responsibility

This Accounting Policy was reviewed and formally adopted by Bronte Academy Trust on

.....24 March

26.....Date



.....Signed Chair of Trustees



.....Signed Chief Executive Officer