

Overview

A PDF version of this document is available [here](#).

This CCH Accounts Production master pack caters for the generation of UK Academy accounts.

Wolters Kluwer understands that the timescale for processing all your Academy jobs is very tight each year. This master pack is designed to be efficient, keeping the generation of the statutory accounts as simple and straightforward as possible. Our priority is to deliver in the simplest way possible the minimum disclosures as set out in the model accounts, but also to provide ways to enhance the level of detail if you require.

Prerequisites

The Academy Master Pack 12.00 is only available to sites running AP 2022.2 or above.

Master pack application and scope

Master pack version 12.00 is appropriate for creating UK Academy financial statements with accounting periods commencing on or after 1 September 2021. It applies the requirements of:

- Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency (ESFA)
- Companies Act 2006
- FRS 102
- Charities SORP 2019.

In addition, detailed management accounts are provided.

The pack does not cater for the following scenarios:

- Trading subsidiaries [Note that academies will normally apply the exemption from preparing group accounts set out in FRS 102. The most likely criteria that would apply to an academy trust is that its subsidiaries are individually and collectively immaterial.]
- Programme assets

Setting up a new client in CCH Accounts Production

When setting up an academy client, in the Create Client Wizard main details tab, the client type is "Limited" and the

business type is "Charity". In the final accounts tab, the options to choose are Charity and then UK Academy.

The year end should always be 31 August, though it is technically possible for an academy to have chosen the wrong year end at commencement.

Features of the Academies master pack

Structure

The ESFA requires disclosure of income and expenditure and balances arising from the following funds (numbered here as used in the formats):

- 01 General Annual Grant ("GAG") - the key restricted educational funding
- 02 Other DfE/ESFA grants - also restricted
- 03 Other government grants - also restricted
- 04 Other restricted funds
- 05 Unrestricted funds

In addition, disclosure is required for the element of restricted funds relating to fixed assets. A subcode is not required for this, since fixed assets depreciation/profits/revaluations are automatically included as part of this fund, and income is picked up from the specific capital grant and donations codes. There are also codes for the reallocation of total expenses and depreciation between the restricted fixed assets fund and other funds.

Finally, there may exist other funds which can be:

- Either restricted or unrestricted
- Either treated as part of the general operations and thus not separated out; or else treated as material and separate activities which need to be shown separately (an example of the latter would be a separate boarding activity)

To meet this range of potential requirements, two additional funds are available within the formats as funds 06 and 07, with options to treat them in the range of ways noted above.

In addition, the balances and movements on Fund 04 'Other restricted funds' can be split out in the Funds note using the statutory database grid provided for that note. This provides movements on up to 9 funds. A similar split exists for Private capital restricted fixed asset funds, for up to 5 funds.

- Furthermore, the nominal chart is also structured in a way that achieves these splits in a simple and efficient manner:
- Income is identified not only by type (eg "capital grants") but also by the fund it relates to.
- Most expense codes have subcodes 01 to 07, relating to the 7 funds.
- The allocation of transactions and balances to the fixed asset category is achieved without requiring a separate fund, using instead the information implicit in the chart to identify funds received and the fixed asset movements and balances.

The treatment of "activities"

The purpose of an academy is to provide education, and normally this will be its single disclosed activity in the statutory figures. The financial impact of such activities may need to be disclosed in various ways, depending on their scope.

At the lowest level, there is no need to separately disclose other activities that are incidental to its main activity and are financially immaterial (eg after school clubs, cycle proficiency classes, use of school fields for community purposes).

These might however be noted within the Trustees' Report, even where they are financially insignificant. The income and/or costs for an activity might also be shown within a broader note where appropriate (eg hire of hall, catering etc within "Activities for generating funds"), and the chart provides for this level of analysis.

At an intermediate level, the activity may be important enough for the client to want the funds and expenditure to be separated for management purposes, and separated also within the key notes for income and expenses. Posting to Fund 06 and 07 (where they are not designated also as a "separate activity") will give this level of disclosure.

At the highest level, there may be activities that are so significant that they should be disclosed as separate lines in the SOFA: the Accounts Direction assumes "boarding activities" or "teaching schools" to be the most likely examples of this. In this situation, Fund 06 or 07 would be used, choosing the statutory database option to show it as a separate activity. This provides a heightened level of disclosure:

- Fund 06 and 07 income and expenditure have separate lines on the SOFA;
- The balance sheet funds note and the SOFA notes for funding and expenditure show Fund 06 and 07 figures separately;
- There are separate Fund 06 and 07 trading accounts, shown within the notes. These are similar but Fund 06 follows more closely the requirements for teacher training schools whereas Fund 07 follows those for boarding schools.

Note that the activities shown in Fund 06 and 07 can be given alternative designations in the statutory database.

Restricted vs unrestricted funds

All academy funds have to be used for the purposes set out within its memorandum and articles of association. In addition, certain funds may be provided to the academy with additional legal restrictions concerning their use (all government funds will have such restrictions): these are "restricted funds". Any funds which do not have a separate legal restriction on their usage are "unrestricted".

Normally, for instance, the funds collected for hall hire, catering, uniform sales etc are unrestricted because even if it is the academy's intention to use them for specific purposes, these funds do not have a separate legal status. However, the nominal chart allows either treatment on the basis that some academies may have legal restrictions on such funds, and other academies will want to disclose them that way, even if technically there is no actual legal restriction.

Designated funds

It is possible for a board of trustees to formally designate a portion of unrestricted funds for a specific project or purpose. This designation has no legal status, and the board can decide at any time to use the funds for any other purpose. Designated funds would normally be disclosed within the funds note, as a sub-analysis of unrestricted funds.

The funds only need to be disclosed if they are material. An academy may however decide to disclose non-material designated funds. The disclosure of designated funds is achieved solely through the entry of figures for the Funds note within the statutory database.

Nominal chart

The nominal chart has the following key identifiers:

- Code ranges that group similar items together (eg, staff costs are shown in one area)
- Descriptions that enable the user to understand the posting ("Restricted voluntary income")
- Category information which identifies where a posting will end up in the financial statements ("Support - technology costs")
- Subcodes that allocate expenditure to one of seven funds (100 01, 100 02 etc)

The nominal chart is searchable both by browsing through codes and by entering text, and displays the 3 identifiers above, in data entry and information screens. Therefore, the entry of information is normally straightforward.

We have left the 500..5ZZ series of nominal codes "empty". They are not referenced by any of our Name Ranges. This will provide room for expansion if required by future compliance changes.

We do not anticipate that users will be adding many new nominal codes, if any. If as you process your academy jobs you do find yourself creating new nominal codes, please check carefully that the new nominals you add are picked up in the necessary name ranges, otherwise you may find that your formats do not cast correctly.

Level of detail required for data entry

The detail and type of codes within the nominal chart has been devised to meet three purposes, with ascending level of detail needed:

- To provide the breakdown required in the statutory accounts
- To provide standard educational establishment analysis
- To provide appropriate analysis for entry of information in the Annual accounts return forms

If the client engagement does not require the production of management accounts, it is possible to post a greatly simplified TB. The minimal codes required for this purpose are listed in the user documentation.

Data entry of costs by fund

If the underlying client costs are already separated into the various funds, they can be entered in that way from the start. If however they are not separated, all costs can be entered as if they relate to GAG (01 subcode). When the costs relating to other fund have been identified, the totals can be journalled across to those funds.

Entering officers

Officers are entered in the usual way as for other clients, with the following additional refinements:

- There is an option to create new officers "on the fly" while in the officers' screen - there is a link in the upper left

taskbar. Only minimal information is required (surname, forename or initials; title only if required). Once the new contact has been created and saved, the contacts window should be closed and the contact should be chosen within the officers' screen.

- The officers' screen includes the information needed for the governance statement, ie membership of key subcommittees and attendance at trustee and subcommittee meetings.
- Signatories within the financial statements are designated here (see next section).
- Formal roles entered here (eg "Chairperson") will be shown on all lists.

Signatories

The signatories set out in the Accounts Direction are:

- Trustees' report - Chair of trustees "or another trustee" (but elsewhere in the Accounts Direction it is assumed that the Chair signs). A second signatory can also be chosen in the officers' screen. Note that the choices made for this report also affect the Statement of trustees' responsibilities and the Balance sheet.
- Governance statement - both the Accounting officer and the Chair or another trustee. These are identified by choosing them in the officers' screen.
- Statement on regularity propriety & compliance - the Accounting officer (choose on officers' screen).
- Statement of trustees' responsibilities - Chair or another trustee. Follows the Trustees' report choices. A second signatory can be included.
- Balance sheet - Chair or another trustee. Follows the Trustees' report choices. A second signatory can be included.

Note that the Company secretary/Clerk to the trustees is not automatically a trustee and cannot sign the reports in their capacity as company secretary.

It is assumed in the formats that the person who signs the trustees' report also signs the balance sheet and the statement of trustees' responsibilities. If you want a different officer to sign these, then you will need to amend the relevant pages.

Governors, trustees, directors

The Academy can use a variety of names for its governing body and the members of that body. But note:

- As a charity, it has to have "trustees" who are legally responsible for the running of the charity, though the name used for the trustees may vary.
- Because an academy trust is an exempt charity limited by guarantee, the trustees are automatically also the directors and vice versa.
- It is possible for an academy to also have (eg) "governors" who are not trustees. These will have no statutory role and they should not be referred to in the financial statements except for an explanation in the trustees' report about the role of "governors", and perhaps listing on the information page.
- If an academy wishes to use the phrase "governors" to include persons who are not also trustees, then "governors" cannot be used as the designation for the trustees: instead, the trustees will need to be referred to throughout as (eg) "trustees" or "governor trustees".
- The governors who are not trustees can be listed in the information page of the financial statements. Details are entered in a grid within the General section of the statutory database, with columns for Name and Appointment type (if required).

Members

The members of an academy trust have a different status from the trustees. The members are the subscribers to the trust's memorandum of association, and any other individuals permitted to become members under its articles of association. Members have an overview of the governance arrangements of the trust and have the power to appoint and remove trustees.

Members are entered in a grid within the General section of the statutory database, with columns for Name and Appointment type (if required).

Senior management team

This is a required disclosure within the Reference and administrative details page. Details are entered in a grid within the General section of the statutory database, with columns for Name and Role. The description of the team can also be changed.

Amendable designations

Various names are amendable in the 'Designations' grid within the Academy Information section of the statutory database:

- Abbreviated name eg - academy, trust
- Trustees as individuals (plural) eg - governors, trustees, directors
- Trustees acting together eg - board of trustees, board of governors, governing body
- Title for company secretary eg - Clerk to the governors, Company secretary, Secretary
- Name to use for the "finance and general purposes committee"
- Name to use for the "audit and risk committee"
- Name to use for "principal"
- Name of Fund 06 if used, with separate entries for shorter names to use as column headers
- Name of Fund 07 if used, with separate entries for shorter names to use as column header
- Period length message at top of column for primary statements
- Output for zero balances when using the text version of comparatives (eg £nil instead of £-)
- Title to substitute for 'senior management team'
- Descriptions to use for Other advisor 1 and 2
- Title to substitute for 'non statutory governors'

Note also that the terms for auditor/auditors and auditor's/auditors' are set by word terms #aw11 and #aw10 respectively, throughout the pack.

Trusts with multiple academies ("MATs")

The terms 'multi-academy trust' and (from 2019/2020) 'trust with multiple academies' refer to the inclusion of more than one academy within the same charitable trust company. They are sometimes called MATs, federations or chains.

Disclosures relating to MATs follow the requirements of the current Accounts Direction.

Triggering MATs information

Within Academy Information in the statutory database, there is a question which triggers the appearance of MATs information within the statutory database and the formats.

Entry of academy specific data for MATs

Specific data is entered in one grid within Academy Information in the statutory database:

Academy name	Location	Principal/Head	Date of conversion or transfer
Central services charge	Fund balance		
Staff costs - teaching	Staff costs – other	Educational supplies	Other costs

Note that the software currently requires last year's data for each academy to be set out in the same order as the current year so that comparative information can be matched to the correct current information. Therefore if an academy joins in the year, it should also be added to last year's grid. Similarly, academies that leave should be retained in the grid until there are two blank years of data, when they can be removed from both grids.

Extraction of data into financial statements

The data above is applied within the sections required by the Accounts Direction. Users can extract additional lists using the formula style =APMAT("PERIOD","FIELD","TYPE"), where:

PERIOD = Either "a" (current period) or "b" (prior period). If this term is not entered, the function defaults to current.

FIELD = one of Name, Location, Head, DateOfConversion, CentralServicesCharge, FundBalances, StaffCostsTeaching, StaffCostsOther, EducationalSupplies, OtherCosts

TYPE = 1 - Date of conversion in current accounting period; 2 - Dated after current accounting period; 3 - Includes dates up to the end of the current accounting period. (null = all dates)

Reference and administrative details page

This shows the Name, Location and Principal for all academies listed in the database, whatever the date of transfer or conversion. Note that the title "Principal" is amendable in the Designations grid.

GAG note

An alternative paragraph is available for MATs.

Resources expended note

Central services provided to academies are described and quantified.

Funds note

This shows the funds belonging to each academy and an analysis of the costs incurred by each academy. The balance held in central funds is entered in the statutory database analysis for this note, together with costs not recharged to academies. If there are no balances held by individual academies, a statement to that effect will be shown instead.

Conversion to academy note; Transfer of academies note

These list the academies that were converted or transferred during the year, with the required information as entered in the database.

Post balance sheet events note

This lists all academies that were converted or transferred after the year end, using the dates entered in the database.

Specific matters within the financial statements

Notes are included below only where the formats are significantly different from those found in standard limited or charities financial statements.

General approach to disclosure

The model accounts for "Coketown Academy" included within the current Accounting Direction have been used as a resource for standard wording and an indicator of the level of detail required. Therefore:

- Unless there are clear reasons for exceeding or restricting the level of disclosure shown in the model accounts, the formats incorporate the ESFA's approach.
- Where standard wording is provided, this has been replicated within the formats.
- All text has been included as paragraphs in the statutory database and therefore can easily be amended by the user.
- Where guidance has been provided, this is normally included both within the paragraphs and within the guidance notes for paragraphs, with square brackets around it to designate it as guidance.

"Accounts" vs "Financial statements"

The default description used in the Model is "financial statements" and this has been used in the formats. However, the wording can be changed throughout by changing the default for "#aw1" in the system "Maintenance" menu, within "Word items".

Reference and administrative details page

The model accounts treat this as a formal document rather than an information page (for instance, it is referenced in the trustees' report), and this approach has been followed in the formats.

Information is entered as follows:

- The trustees' information is picked up from the officers database.
- Senior staff information is entered in a statutory database grid.
- Members are entered in a statutory database grid.

- Governors (if required) are entered in a statutory database grid.
- For MATs, details of academies held are entered in an expanding statutory database grid.

Trustees' report

Although many sections of this will be specific to the client, the structure and many of the paragraphs are specified by the ESFA. Therefore, the wordings used in the Model accounts are reproduced here. This enables a user to produce a set of draft financial statements which can then be provided to the client with the Model text / guidance on the face of the financial statements. The client can also provide amended paragraphs in a word processing document, which can then be copied over the standard paragraphs (note - it is best to copy such paragraphs first into a neutral program such as Notepad, which removes the word processing formatting and special characters).

Date of signing

Once the date for signing the trustees' report is entered in the statutory database, this date will be used in the other client reports and balance sheet unless you choose to override the date for these within the statutory database. The date of signing of the audit reports are set separately within the statutory database.

Governance statement

Academies have the option of setting up formal sub-committees for finance matters and audit matters. If they do so, the membership and attendance of those sub-committees (only) is required to be disclosed. The officers screen is used for identifying which of the two sub-committees a trustee belongs to, and the meetings attended out of meetings possible. The designations grid is used for entering the sub-committee titles.

Statement of financial activities ("SOFA")

This follows the Model, with columns for fixed asset funds as well as other restricted funds. An endowments column appears if there are postings to endowments.

There are rows for gains and taxation. Gains will normally be actuarial gains only, though revaluation gains are possible for fixed assets and endowment investments. Corporation tax is very unlikely to arise but is allowed for within the formats.

SOFA comparatives

The Charities SORP 2019 requires these to be split by fund, and three presentations are available to the user, based on the choice made in the statutory database. The bottom choice is the default:

Statutory Database	Node Details
- General - Academy Information - Trustees' Report - Governance Statement - Statement of Regularity - Statement of Trustees' Responsibilities - Audit Report - Assurance Report - Statement of Financial Activities Disclosure of comparative information - Balance Sheet	Do you wish to show comparatives: - Within individual notes as a text paragraph? - As a separate comparative SOFA within the notes to the financial statements? - As a comparative SOFA following the current year SOFA? ☐ Text paragraphs ☐ SOFA in notes ☒ SOFA comparative

Cash flow page and notes

The ESFA requires all academies to prepare a cash flow and relevant notes. Matters particularly relevant to academies are:

- The academy's "operating activities" incorporate all its activities apart from the "other recognised gains and losses" shown in the SOFA.
- Non-cash asset movements include not only finance leases but also donated assets and assets transferred upon conversion.
- The net surplus or deficit on conversion is reversed out in the operating activities note and is replaced by figures for cash (on the main page) and other net current assets inherited (in the notes, effectively offsetting the gross movements in debtors, creditors and stock). The transfer of the pension scheme and fixed assets are non-cash movements.
- Roundings adjustments can be made through a statutory database grid, which also shows the reconciliation of fixed assets movements (a common source of differences). The grid permits adjustments to a range of items in the cash flow page and main note.
- From 2019/20 onwards, there is a note for the movements in net debt. There is a separate grid in the statutory database for this note.
- If there is a difference between the calculated and actual cash balance, a warning message is shown in bold characters on the face of the cash flow.

General annual grant c/fwd

The statutory database includes a question as to whether a restriction applies to the client. If so, the note (a text note) is triggered; if not, no note is required.

Investment income received

Normally, all investment income received (eg bank interest) should be treated as unrestricted funds. It would fall to be "restricted" only where there are explicit restrictions from a funder concerning income earned on investments relating to the fund. To meet this rare situation, the chart also has codes for restricted investment income.

Activities for generating funds (for SORP 2019 onwards, this is part of Other trading income)

There is a range of options.

- Hire and catering and AGF related to Funds 06 & 07 are disclosed separately.
- Hire (045/055), Music tuition (047/057), Parental contributions (048/058) and "AGF separate disclosure" (04A/05A) are shown separately with the name linked to the first nominal code for each listed above. If for instance you didn't have Music tuition of any great importance but wanted to show School fete income, you would enter the income in 047 (restricted) or 057 (unrestricted) and change 047 to "School fete income".
- Other income is listed in the chart specifically as 049 and 059 but will include also any postings to codes after 04A and 05A. Therefore if you wish to show AGF separately in the management accounts but wanted to combine it in "other" in the statutory financial statements, you would post it to 04B, 04C etc and 05B, 05C etc.
- Note that similar codes exist for general restricted and unrestricted funds, 06A-06H

Funding for educational operations

The main funding will be from the DFE and other government agencies, and will be for the provision of education only. The Accounting Direction generally expects separate disclosure of the wide range of funds available only where they are "material". There are codes for "Other DfE or ESFA income" (020) and "ESFA other grants" (026) which can be used for sundry funding.

There is sometimes an implied expectation that certain grants will be shown separately, together with their year end funding balances. Where these separate figures are included in the model accounts of the Accounting Direction, the master packs are amended to include the nominal chart codes etc to provide that disclosure. (For instance, start-up grants were shown separately from the beginning, whereas funds for pupil premium and universal infant free school meals are tracked only from 2021 onwards).

Disclosure of other non-voluntary funding is triggered by postings to the Fund 06 or Fund 07 nominal codes.

The statutory database provides the option of entering specific names for "Other grants" and for the funding income shown from Funds 06 and 07.

Where some capital grants are to be allocated to general restricted funds instead of restricted fixed asset funds, this is amended in the statutory database grid in the funds analysis.

Total resources expended

This note requires a split between staffing costs, premises element, and other costs. It is further subdivided between direct, support and the various other cost categories. Note the following:

- Staffing costs come from the nominal codes and reconcile to the staffing costs in the Charitable Activities note and the Staffing note.
- The "Premises" element is not clearly defined in the Accounts Direction. The formats assume that this includes all depreciation plus premises and equipment maintenance, plus equipment leased or purchased but not capitalised. From Master Pack 6 onwards, cleaning rent and rates, energy costs, insurance and risk protection are also included. On the basis that a different allocation might be desirable (eg excluding all equipment costs &

depreciation), there is also a statutory database entry to increase or decrease the cost for each category. This is correspondingly adjusted against the "Other costs" column.

- Note that the default description of the Premises column is "Premises & equipment". The second part of this ("& equipment") can be amended in the same statutory database grid.
- There is also a note of operating leases, which are picked up initially from the nominal chart codes. The statutory database includes also entries for amending this figure.
- The disclosure of the various elements of audit costs is achieved through statutory database entries. The figures in the TB are ignored.

Charitable activities - educational operations

AAD 2015 - 2016 simplified the analysis of support and direct costs, and removed the requirement to always show a breakdown of governance costs separately. The master pack has retained the optional additional disclosure of both, by way of choices within the SOFA notes section.

Salaries and other staffing costs

The range 100.01-119.07 includes all staff costs except for those that are recharged to the following functions:

- 214.01-07 is used for staff costs relating to generating voluntary income.
- 219.01-07 is used for staff costs relating to fundraising and trading activities.

It is likely that staff costs will be entered first in the direct & support & governance codes 100.01-119.07, with amounts being recharged to 214 and 219 where appropriate.

NI and other social security costs are not shown separately in the chart. The one figure required in the statutory accounts is entered in the statutory database.

Staff numbers by function, and payments relating to higher-paid staff are entered in the statutory database.

Note that the Companies Act requires the average numbers of actual employees. Where the full time equivalent numbers are materially different from this, the SORP directs that you should consider disclosing both. This is accomplished through a second table entered in the statutory database.

The Teachers' Pension Scheme costs are the actual contributions made, and appear within direct costs. The LGPS pension costs will have originally been entered as contributions, but these are replaced by journal to give the FRS 102 costs instead (see further guidance below).

Exceptional items

There are codes for exceptional income (09A-C) and exceptional expenses (38A-C). Entry into these codes will trigger separate disclosure on the SOFA and a text note.

Corporation tax

Normally, an academy will not be liable to corporation tax. There is a note available for explaining this or recording a liability where applicable.

Sales of fixed assets

When a fixed asset is sold, the proceeds remain part of the capital funds that enabled the original fixed asset purchase.

The funds would normally be reinvested eventually in new fixed assets, or else returned to the funder (depending on the funding agreement). However, there may be arrangements whereby the academy is permitted to retain a proportion of the sale for its own purposes; this is also reflected in the chart.

Depreciation

There are three dimensions of disclosure required.

- All depreciation costs are set out in the nominal chart as single figures for each asset class (eg computer equipment, furniture, freehold property): codes 230-300.
- Allocation of the total charge between support costs and other cost categories (eg direct costs, governance, Fund 07) is achieved by entering contra journals for codes 310-319. These entries must cancel to zero.
- There may also be a third allocation within the funds note, splitting depreciation between the various capital funds or recharging it to unrestricted funds. This is accomplished by entering contra journals for codes 31601-31715. These entries must cancel to zero.

Fixed assets

Note that additions here have implications for the cash flow.

- Additions which are cash transactions: these will show within the cash flow
- Transfers - usually fixed assets added on conversion or transfer from another MAT, but these could also be donated assets. They will not show within the cash flow.
- Additions which are not cash transactions: these should be additions linked to finance leases / hire purchase. The total amounts should be equal and opposite to the amount shown in 905 for new leases / hire purchase.

Stock, debtors and creditors definable codes for separate disclosure

All stock nominal entries will appear in the notes as separate stock items, using the amended nominal description.

There is also one definable code for debtors, which will appear in the debtors note on a separate line.

There are two definable codes for creditors < 1 year, one for separate disclosure of a loan, and one for disclosure of before "other creditors".

There are corresponding codes for creditors > 1 year.

Funds

Additional analysis is entered by a statutory database grid, including:

- movements and naming of any designated funds; and
- additional breakdown of general restricted funds to give detail for up to five funds.

For MATs, the balance held in central funds is entered in the statutory database analysis for this note, together with costs not recharged to academies.

Grants for pupil premium, universal infant free school meals, and startup are DFE/ESFA funds and any costs relating to them should be entered under the 02 subcode in the nominal. The only place they need to be separated out is within the funds statement. For each fund:

- The income is automatically allocated through the choice of the correct nominal code
- The share of expenditure and gains are allocated by entries in the statutory database grid.
- Note that the expenditure entered for these funds will be closed off to the main DFE/ESFA funds (410) and NOT to the funds code for (eg) startup grants: therefore, if you are entering movements next year rather than importing/entering a client's TB, you will need to adjust between the main DFE/ESFA funds (410) and Startup funds (411), UIFSM fund balance (413) and Pupil premium fund balance (414).

Allocation for funds 06 and 07

This will give correct close-offs apart from situations where (eg) a posting has been made to a restricted income nominal account but the fund as a whole has been designated as unrestricted. In this case, opening balances will need to be reallocated.

Analysis of net assets by funding

This is entered by a statutory database grid. The formats assume that fixed assets go entirely to the 'restricted fixed assets funds' category, pension fund net assets go to 'restricted general funds', and all else defaults to 'unrestricted funds'. All lines can be amended by the database entries, apart from the pension fund allocation.

Conversion from a school

The entries for this are included in nominal codes 390-395. Where there is a net surplus, this is shown within the income section of the SOFA; where it is a deficit, it is shown within the expenditure section. Standard double entries will be:

390 Credit - Fixed asset fund	Debit to various fixed asset transfer codes
394 Debit or Credit - LGPS pension fund	Credit 97A51 - Liabilities assumed on conversion
	Debit 97D51 - Assets acquired on conversion
391 Credit - School unrestricted funds	)
392 Credit - School restricted funds	) Net debit = other net assets transferred
393 Credit - School private funds	)

In addition, the note has an analysis grid for disclosing the key elements of the assets & liabilities taken over. Note that the bank/cash figure transferred must be disclosed, whatever its size.

Amounts shown in the funds transferred should agree to the net assets transferred, and the statutory database grid shows any difference between the two. The note format diverges from the Accounts Direction in order to show this agreement.

There are two additional analyses entered in statutory database grids:

- The ability to analyse fixed assets brought into the trust between those arising because of conversions and those arising from the transfer of existing academies.
- The ability to show the effect of multiple conversions where one or more give a net income and one or more give a net expenditure.

Transfer of an academy into or out of the trust

The entries for this are included in nominal codes 39601-39616 for transfers in and 39701-39716 for transfers out.

Where there is a net surplus, this is shown within the income section of the SOFA; where it is a deficit, it is shown within the expenditure section.

Each subcode relates to the fund affected by the transfer (eg '01' is DFE funding GAG). The double entry is to the assets and liabilities transferred.

There are three separate analysis tables in the statutory database for transfers in, and three for transfers out, with free format text paragraphs for each. This permits the user to record the assets and liabilities transferred for each academy transferred, together with fair value adjustments (if applicable) for transfers in.

There are two additional analyses entered in statutory database grids:

- The ability to analyse fixed assets brought into the trust between those arising because of conversions and those arising from the transfer of existing academies.
- The ability to show the effect of multiple transfers where one or more give a net income and one or more give a net expenditure.

Pensions disclosures and adjustments

The percentage rates and assumptions are included in the statutory database as text, so that the user can enter exactly what is to be disclosed: single figures, ranges, preferred decimal places. Brackets () will not show, so a minus should be used in the rare event of negative rates.

The standard disclosure text changes each year, and therefore the statutory database paragraphs for the pensions note

should be revisited and refreshed, including for any new items.

The adjustments required for defined benefits schemes can appear complicated but should be easily extracted from the actuarial statement. An Excel worksheet is provided as part of the pack, enabling the user to generate the standard journal and identify the various charges, gains and losses. The double entries are:

	Assets	Liabilities	Profit or loss	Other gains
Brought forward (net should be equal & opposite to 470..472)	97D01	(97A01)		
Interest on scheme assets	97D21		(357)	
Interest on scheme liabilities		(97A21)	358	
Actuarial gains on assets (= actual return less interest)	97D31			(364)
Actuarial gains on liabilities		(97A31)		365
Employer contributions paid in the year	97D41		(372)	
Employee contributions	97D62	(97A62)		
Benefits paid	(97D61)	97A61		
Current service cost		(97A02)	350	
Past service		(97A03)	351	
Curtailments and settlements	(97D52)	97A52		
Losses on curtailments etc		(97A54)	351	
Administration expenses	(97D55)	(97A55)	351	
Less common:				
Schemes acquired eg on conversion or transfer (net figure double entry to 394)	97D51	(97A51)		
Additional payments to reduce the scheme deficit (these are effectively "unfunded" employer contributions)		97A53	(372)	

Management section

This section has the following pages:

Exception report (included in the full accounts section from MP 14 onwards)

This reports some missing information, discrepancies between opening balances and PY closing balances, and some key details that a reviewer is likely to wish to review.

Summary income & expenditure

This sets out the figures in a standard manner.

Management balance sheet

As the statutory balance sheet, without note references.

Detailed income

This shows income as entered in the TB, line by line, organised by income types.

Detailed expenditure by source of funding

This breaks out all expenditure into the full detail shown in the TB, analysed by the type of funding - governmental, other restricted, unrestricted.

Note that the nominal description is picked up from the main code description (eg 100 Teaching staff). Therefore if you want to amend the description for this format, you should change that main code.

This format also gives two summaries for use in the Annual Accounts Return:

- Figures for entry into the financial return.
- Figures that provide the basis for entry in the benchmarking return. Since the benchmarking return can require considerable adjustment in order to reorganise the data in line with government requirements, this summary has an additional column to explain what has been included or excluded in the figure extracted.

NOTE: If you add a new nominal code, this will not be picked up in the detailed expenditure formats. For that reason, it is best to use an existing code in the appropriate area and change its nominal description in the main code. There are some spare codes set up for this purpose, and other nominal codes in the appropriate area can also be used. Where it is completely necessary to add a nominal code, you will need also to amend the detailed expenditure formats by inserting a line in the correct place, copying the line above it and amending the code reference. You might then need to link to that line for the Annual Accounts Return analysis.

Detailed expenditure analysed by funds

This breaks out all expenditure into the full detail shown in the TB, analysed by ALL funding - ie funds 01 - 07.

Income and expenditure analysed by funds

This provides an income and expenditure analysis similar to the SOFA, but analysed across ALL funding - ie funds 01 - 07. There is further sub-analysis of key expenditure notes to the SOFA, also analysed across all funds.

Lead schedules

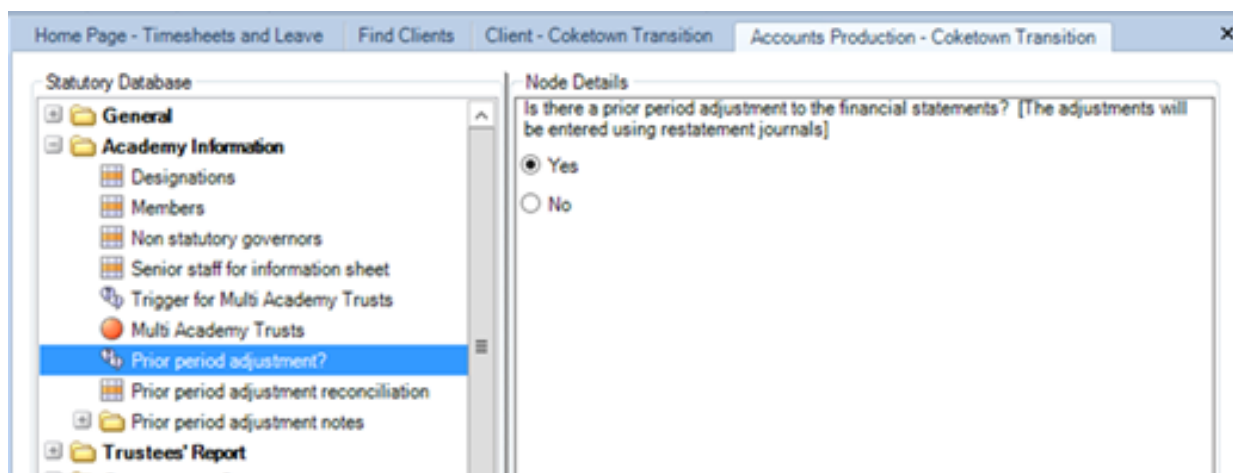
The Master Pack does not include any lead schedules.

Prior period adjustments

Material errors in the prior period should be corrected by a prior period adjustment. These will include "mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud" (FRS 102 10.20).

Additional disclosures are typically required, and are input as follows.

In the Statutory Database Academy Information section, select "Prior period adjustment?" and set the answer to Yes:



This triggers the prior period adjustment note and inserts "as restated" at the top of the prior period columns in the primary statements (Statement of Financial Activities, Balance Sheet and Statement of Cash Flows). There is no "as restated" message for notes.

How to disclose the restatements

There is a 6 step process to follow when disclosing the restatements:

1. Ensure that you have saved a PDF copy of the full set of financial statements for the prior year.
2. Calculate the restatements required for prior year for the specific job.
3. Post a Restatement journal in the current year, and perhaps a transaction journal.
4. Post a Restatement journal in the prior year.
5. Analyse the restatement balances in the Statutory Database.
6. Add text notes in the Statutory Database.

1. Save a full set of prior year statements

The adjustments made will amend the prior year and any financial statements subsequently viewed or printed will not agree to the previous version.

2. Calculate the restatements required

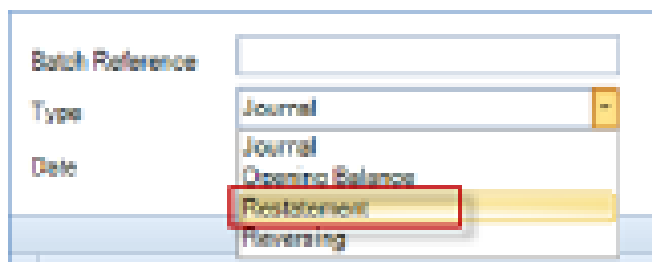
This is done externally to CCH Accounts Production, and relies on your knowledge of the academy and its financial affairs.

3. Post journals in the current year

Restatement journals relating to the previous year, posted in the current year

Once you have identified the restatements that are relevant, you need to post a Restatement Journal into CCH Accounts Production within the current year, to restate the closing prior year balances. (Restatement journals are entered in the current year because they will affect the comparative year figures only when viewed in the current year financial statements: they will not be seen in the comparative year when that is opened directly).

This can be done via the usual Journal Entry screen, by first amending the Type from "Journal" to "Restatement" (Note: Restatement journals will only be available if a comparative accounting period is present):



The cumulative effect of the opening and closing balances restatements for the comparative period should be posted. For example, if the value of investments is increased by £3,000 at the start of the comparative period (ie uplifted from the original closing balance of the pre-comparative period) and is then increased by a further £2,000 at the end of the comparative period, then the restatement journal should be the total of £5,000.

Note that for restatements involving reserves, you need to distinguish between adjustments to the prior year opening balance and the movements in the prior year. If for instance the uplift in value of the investments noted above passes through a reserve, then £3,000 will be posted as a credit to the opening balance for that reserve and £2,000 will be posted to the nominal code for the movement during the year.

A specific formula returns the balance of the Restatement Journals posted to a given nominal code or Name Range.

The command uses the same notation as the existing Name Range total, but is prefixed by a ~ (tilde) character which tells CCH Accounts Production to only return the balances of any Restatement Journals entered. For example:

=AP("~[b*,TO]")

because the restatement journals by their nature affect the comparative period values, the new command requires you

to enter period b rather than a.

Current period opening balances journals

The effect of the restatement journals also needs to be reflected in the current year entries. For instance, if the closing balance of the Restricted General Reserve has been uplifted by £5,000 in the prior year, then the current year opening balance of that reserve needs to be updated to agree to this new figure. Therefore, where the current year figures have been created by rolling forward from an un-restated prior year (or by manual entry of the same), an opening balance journal will be required in the current year.

4. Post restatement journals in the prior year where necessary

Where there are adjustments that relate to the opening balances of the prior year, these must be entered as restatement journals within the prior year, ie restating the closing figures for the pre-prior year.

Note that if you then view the financial statements of the prior year, you will not see the results and balances you expect. This is because they will now reflect the changes being related back to the close of the pre-prior year. **The effect of these restatement journals are only intended to be viewed from within the current year.**

Example for steps 3 and 4

If the adjustment affects the prior year only:

For example, consider the situation where at the end of 31 August 2016 there was no accrual for holiday pay, but there should be a holiday pay accrual of £10,000. If this accrual had been made, the closing funds would be £10,000 less. (Note that in many cases, this would not be deemed a material adjustment and it would not be made).

- In the CY, you make a restatement journal as an adjustment to the PY:
 - Dr £10,000 to (say) #10001 Teaching salaries (which will affect the reported PY profit)
 - Cr £10,000 to #885 Accruals
- In the CY, you may also need to make a normal journal to correct the opening balances:
 - Dr £10,000 to (say) #400 GAG fund b/fwd and
 - Cr £10,000 to #885 opening Accruals (which will eventually in effect be set against CY wages).

If the adjustment affects both the prior year and the pre-prior year:

If you then decide that £4,000 of this accrual would have existed at the start of the prior year (ie the end of the pre-prior year), and that it is material, you will adjust for this as well:

- In the PY, as a restatement journal affecting the PPY:
 - Dr £4,000 to #10001 Teaching salaries
 - Cr £4,000 to #885 Accruals

- Dr £6,000 to #10001 Teaching salaries (which will affect the reported PY profit)
- Dr £4,000 to #400 GAG fund b/fwd (because the £4,000 has been adjusted in the PPY profit)
- Cr £10,000 to #885 Accruals

5. Analyse the restatement balances in the Statutory Database

[illegible]

Beneath the grid there is a line for the expected total adjustments (using the restatement journal totals), to compare against the total of items listed. A warning message displays if there is a difference.

The note reference (as used in the grid in 4 above) is entered by the user as part of the heading.

21

Documentation

Also available from the download page are the following resources:

- A set of sample accounts is provided for the DfE sample academy: *Academies model accounts 2022.pdf*
- A sample trial balance import file is provided for the DfE sample academy: *Import TB COKETOWN2022.csv*
- A sample accounts import file is provided for the DfE sample academy: *Import COKETOWN2022.zip*
- A defined benefit pensions postings template is also provided: *Pensions - Academies 2022.xlsx*. This is explained further in the User Guide.
- The full chart of accounts, with guidance about the minimal set of nominal codes required to generate the income and expenditure disclosures in the statutory accounts: *Academies chart and summary 2022.xlsx*

Further training

CCH can provide a training course to focus on the generation of Academy accounts. If you would like to find out more, please contact your Account Manager.