



# Accounting Policy

Document date: November 2025



***Together, pursuing life in all its fullness***

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Changes</b>
v1.0	September 2013	Jeff Davies	Initial Issue
v2.0	June 2022	Louise Beale / Richard Griffiths	Review and update template
V2.1	June 2023	Sarah-Jane Anderson	Reviewed minor changes section 7 & 8
V2.2	June 2024	Sarah-Jane Anderson	Reviewed no changes
V2.3	November 2025	CFO	9. Pension Benefits updated

<b>Review frequency</b>	Annual
<b>Review date</b>	November 2026
<b>Ratified by</b>	Audit and Risk Committee
<b>Date of ratification</b>	24 November 2026
<b>Lead/owner</b>	CFO
<b>Target audience</b>	Directors; Trust Leadership Team Finance Staff
<b>Document reference</b>	POL-FN02

The electronic version is the definitive version of this document.

## **CONTENTS**

1. BASIS OF PREPARATION
2. GOING CONCERN
3. INCOMING RESOURCES
4. RESOURCES EXPENDED
5. PURCHASE OF ASSETS
6. TANGIBLE FIXED ASSETS
7. LEASED ASSETS
8. TAXATION
9. PENSION BENEFITS

## **1. BASIS OF PREPARATION**

The financial statements will be prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards and the Academies Accounts Direction issued by DfE and the Companies Act 2006. A summary of the principal accounting policies and practices, which have been applied consistently, except where noted is set out below.

## **2. GOING CONCERN**

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern.

The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

## **3. INCOMING RESOURCES**

All incoming resources are recognised when the Multi Academy Trust has the entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants receivable  
Grants are included in the Statement of Financial Activities on a receivable basis. The 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 deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

- Donations  
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Goods donated- for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'.

Upon sale, the value of the stock is charged against income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the

donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting.

- **Other Income**  
Other income is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.
- **Transfer of leasehold property**  
Leasehold property transferred to the Trust from a Local Authority or any organisation at little or no consideration will be revalued at fair value in accordance with applicable United Kingdom Accounting Standards. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

#### **4. RESOURCES EXPENDED**

All expenditure will be recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generated funds**  
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**  
These are costs incurred on the Academy Trust's educational operations.
- **Governance Costs**  
These include the costs attributable to the Multi Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Board meetings and reimbursements and expenses.

All resources expended are inclusive of any irrecoverable VAT.

#### **5. PURCHASE OF ASSETS**

- All fixed assets purchased with an individual value of over £1,000 must be entered into the asset register on the finance system.
- An aggregated purchase of items over £1000 (e.g. computers in an IT suite) may need to be recognised and advice should be sought from auditors.
- Approval for purchase of assets must follow the Trust's purchasing procedures.
- The asset register will include the source of funds for the asset.

Portable and attractive items are non-consumable items valued at under £1,000 but over £100 which are susceptible to theft or loss due to their portable nature and attractiveness for personal use or resale. These items should also be recorded in a register. Items valued at under £100 purchase price do not require tracking.

## **6. TANGIBLE FIXED ASSETS**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

## **7. LEASED ASSETS**

Rentals under leases are charged on a straight line basis over the lease term.

## **8. TAXATION**

The Trust is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and, therefore, it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 part ii of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **9. PENSION BENEFITS**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). Both are defined benefit schemes, with assets held separately from those of the Trust.

### **Teachers' Pension Scheme (TPS)**

The TPS is an unfunded multi-employer scheme. As the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, the TPS is treated as a defined contribution scheme in the financial statements. Contributions are recognised as they are paid each year. The scheme's cost is determined by the Government Actuary using a prospective benefit method.

### **Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined benefit scheme. The Trust recognises its share of the scheme's assets and liabilities on the balance sheet in accordance with FRS 102, based on annual actuarial valuations. The net defined benefit liability (or asset) is

calculated using assumptions determined by independent actuaries and reflects the Trust's obligations at the balance sheet date.

Actuarial gains and losses, changes in assumptions, and differences between expected and actual returns on scheme assets are recognised in the Statement of Financial Activities under 'Other recognised gains and losses'. Contributions paid to the scheme are recognised as expenditure in the period to which they relate.

Where the scheme is in surplus, recognition of a net asset is subject to the asset ceiling test under FRS 102, which considers whether the surplus is recoverable through reduced future contributions or refunds.

The Department for Education provides a guarantee for LGPS liabilities in the event of Trust closure, as outlined in guidance.