



Academy Update

July 2025

Our team today



Harriet Taylor-Raine
NFP Technical Manager, NAS



Stephen Dean
Director, Audit



Agenda

Learning outcomes

Accounts Direction

Handbook

Sector risks

Legal

Financial Reporting

Key learning outcomes

- To understand key sector and business risks facing the academy sector
- To understand the key areas of focus for the Department for Education (DfE)
- To review key updates of the Accounts Direction and Handbook
- To understand key financial reporting changes relevant for 2025-year ends

REMINDER

FROM 31 MARCH 2025, THE ESFA
(EDUCATION & SKILLS FUNDING
AGENCY) NO LONGER EXISTS.

THE FUNCTION OF THE ESFA WAS
ABSORBED BY THE DEPARTMENT FOR
EDUCATION.

CHECK YOUR REFERENCES!



Accounts Direction 2024/5

2.13 – non-financial and sustainability disclosures

Academy trusts to consider if they must include a non-financial and sustainability information statement within their strategic report, as required by Companies Act 2006 S414CA and 414CB.



2.137 - leases

From September 2024, the Secretary of State of Education has granted prior consent for finance leases relating to IT equipment, furniture, vehicles and temporary school buildings.



3.128 – model disclosure, finance lease

Finance lease accounting policy wording:

- How they are recognised
- Where they are (fixed asset and corresponding liability)
- How they are depreciated
- Judgments applied



Academy Trust Handbook 2024

Changes in the handbook 2024



Register of business interests – moved from section 5 to section 1



Digital and technology standards – reminder only



Reserves policy – how to manage reserves



EV salary sacrifice – when DfE needs to give approval



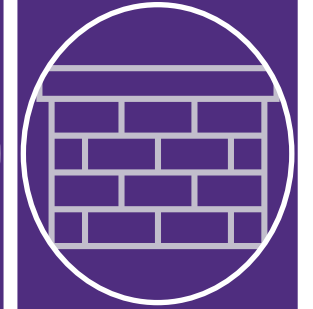
Internal scrutiny – for £50m+ trusts



Delegated authority – pre-approved finance leases



Cyber standards – reminder only



Notice to improve – estate management



Sector risks

Financial sustainability

More
academies
with deficits

Higher costs

SEND
demands

Future issues?

Academies Benchmark Report



Growth

	2023-24	2022-23	2021-22
Number of academies in England as at 31 March	10,746	10,254	9,887
Percentage of academies that moved trust in England	2.6%	2.7%	1.8%
Total number of academies that have moved trust	280	275	176

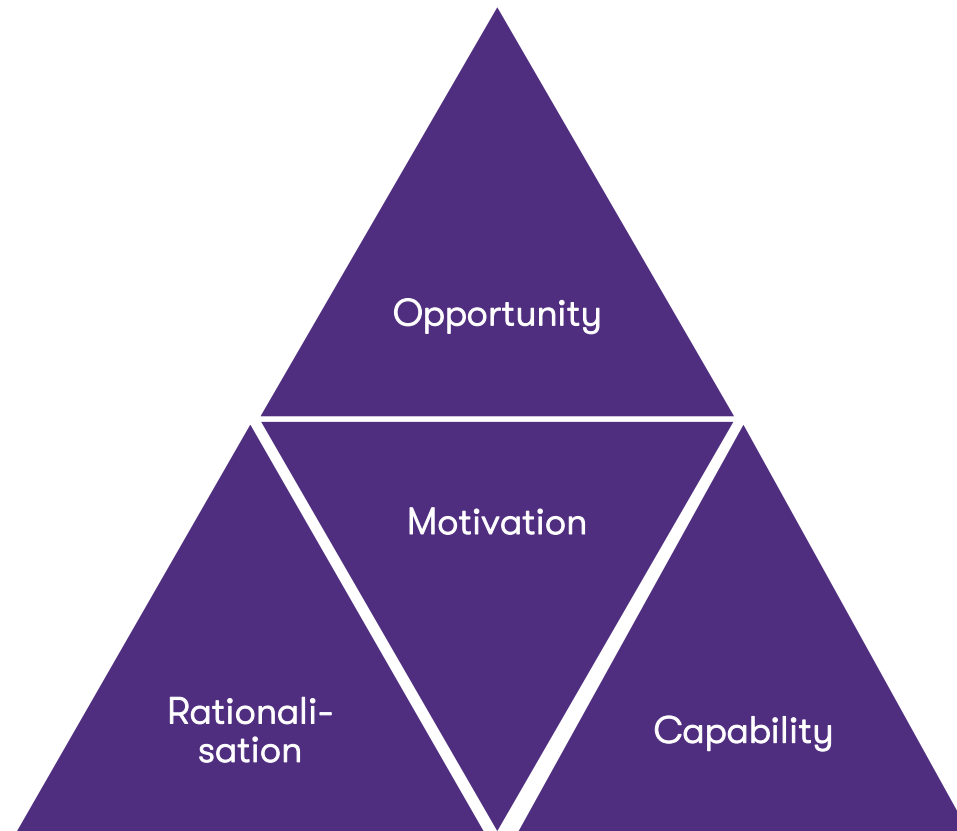
- Growth is slower than planned
- MATs have plans to grow however
- Problems with brand / identity

Resources

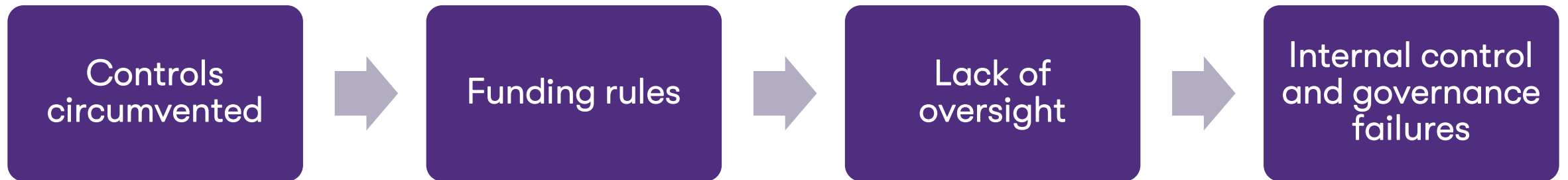
- ★ Financial support and oversight for academy trusts guidance - GOV.UK
- ★ Home - Financial Benchmarking and Insights Tool - GOV.UK
- ★ Academy trust reserves - GOV.UK
- ★ Operating an academy trust as a going concern - GOV.UK

Fraud

- £100m of fraud was prevented or recovered in 2024/5
- There is a £50bn estimated loss per year from fraud



Fraud



Fraud

- Mandate fraud
- CEO/head fraud
- Payment fraud
- Invoice fraud
- Procurement fraud



Legal and regulatory updates

Children's Wellbeing and Schools Bill

“The Children’s Wellbeing and Schools Bill is a key step towards delivering the government’s Opportunity Mission to break the link between young people’s background and their future success. It will put in place a package of support to drive high and rising standards throughout our education and care systems so that every child can achieve and thrive. It will protect children at risk of abuse, stopping vulnerable children falling through cracks in services, and deliver a core guarantee of high standards with space for innovation in every child’s education.”

Children's Wellbeing and Schools Bill



*Orders for failing schools
to be academies and
presumption that all new
schools will be academies*



*Staff pay same as
maintained schools*



*Follow the National
Curriculum*

Financial reporting

Pensions

Bond yields  = DBO 

Inflation  = DBO 

Global equities 

Corporate bonds 

Result: likely larger surpluses for Aug 2025 year ends

Pensions

Virgin Media ruling –
likely to impact LGPS
and TPS.

Government will
introduce legislation.



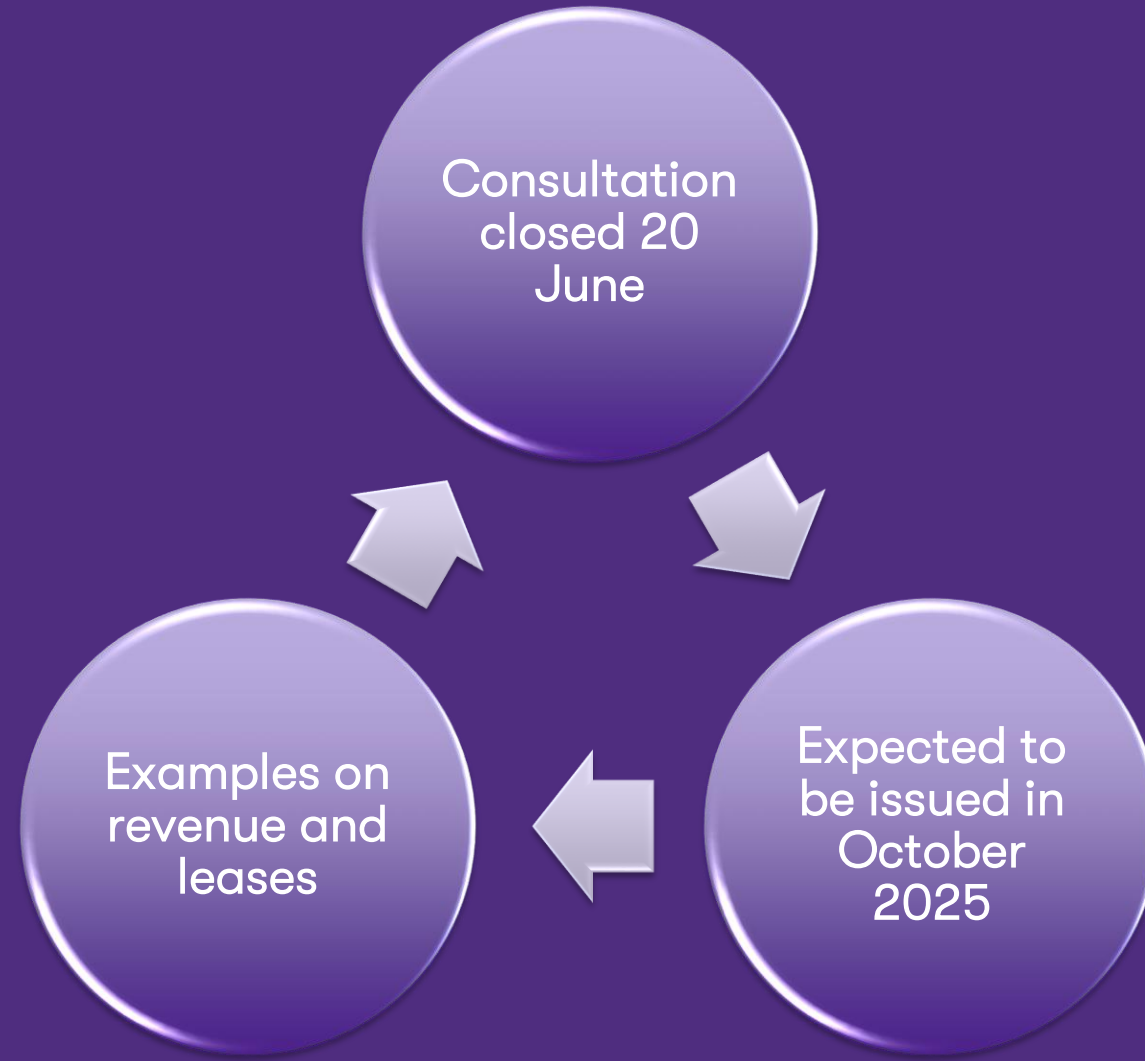
Pensions

Scheme valuations out
April 2026 (LGPS) and
April 2027 (TPS)

Merging LGPS
schemes?



SORP



Questions?



© 2024 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.