



Welcome to Focus On... special termly bulletin looking at issues relevant to particular sectors and topics of interest.

In the Spring term's Focus On... Education, we look at news that an independently administered fund could be used to nurture the most able pupils. We also find out why schools could be pushed to breaking point due to a demand for school places and there's an introduction to a member of our academies team. Finally, we explain what you need to know about SORP 2015.

If you would like to discuss any aspect of our specialist audit and accountancy services for schools, please contact Emma Murray, Audit and Compliance Partner at Nicholsons, at emma.murray@nicholsonsca.co.uk or phone **0845 27 66 555**.

A fund for talented pupils

The shadow education secretary has announced plans to establish an independently administered fund to advise teachers of talented children.

Tristram Hunt plans to set-up a special fund, administered independently, to advise teachers on what they can do to stretch the most talented children in primary and secondary schools.

Under the influence of Lord Adonis and David Miliband, Labour set-up a National Academy for Gifted and Talented youth in 2002, but the funding was withdrawn in 2010. Academies and free schools operate outside local authority control and have the freedom to set their own curriculum, buy in services they need and control teachers' pay. While academies were first introduced by Labour, the coalition has radically accelerated this policy and now more than half of all state secondaries operate as academies.

Hunt is proposing that schools are entitled to bid for monies from the Gifted and Talented Fund to help their work in nurturing their most able pupils. Research shows that the OECD average for pupils reaching the highest levels of performance at age 15 in maths is 3.1%, whereas in England it is 1.7%, with the majority coming from independent or grammar schools. This leaves the UK ranked 26 out of 34 OECD areas. In literacy, England's performance is about average, but the top-performing pupils hail from independent and grammar schools.



Are you aware of SORP 2015?

Statement of Recommended Practice, or SORP, affects accounting standards for periods beginning on or after 1 January 2015. It is based upon FRS102 but has implications for schools and academies.

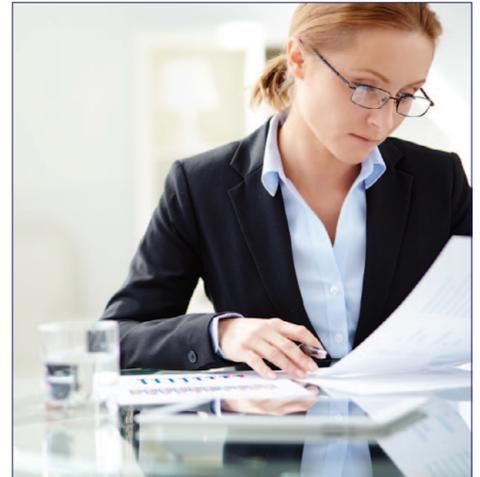
SORP 2015 makes specific changes to accounting policies and disclosures, and those affecting many academy trusts include the following:

- established trusts – trusts incorporated before 1 January 2015 will first use it to prepare their financial statements for the period ending 31 August 2016
- new trusts – as companies, new trusts must have an initial accounting period that is not more than 18 months long, and there will be a small cohort of academy trusts (those whose

date of incorporation falls between 1 January 2015 and 1 March 2015) that will need to apply SORP 2015 earlier – for the period ending 31 August 2015.

For the majority of academy trusts, transition began on 1 September 2014. For example, established academy trusts preparing their financial statements for the year ended 31 August 2016 will need to restate the comparative figures from their financial statements for the year ended 31 August 2015 and their opening balance sheet at 1 September 2014 to reflect any changes to accounting policies under SORP 2015.

In May 2015, EFA will provide further information in the Accounts Directions explaining how to apply SORP. In the meantime, trusts should discuss any queries with professional advisors.



Schools facing breaking point over places

Council leaders are warning that the cost of creating places for the 880,000 extra pupils expected in England by 2023 could push schools to breaking point. The Local Government Association (LGA) fears that the demand for school places could soon reach a tipping point because there will be no more space or money to extend schools. It wants the government to fund the cost of all the extra places, which is expected to run to £12bn; around

£5bn more than the government's commitment of £7.35bn.

As well as more central government funding, the LGA wants councils to be given the powers to open new schools in order to meet local needs.

Official government figures published last year project that by 2023 there will be a total of

8,022,000 pupils in England's schools; up from 7,143,000 in the current academic year. According to the National Audit Office (NAO), the school population bulge is most acute in major cities with the birth rate rising faster than at any time since the 1950s. The NAO said this is related to a 6% increase in the number of women of child-bearing age since 2003, plus a growth in the number of older women having babies.

Spotlight on Simon Hall



Simon's involvement in academies largely focuses on the day-to-day running of the academy's financial responsibilities although he found that in the early days of conversion, the full extent of the requirements of an academy were undersold. "There were significantly more changes occurring within the day to day management of the academy finances than staff and individuals were expecting," recalls Simon.

Simon commented that before conversion, a lot of the academies had the majority of their book-keeping prepared by external bodies and so there was a steep initial learning curve to face. However, Simon and other team members have worked with academies throughout this curve to upskill and reduce the knowledge gap. Simon stated that the uptake from finance staff at academies is excellent, and the academy gets the reassurance that they

have a well trained team to hand hold them through the curve.

He also found that the dedicated software packages available to academies were often expensive, overly complicated and targeted to the larger academy or trust. Simon therefore started looking into Sage 50. This is a package that Nicholsons is an Accredited Accountant Partner for, and Simon undertook exams as part of this process. Simon's findings were that Sage 50 provided academies with a cost-effective accountancy solution that was also very user-friendly to the academy's finance team.

Throughout his career, Simon has been involved in a number of successful set-ups of Sage and other packages and has also established the financial systems that form part of the process.

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