

Factsheet – Academy Trust payment practices reporting

This factsheet summarises the key requirements in respect of payment practices reporting.

Background

Large businesses must publish information about their payment terms and practices, and how they keep to them. This measure increases transparency on payment practices and is intended to alleviate the financial burden on small businesses arising from late payments. The information must be published on a half-yearly basis through an online service provided by the government and is available to the public.

What is a large business?

An academy trust qualifies as large if it has at least two of the following:

- ❑ Over £36 million in income
- ❑ Over £18 million total assets on its balance sheet (fixed assets plus current assets)
- ❑ 250 or more employees

The Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024 came into force on 6 April 2025, and have the effect of increasing these size limits for financial years starting 1 September 2025 as follows:

- ❑ Over £54 million in income
- ❑ Over £27 million total assets on its balance sheet (fixed assets plus current assets)
- ❑ 250 or more employees

Academy trusts are charitable companies limited by guarantee which are formed and registered under the Companies Act 2006, and so have a duty to report if they meet the criteria.

What needs to be reported?

Businesses in scope of the reporting requirement must prepare and publish information about their payment practices and performance in relation to qualifying contracts (generally purchases for goods and services from any other businesses), for both six month reporting periods in the financial year. The information for each reporting period must reflect the policies and practices which have applied during that period, and the performance of the business for that period.

The report must be published on the web-based service provided by the government within 30 days of the end of the reporting period.

The report must contain the information required by the regulations and must be approved by a named trustee.

Summary of information required

For each reporting period, businesses are required to report on the following in relation to qualifying contracts:

Statistics on:

- the average number of days taken to make payments in the reporting period, measured from the date of receipt of invoice or other notice to the date the cash is received by the supplier.
- the percentage of payments made within the reporting period which were paid in 30 days or fewer, between 31 and 60 days, and in 61 days or longer.
- the sum total of payments made within the reporting period which were paid in 30 days or fewer, between 31 and 60 days, and in 61 days or longer.
- the sum total of payments which were not made within agreed terms during the reporting period.
- the percentage of payments due within the reporting period which were not paid within the agreed payment period.
- the percentage of invoices that were not paid within agreed terms because of a dispute.

Narrative descriptions of the business's standard payment terms, which must include:

- the standard contractual length of time for payment of invoices.
- maximum contractual payment period and any changes to the standard payment terms in the reporting period.
- If relevant, how suppliers have been notified or consulted on these changes.
- the business's process for resolving disputes related to payment.

Tick box statements about:

- whether suppliers are offered e-invoicing.
- whether supply chain finance is available to suppliers.
- whether the business's practices and policies cover deducting sums from payments as a charge for remaining on a supplier's list, and whether they have done this in the reporting period.
- whether the business is a member of a payment code, and the name of the code.

Where do I find out further information?

Detailed guidance has been published at:

<https://www.gov.uk/government/publications/business-payment-practices-and-performance-reporting-requirements/duty-to-report-guidance-to-reporting-on-payment-practices-and-performance>

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This document has been prepared for information purposes only and does not constitute advice. All information correct as at February 2025.