Education
Funding
Agency

2013 to 2014 accounts return

Guide to completion

July 2014

Contents

Part 1: Introduction

This guide explains to academy trusts how to complete and submit their 2013/14 accounts return to the Education Funding Agency (EFA).

You should read this guide in conjunction with the 2013/14 accounts return spreadsheets (referred to in this guide as 'the 2013/14 return' or 'the return'), and the [2013/14 Academies Accounts Direction](#).

The accounts return helps EFA to consolidate academy trusts' financial statements into its own annual accounts, the higher level Department for Education (DfE) accounts, and ultimately, those of the whole government: the Whole of Government Accounts (WGA).

Academy trusts prepare financial statements in accordance with the Charities Statement of Recommended Practice (SORP), whereas the EFA, DfE and the rest of government prepare accounts based on international financial reporting standards captured in HM Treasury's financial reporting manual (FReM). We therefore need to request some information which will not appear in trusts' financial statements.

The return is split into eight separate worksheets, each of which focuses on a specific information requirement, as described below. Throughout the return, additional analysis is often required so we can identify academy trust balances with the wider DfE group of organisations, composed of the core department, its executive agencies and directorates:

- Department for Education (DfE)
- Education Funding Agency (EFA)
- National College for Teaching and Leadership (NCTL)
- Standards and Testing Agency (STA)
- Children and Family Court Advisory and Support Service (CAFCASS
- Office of the Children's Commissioner (OCC)

Collectively, these bodies are referred to as the DfE group.

1.1 Scope of the 2013/14 accounts return exercise

Organisations included within the exercise

Throughout this document and the associated return, the term 'academy' (trusts) includes the following entities:

- sponsored academies
- academy converters

- free schools
- university technical colleges
- special schools
- studio schools.

These guidance notes use the term ‘academy trusts’ deliberately to avoid confusion as to the nature of the reporting entity. Academies do not prepare financial statements; the individual academies are the operational units or trading names of the companies that own and manage them (trusts). The legal requirement to prepare, have audited and file financial statements sits with the companies and arises from the Companies Act 2006. In this way, multi-academy trusts (MATs), which operate more than one academy, have one corporate legal entity (the company) but several operational units and trading names (the individual academies).

The requirements to file their audited financial statements, and provide information to enable EFA and DfE to fulfil their statutory duty to prepare consolidated accounts, fall on the directors (trustees) of the companies (the trusts).

The return dataset

We have designed the return to capture the financial results and position of trusts as at 31 August 2014, which explains the reliance placed on trusts’ audited financial statements for the period ended 31 August 2014.

You should complete the return if:

- your academy trust is preparing financial statements as at 31 August 2014, and
- your trust has academies open at 31 August 2014.

Trusts that have been incorporated but are not preparing financial statements to 31 August 2014 or do not have any open academies should not complete this return. In March 2015 EFA will issue an alternative version for those trusts to complete.

1.2 The return structure

The return is split into eight worksheets (six returns), which have different purposes:

- **Financial return** (‘Fin.Return’) – This return provides EFA and DfE with sufficient information to consolidate trusts’ financial positions and results into EFA and DfE’s consolidated accounts. The return is predominantly sourced directly from trusts’ audited financial statements and is split into three worksheets for ease of completion.
    - Statement of Financial Activities (‘SoFA’)

    - Balance sheet
    - Other notes.
- **Accountant's report** – This is the return that the trusts' external auditors will need to complete and return to the EFA.
- **Counterparty return** ('Co.Pty.Return') – This return supports the financial return and is focused on identifying trusts' balances (transactional and period end) for the period ending 31 August 2014, with government bodies including the DfE group. Balances identified in this return are automatically fed back into the financial return and will be used in the preparation of both DfE group accounts and the WGA.
- **Subsidiaries return** ('Subsidiaries') – This return enables trusts with subsidiaries to provide details of these.
- **Benchmarking return** ('Bench.Return') – This return will enable benchmarking between academies and maintained schools. DfE publishes benchmarking information at individual academy level to support local transparency and closer comparability between the income and expenditure data of local authority maintained schools and academies.
- **Land and Property** ('Land and Property') **–** This return provides a breakdown of the land and property assets included in the financial return and captures data on ownership and rental which we will use to consolidate these assets into EFA's accounts.

1.3 The return length

Whilst the return is extensive, nothing goes beyond what is required to prepare EFA or DfE group's consolidated accounts, WGA and the trust benchmarking exercise.

It is not expected that trusts will have to complete all the cells on all eight worksheets. For example, the latter stages of the financial return may only apply to a handful of the larger trusts. However, for purposes of completeness and transparency, EFA requires positive confirmation from the trusts, via the accounting officer's declaration, that they do or do not have such balances. If a cell is not relevant to your trust and no entry is required, you may leave it blank.

Similarly, we do not expect you to complete every line of the counterparty return. Once you have identified the required transaction totals and closing balances, it is just a matter of finding the counterparty's name in the dropdown boxes provided.

The accountant's report is to be completed by the trust's external auditors and not by the trust itself.

1.4 Navigating around the return

To help preparers navigate around the return, we have placed hyperlinks at the top of the financial return and counterparty return and within the body of the financial return. You can identify the hyperlinks by the blue font colour. Simply place your cursor over the text and hit the return key to jump to the named section.

1.5 Data entry

Throughout the return all monetary balances should be entered in £000s, not pounds and pence. For example, you should enter an amount of £1,533,974 as 1,534.

Throughout the return only shaded cells require data entry. The cell shading is consistent across the six returns and the standing data worksheet to aid completion.

Shading	Meaning
	Non-financial data cells whose contents are either found from dropdown boxes or typed directly into the cell.
	Cells that populate from elsewhere in the return.
	Cells that are sourced directly from the trust's financial statements.
	Cells that require aggregation or disaggregation of disclosures that will be required in trusts' financial statements; or additional disclosures within SORP classifications.
	Cells that support FReM-based disclosures that require a re-working of SORP disclosures.
	Cells that are available for trusts to make notes, calculations etc.
	Cells that indicate completion errors within the return. The annotation of the error will provide guidance as to the nature of the error.

1.6 Logic validations

We have dispersed checks (logic validations) throughout the return to ensure that different parts do not conflict with each other; for example the note totals with the primary statements (SoFA and balance sheet). These logic check validation cells have pale yellow shading. Failures are shown by "**Error – [wording]**" appearing alongside or below the failed cell.

The error messages will guide you to the cause of the problem. For example, if the total depreciation in the SoFA does not agree with the fixed assets (FA) note, cell E209 will show ‘Error – imbalance with FA note’. This highlights the issue as being between the balance sheet and the SoFA depreciation charge value.

Investigating error messages

As you populate the return, you will start to see error messages as you will not yet have completed the later parts of a return (to which the error checks compare). The number of error messages should fall towards zero as you complete more of the return. Therefore, you should only investigate errors once you have completed a first draft of the return.

There are error counters located at the top of each worksheet to highlight any failures in the returns. You should not submit the return whilst there are still error messages outstanding.

As well as error checks across the return, individual cells also have value restrictions to prevent incorrect values being entered. If an incorrect value is entered a dialogue box will appear to inform the preparer of the restrictions. For example, no cells will accept decimals since the return should be populated with £000s not pounds and pence. Additionally, specific cells are restricted. Cells for assets on the face of the balance sheet will not accept negative values since the nature of these cells requires them to be positive (assets).

1.7 Selection of academies and counterparties

At a number of places in the return, you have to identify academies and counterparties. In previous returns, you could type this in directly or select it from a dropdown list. In either case, the name entered was validated against a lookup table to ensure the correct name and format.

There are now over 4,000 academies and 5,000 counterparties. This makes selection from dropdown lists increasingly difficult. Not only is the typeface very small but there are many academies with the same or similar names.

In order to ease this process, you now need to enter the UPIN or counterparty ID (CPID) rather than the academy/counterparty name itself. We hope that UPINs for academies in the trust will be well known. CPIDs will be less well known. In any case, if you don’t know the UPIN or CPID, you can find it in the CPID tab using the ‘Ctrl F’ find function, and then enter it in the required cell. This will then automatically fill in the academy/CPID name and the other information required.

1.8 Submission of returns by MATs

A trust should submit a return that matches the scope of its financial statements. Therefore, a trust preparing consolidated financial statements should also submit a consolidated return, which includes the same academies and/or trading subsidiaries as the financial statements.

A MAT will only prepare or submit consolidated financial statements or a consolidated 2013/14 return if they own trading subsidiaries. Whilst the MAT will cover more than one academy, there is only one reporting entity: the company. To stress, the individual academies are not the reporting entities as these requirements are focussed on companies, and arise primarily from the Companies Act 2006.

Of course, if the MAT, or for that matter, a single academy trust (SAT), has subsidiary companies (possibly to manage its property portfolio or letting its facilities out) then that company (MAT or SAT) should consider preparing consolidated financial statements based on their combined size. If the trust is required to prepare consolidated financial statements, including all its subsidiaries, the trust would then also prepare and submit a consolidated 2013/14 return; which would name all the subsidiaries included.

Federations should follow their corporate structure and complete returns, if relevant, for each member trust

1.9 Return signoff

The completed file must be signed off by the trust's accounting officer and the external auditor on the Excel spreadsheet. Since we require workable Excel files, accounting officers should type their name and the date into the cells at the foot of the 'standing data' tab to 'sign' the return. The external auditor should type the name of the audit firm and date into the cells at the foot of the independent reporting accountant's report (the assurance report) contained within the return.

When submitting, trusts should include with their return a scan of the accountant's report signed by their external auditors. Trusts should also retain for their records a physically signed copy of their return, along with the original signed auditor's statement.

1.10 Submitting your return

You must submit the completed return to EFA by 31 January 2015. We will confirm the submission route in the autumn via our e-bulletin and an update to this guide.

Part 2: The independent reporting accountant's report on the accounts return

2.1 Background

EFA requires trusts to arrange for their external auditors to prepare an assurance report covering the preparation of the return. This is the independent reporting accountant's report on the accounts return (or the assurance report). The assurance report tab of the Excel workbook includes model wording. Trusts should send a scanned, signed copy of the assurance report to EFA with their completed return by 31 January 2015 Trusts' external auditors are required to provide assurance over the preparation of the return from the trust's audited financial statements and underlying financial records. This assurance is in addition to the true and fair opinion on the trust's statutory financial statements for the academic year 2013 to 2014. EFA has consulted a group of audit firms active in the academies sector and the National Audit Office on the form of words to be adopted by external auditors in giving assurance on the return.

EFA does not intend to be a party to the engagement between the academy trust and its external auditors in giving assurance on the return.

2.2 Assumptions

EFA requires the trust to ensure:

- the assurances required from the external auditor cover the return as a whole, including the benchmarking return;
- the audit firm that undertakes the work for the statutory audit opinion and regularity assurance report on the trust's financial statements also undertakes the review of the return as an integrated and related piece of work; and
- external auditors reviewing the return will have audited the underlying records for the financial statements.

Part 3: Financial return

3.1 Introduction

EFA will use the financial return ('Fin.Return') to consolidate trusts' financial results and position into the DfE group accounts. Each trust will populate their Fin.Return from their own audited financial statements for the period ended 31 August 2014.

Wherever possible, entries in the Fin.Return can be sourced directly from the financial statements without any amendment (green cells). Some entries will require some degree of aggregation or disaggregation of financial statement balances or new SORP-style disclosures (amber cells) and a third category require completely new balances that do not map to existing SORP disclosures (red cells).

To ease the process of completing the Fin.Return, we have split it into three worksheets; the statement of financial activity (Fin.Return – SoFA), the balance sheet (Fin.Return – BS) and other notes (Fin.Return – Other Notes). In this way, the notes and analyses related to the primary statements (the statement of financial activity and the balance sheet) appear directly under the relevant primary statement rather than being distributed throughout a larger worksheet as they were previously.

Sign convention

When you place your cursor in the data entry cells in column F of the financial return, you will see annotations detailing the sign convention you should follow when entering your data.

The Fin.Return sign convention follows the normal accounting sign convention; which is dependent upon the specific primary statement and/or note in which the balance is found. For example, in the SoFA, both income and expenses are positive since they are clearly denominated. Elsewhere it may be different and fluid; entries in the notes to the financial statements are always positive if they are the expected value for that specific note. For example both debtors and creditors are represented as positive numbers since they have specific notes that clearly separate the balances.

Local guidance notes

Within the Fin.Return you can find local guidance notes by placing the cursor in the cells with '**Notes**' within them.

More extensive notes for specific issues are below.

Conflict between the return and financial statements

The accounts returns, and specifically the financial returns, are not designed to be exact facsimiles of trust's financial statements. The return is designed to support the integration of trusts' financial statements into the consolidated financial statements of EFA and DfE. Therefore, the return is formatted to mirror EFA's consolidated accounts.

EFA is unable to allow trusts to amend the return's layout by adding rows or columns to the return. EFA expects to receive more than 3,000 returns from the academies sector, which requires an automated aggregation tool. This will require consistent cell references to produce a single aggregated return for all the trusts in the return population.

If there are conflicts between the disclosures presented by individual trusts and those set out in the return, trusts will have to re-analyse their disclosures to fit those required by the return.

3.2 Specific guidance

Statement of financial activity

Incoming resources include (as separate lines) the resources transferred to the trust when academies convert or transfer into the trust. You should show these under these headings regardless of whether the net transfer in was an asset (income) or a liability (expense).

Similarly**, resources expended** include a line for the resources transferred from the trust on the transfer out of existing academies to another trust. You should show on this line regardless of whether the net transfer out was an asset (expense) or a liability (income).

The 2013/14 return requires you to present transfers of existing academies between trusts separately because such movements are becoming increasingly common.

The related notes in the Fin.Return – Other Notes worksheet are validated against the values that you enter in the SoFA.

Voluntary Income

Any capital donations entered in this section should equal donations shown in the fixed asset notes in the Fin.Return – BS worksheet.

A capital donation is the gift of an asset. Where cash is donated, even if it's specifically for capital purposes, you should record it as private sponsorship or other donations.

Transfers on conversion are not voluntary income and should be shown under transfers on conversion, and not in this section.

Revenue grant income

As part of the consolidation process at both EFA and DfE level, all trust balances with members of the DfE family will need to be identified and eliminated. Therefore, unlike SORP, which requires grants to be disclosed based on programme type; EFA requires grant funding income split by issuer body.

EFA and DfE amounts entered here automatically populate the counterparty tab.

Capital grant income

Irrespective of where trusts account for their capital grant income in their financial statements, EFA requires all grant income (revenue and capital) to be included within the 'Charitable activities – Academy's educational operations' section.

The inclusion of all grant income into a single section will greatly simplify the consolidation process. Any re-presentation compared to a trust's financial statements will also need to be reflected in the SoFA section of the financial return.

Any re-presentation does not suggest that a trust's financial statements are incorrect.

EFA and DfE amounts entered here automatically populate the counterparty tab.

Staff costs

SORP does not require trusts to present separately pay costs dependent upon employment status (permanent and interim/temporary). Accounting standards applicable to EFA/DfE require this. Therefore, trusts are required to reanalyse their total pay costs as disclosed under SORP between staff members on permanent contracts and those on temporary or interim contracts.

The split between permanent and interim/temporary staff is not based on hours worked but on length of contract. Accordingly, all supply and maternity cover teachers would automatically classify as interim staff since they are employed by the trust for a specific period of time; the period of illness and maternity leave.

Part-time staff such as teaching assistants and lunch-time staff could be either permanent or temporary staff. A teaching assistant who had an open-ended contract of employment with a trust, but did not have guaranteed weekly hours, would still be classified as a permanent staff member. However, a teaching assistant brought into a trust to cover a known staff absence would be temporary, since their contract has a set end date.

The term 'pay costs' is used throughout to indicate all pay costs, including national insurance and pension, and only pay costs. You should include staff-related non-pay costs such as travel and training under another appropriate heading according to the format of the particular analysis being completed.

Pay costs should include pension finance costs as detailed below.

The financial return has logic checks to highlight where the analysis totals do not agree to SORP disclosure totals.

Staff numbers

SORP requires disclosure of the number of staff (average monthly full time equivalent) undertaking a trust's charitable activities. EFA requires such an analysis for all staff at the trust; again split by employment status. To allow for an audit trail we require trusts to complete their SORP disclosures and then provide additional fuller disclosures for all staff employed by the company.

We do not expect trusts to report a 'nil' entry for the management category. Where a headteacher fulfils a teaching role, their management role supersedes their teaching role for the purposes of this disclosure and they should be disclosed accordingly.

Tangible fixed assets

Trusts should complete the tangible fixed asset section using the asset classifications from their financial statements.

The return requires separate disclosure of tangible fixed assets:

- transferred in on conversion of academies and on the transfer in of existing academies; and
- transferred out on the transfer out of existing academies.

In addition, trusts need to separate software from IT equipment. EFA and DfE will, following FReM, report software assets as intangible assets.

As well as the closing net book value (NBV) EFA and DfE also have to disclose the split of the NBV between land and buildings. All trusts need to provide an analysis of their closing property values accordingly. We assume trusts have split their land and building values because when you prepare your financial statements you do not depreciate land.

If your trust has adopted an asset revaluation model, you will need to provide details of the historic values as well for disclosure.

Depreciation and amortisation periods

These rows do not refer to the period of the financial statements/return. Trusts should enter the periods, as disclosed in the trust's accounting policies note, of the useful economic lives used to calculate the depreciation and amortisation charges,

If your trust has a range of periods for any single asset class, you will need to disclose the lower and upper ranges in the row provided.

If your trust uses a reducing balance methodology for an asset class, you will need to enter the rate used in the row provided.

Intangible fixed assets

As with tangible fixed assets, you must provide separate disclosure of intangible fixed assets:

- transferred in on conversion of academies, and on the transfer in of existing academy trusts; and
- transferred out on the transfer out of existing academies.

Investment asset classes

We have revised the asset classes used in both investment notes (fixed asset and current asset) from previous returns. Previously the asset classes used and the guidance were insufficient to populate the expanded disclosures found in DfE and the EFA group's accounts.

There are still two broad categories of investments:

- investments carried at market (fair) value; and
- investments carried at cost.

The chosen asset classes are duplicated since under different circumstances the same broad asset class can be accounted for under either cost or market value.

A quick summary of the assets that we expect to find with each asset class is given below:

- **Subsidiaries** are companies wholly owned by the trust and included in the trust's consolidated financial statements. In addition we would expect the subsidiaries to be limited by shares with all issued shares owned by the trust. Subsidiaries are only carried at cost.
- **Shares**: these are shares held by the trust but not subsidiaries. We would expect the shares to be held for investment purposes (capital growth or dividend income).

- The shares can be carried either at cost (unlisted private companies) or market value (listed public limited companies such as Marks and Spencer or BP). In all cases the percentage of shares held will not be significant to the number the investment has in issue allowing for the non-subsidiary classification.
- **Corporate bonds**: these are securities that exhibit loan-like behaviour. A trust owning a bond will receive interest income (coupon) and on the maturity of the bond will receive the face value of the bond.
- Like shares bonds can be either held at cost (generally issued by an unlisted private company without a secondary market) or at market value and issued by a public limited company (Marks and Spencer, BP, Shell etc.).
- **Unit trusts and open-ended investment companies (OEICs)** are listed investment funds that allow investors to buy into by acquiring individual units. Temporarily, uninvested cash balances held by the money manager should be classified as unit trust funds.
- **Investment properties**: these are properties owned by a trust that are not used in the furtherance of their educational activities, such as rental houses and flats. Under UK generally accepted accounting principles (GAAP) such assets can be carried at either costs (depreciated) or fair value (non-depreciated).
- **Cash term deposits**: these are back accounts that have set maturities and often offer restricted access rights. For instance a trust with surplus cash may want to use the surplus cash wisely by investing it until it is needed. Fixed term accounts often offer attractive interest rates since the banks know how long the cash will be deposited with them for.
- The bank accounts are accounted for as fair value as the cash is effectively fair valued.
- **Derivatives** are specialised financial instruments which are designed to perform specific risks/tasks such as mitigate foreign exchange risk. All derivatives are carried at fair value.
- **Other**: if a generic asset class for all other asset types held by a trust such as art, again it could be carried at either cost or fair value.

We have removed the term ‘endowment’ from the asset classes as this is not an asset class. Endowment refers to restrictions a trust may have holding and/or using the investment’s income stream. Endowments do not feature in DfE or EFA’s FReM-based accounts.

Provisions for liabilities and charges

Disclosure requirements applicable to EFA and DfE, set out in the FReM, require provisions to be broken down into the headings provided; SORP does not require any breakdown across provision types. The analysis, for those trusts with multiple provisions, should not prove too arduous since it should be easily sourced from accounting records.

EFA also require a maturity analysis across the three financial reporting time steps provided. The totals here must agree to those in the provision class given previously.

Pension schemes

The majority of the pension disclosures are as required by SORP. The largest change is the EFA's need to identify the different pension schemes and classify them depending upon the FRS17 scheme type (eg defined benefit and defined contribution). Other than the scheme analysis required in the amber cells all other disclosures should be a straight lift from the trust's financial statement FRS17 disclosures.

There is an additional analysis of the SoFA pension charge to allow EFA to correctly aggregate the charges for the different scheme types. In addition defined benefit SoFA charges will need to be analysed out between contributions payable for the period and the FRS17 adjustment.

Only some defined benefit schemes, either single employer or multi-employer schemes with allocated assets, require the extensive disclosures to be populated.

You are required to break down employer pension contributions further according to the FRS17 scheme type in the pension commitments note. We expect that the majority of trusts will only have two pension schemes: Teachers' Pension Scheme (TPS) and a Local Government Pension Scheme (LGPS). These two schemes have been preloaded into the financial return but additional space is available for trusts to notify us of other schemes run by the trust.

Pension finance costs

EFA will need to replace pension income, expenditure and balances included within trust financial statements with IAS19 valuations at 31 March 2015. It is therefore important that trusts' FRS17 valuations at 31 August 2014 included within published financial statements are consistently included within the return, so that their effect can be reversed out.

The breakdown of the SoFA pension charge at 'Fin.Return – Other Notes' E157 is validated against the pension costs shown in the staff note in the 'Fin.Return – SOFA' worksheet at E310. The SoFA pension charge includes pension finance costs. Therefore, you need to include pension finance costs in the staff costs note, even if your trust has legitimately chosen not to include pension finance costs as part of staff costs in your published financial statements.

The return requires pension finance costs split between permanently employed and temporary/interim staff. We would normally expect such costs only to relate to permanent staff.

Conversion to an academy/transfers of existing academies

Incoming resources and resources expended on conversion to or transfer of an academy are shown in the SoFA. EFA and DfE will have to provide extensive disclosures covering the entry of new academies into their consolidated accounts. The 'conversion to an academy trust' section of the financial return is designed to capture in more detail all assets and liabilities transferred into the new academies from their local authorities or elsewhere. Similar information is captured for existing academies moving between trusts in the relevant sections. The level of disclosures presented in the financial return provides EFA with sufficient information to support its disclosures.

For MATs, the number of academies converting, transferring in or transferring out will be validated against the number identified in the standing data tab.

EFA does not require trusts to calculate a full balance sheet for converted schools or transferring academies including accruals and prepayments. Rather, EFA is looking for an analysis of assets and liabilities transferred. The majority of transferred assets and liabilities are the land and buildings housing the school and the LGPS deficit.

Completion of these sections is only required for the first accounting period after the school converts or the academy transfers.

These sections will also be used to support the production of consolidated cash flow statements. The movement of opening to closing balance sheet items used in cash flow statements will need to be adjusted to reflect the 'new' assets and liabilities received by EFA and DfE through schools converting.

Please select the correct UPIN as outlined in 1.7 for the school that converted or academy that joined the trust during the reporting period. The balances disclosed should be those immediately after conversion/transfer and not those as at the period end.

The total assets and liabilities transferred are validated against the relevant line of the SOFA. Tangible and intangible fixed assets and investments transferred are validated against the relevant lines in those notes as are pension scheme surpluses or deficits transferred.

Operating lease commitments

Operating leases are all those leases that are not finance leases (see below). Leases of land are always operating leases.

Under SORP, operating lease commitment disclosures are based on the annual cost of each lease being reported in a maturity band of when the lease expires. However for EFA and DfE, the FReM mandated disclosures require you to apportion the whole remaining cost of the lease across the time steps.

Therefore, EFA disclosures will be larger than SORP disclosures. For example under SORP, a lease with ten years remaining with an annual cost of £10,000 would only be disclosed as £10,000 in the 'Over five years' time step. For EFA and DfE all three time steps would have disclosures relating to the lease: £10,000 in 'Within one year'; £40,000 for 'Two years to five years' and £50,000 for 'More than five years'.

The worked example below contrasts the different approaches.

Worked example

Lease A – 10 years remaining at £10,000 per year
Lease B – 4 years remaining at £5,000 per year
Lease C – 2 years remaining at £15,000 per year.

	Lease A £000	**Lease B £000**	**Lease C £000**	**Total £000**
SORP				
Within one year	-	-	-	-
Within two and five years	-	5	15	20
Over five years	10	-	-	10
	10	5	15	30
Required				
Within one year	10	5	15	30
Within two and five years	40	15	15	70
Over five years	50	-	-	50
	100	20	30	150

Finance lease disclosures

Finance leases are leases where substantially all the risks and rewards of ownership transfer to the trust. The lease will therefore run for most of the useful economic life of the asset.

As stated above, leases of land will always be operating leases and never finance leases, as land is considered to have an infinite economic life.

Similar disclosures are required for all finance leases held by trusts. We do not expect there to be many trusts with finance leases, but have added the disclosures for completeness. The same change in disclosure methodology is required as for operating leases.

Other financial commitments

Other financial commitments are split between PFI and other (non-PFI) balances. Consolidation of the reported balances at different levels of the DfE family requires the additional analysis.

Balances disclosed here are separate to those disclosed in the capital commitments section of Fin.Return – Other Notes.

Contingent liabilities

Please provide a breakdown of all the trust's contingent liabilities as disclosed in the trust's financial statements, if any. As well as the closing position, a movement schedule across the period is also required.

Please provide sufficient description of the balances to allow for EFA/DfE to understand the underlying issue.

We do not expect trusts to have contingent assets.

Related parties

Whilst trusts will include related party transaction disclosures in their own financial statements, such disclosures will not be appropriate for either EFA or DfE. The disclosures contained in a trust's financial statements will be based on the parties related to that trust's board of trustees, which will be different from those parties related to the boards (executive and non-executive) of EFA or DfE. Since the boards are different, the related parties will be different.

EFA and DfE are required to disclose transactions between all organisations included within their consolidated accounts and bodies related to their own board and senior management members. Whilst we can identify our own transactions from our own ledgers, we are unable to identify any such transactions made by trusts.

Therefore, we have included separate lists of all parties considered to be related to DfE in the financial return. We require all trusts to review their financial ledgers for the period covered by the return and identify all transactions by the trusts with the bodies named in the financial return. Trusts should then complete the disclosures providing period totals for each body and highlighting any closing balances with the body. Individual transaction information is not required, only the total per body for the period covered by the return.

If the trust has no disclosable transactions they need to use the dropdown box to explicitly state this.

Exit packages

EFA and DfE disclose breakdowns of employee exit packages agreed during the period of the accounts. Consequently, to enable the consolidation of trusts into the EFA and DfE consolidated accounts, trusts need to provide similar disclosures.

The EFA/DfE disclosures are split between civil service and non-civil service exit schemes, although it is expected that only non-civil service schemes will be applicable to trusts. The value of the packages disclosed is the total cost (including pension contributions) not just sums paid directly to the departing employees.

Losses and special payments

All government departments and their consolidated bodies are required to disclose losses and special payments under the terms of the HM Treasury publication 'Managing Public Money'. The scope of the disclosures requires trusts to capture payments that fall into the categories provided for inclusion in EFA/DfE's consolidated accounts.

It is important to note that any non-contractual element of the exit packages reported in the previous section must be reported here as a special payment. The dropdown box in column I includes a descriptor for such payments.

For more information regarding losses and special payments please refer to:

- Losses and write-offs – annex 4.10 of 'Managing Public Money';
- Gifts – annex 4.12 of 'Managing Public Money'; and
- The Academies Financial Handbook.

Please list out all applicable payments and losses in the space provided, overtyping the details of the payment in column B. Please also fill in the details as to when the loss/payment occurred (recognition date) and when the payment occurred. If the payment/write-off has not yet occurred as at the balance sheet date leave the cell in column H blank.

In a lot of cases these two dates will be the same but not always which is why we require the split. The dropdown box in column I will allow trusts to identify the type of special payments and losses.

Part 4: Counterparty return

4.1 Introduction

A consequence of the decision to consolidate trusts' results into the government's published accounts is the need to identify all transactions between, and closing balances with, trusts and government bodies during the period. All balances between trusts and government bodies need identifying so that we can remove them during the consolidation process. The end result is the Whole of Government Accounts (WGA).

The method chosen to report trusts' identified government balances is the counterparty return contained within the return in the worksheet titled 'CoPty.Return'.

4.2 Format of the counterparty return

You will only use the dropdown boxes once per counterparty. This layout highlights that any income or expense counterparty could have a closing debtor or creditor balance as well.

The return will populate the correct financial statement caption amount. Entries will be validated to ensure they do not exceed the caption amounts in total.

As the return covers the income, expenditure, assets and liabilities for a counterparty on a single line, an appropriate sign convention has been adopted. You should enter expenditure and assets as positive numbers, and income and liabilities as negative numbers. The validation on the worksheet enforces this convention.

Grant income from EFA/DfE and VAT balances with HMRC that you have already input in the financial return are automatically entered to the counterparty return.

4.3 Specific completion guidance

Transactions between the trust and other public bodies for the period

Preparers will need to identify transactions between the trust and other public bodies included within the financial statements for the period.

For each category of transaction and closing balance, give a breakdown by selecting the public body's CPID in column B as outlined in 1.7. Trusts are only required to provide totals by counterparty, not individual transactions.

Excluded transactions

Some transactions and caption balances are excluded from the counterparty return.

Some captions, such as ‘Amounts owed to/from group undertakings’ are not carried across from the financial return. This is because these will be companies associated with the trusts that have not been included within their return. As these companies are not public bodies they are not required for the counterparty return.

Whilst most trusts are stand-alone companies, others are part of corporate groups. In certain circumstances, these groups may prepare financial statements that do not include all members of the group. Consequently, those financial statements will include amounts due to or from the reporting entity and other members of the corporate group. However, since those counterparties have not been included within the return, their balances fall outside the scope of the counterparty return.

Other excluded counterparties are universities and higher education organisations. Such organisations have been classified by the Office for National Statistics as non-public sector and are therefore outside the scope of the WGA exercise.

List of applicable counterparties

Counterparties are identified by CPID column B of the return selected as detailed in 1.7. There are a very large number of possible counterparties once all academies are included.

The list of disclosable counterparties is shown on the CPID worksheet. The list has been split into two with the following more relevant bodies sorted alphabetically:

- academies
- DfE group members
- central Government bodies
- English local authorities
- LGPS units.

The rest of the full CPID list is sorted alphabetically within the following types:

- public government trading companies (such as the post office)
- NHS bodies
- Welsh local government bodies
- Northern Irish local government bodies
- Scottish local government bodies

Balance sheet

Provide a breakdown of closing assets and liabilities with other public bodies, based on financial statement classifications. The return will check to make sure the number of disclosure items per caption are the same; such as value, CPID code and counterparty name.

Statement of financial activity

Provide a breakdown of income and expenditure with other public bodies, based on financial return classifications. The return will populate the correct caption balances.

Wages and salaries are those salaries paid to employees of other disclosable government bodies on behalf of those bodies. Within central government there are many inter-departmental staff secondments. In such a situation the seconded department may reimburse the seconding department their employee’s salary; which would be disclosed here.

The return will check to make sure the number of disclosure items per caption are the same; such as value, CPID code and counterparty name.

Transactions within and between trusts

As mentioned previously, all transactions within a trust will have been removed in the preparation of their own financial statements. The removal of such transactions for financial statements will be echoed in the return.

Transactions between trusts will need to be identified so that we can eliminate such intra-group transactions when we prepare the DfE group and EFA group consolidated accounts.

Transactions between trusts should therefore be treated just like other transactions between a trust and any other public body.

Part 5: Subsidiary return

5.1 General notes on completion

This return is obviously only relevant to those trusts which have subsidiaries. If the trust has subsidiaries and has completed this return, this should be indicated in the relevant boxes on the standing data sheet.

This return is required so the EFA and DfE have a full picture of trusts' activities. You should be able to source almost all the information directly from the trust's financial statements. The only additional information required is the split of total liabilities between loans, finance leases and others.

Part 6: Benchmarking return

6.1 General notes on completion

The accounting and disclosure framework underpinning the benchmarking return is not fully aligned with that underpinning a trust's statutory financial statements. In some areas of the return, the disclosure aggregations do not match those found in trusts' financial statements, or therefore, in the financial returns.

The analysis of staff costs described below is an illustration of such a divergence. The financial return analyses pay costs into three cost types (salaries, NIC and pension contributions) split across three broad staff types (teachers, support and management). The benchmarking return requires a much more focused staff-type analysis for all costs. This represents additional work for trusts to populate this return.

In addition to inconsistencies in the disclosure aggregations, the benchmarking return is also heavily focused on the classification of grant income received by trusts. Government spending is split into two broad groups: capital spending and revenue spending. Government departments have different reporting and control processes for the different funding streams, and so view the two funding types independently.

Unfortunately, for the purposes of trusts' statutory financial statements the analysis between capital and revenue (and even the use of the two words) differs from that used by government and the benchmarking return. Whilst there is a large overlap between the two differing approaches, there are also known differences.

DfE provides grants to trusts to support the maintenance of trusts' buildings and so classifies such grants as capital maintenance. However, companies are restricted to classifying all such income and expenditure as revenue; only amounts capitalised in a company's balance sheet are classified as capital.

This divergent terminology, and treatment, may also generate differences between the financial return and benchmarking return. Consequently, we do not expect there to be agreement between a trust's retained surplus/deficit for the two returns.

6.2 Completion of benchmarking tab by MATs

For MATs, there is an additional requirement to split the income and expenditure totals into the individual academies included with the consolidation return. This is to allow for comparison of the benchmarking data across all individual academies. The method adopted for MATs is to source the overall income and expenditure amount from financial return sheet, but this will require the preparer to breakdown the total by central services (if the MAT has them) and by individual academies. The academy name has been linked with standing data tab; the MAT doesn't need to enter them on the benchmarking spreadsheet.

EFA has also built in error check cells, which will alert MATs if their overall income and expenditure total does not equal the breakdown for central services plus individual academies.

6.3 Data entry

Detailed line notes

The detailed line-by-line notes below are **only** for MATs that are splitting their figures over their member academies, except for the staff costs section, which applies to everyone. SATs need only to complete a detailed analysis in the staff costs section (lines 30-40).

The majority of the information has been sourced from the Fin-Return worksheets.

For each academy included in the return, the preparer will need to choose from the dropdown the most appropriate period length on row 14 of the benchmarking spreadsheet.

6.4 Revenue income (lines 1-15)

EFA grant funding (line 1)

The return includes all revenue grants funding receivable in the period, broken down into the various EFA funding streams, including new funding streams for 2013/14:

- **Line 1 –** includes EFA revenue grants receivable for 2013/14 academic year and is sourced automatically from 'Fin.Return – SOFA' tab, lines 127 to 136.

DfE grant funding (line 2)

- **Line 2 – Other DfE grants –** includes all other revenue grants received or receivable from DfE and EFA; this should include any funding for pupil focused extended academy activities and is sourced automatically from the 'Fin.Return – SOFA' tab, line 157.

Local authority grant funding (lines 3-4)

The return includes all local authority funding receivable in the period.

- **Line 3-4 –** includes local authority grants funding receivable broken down into Special Education Needs (SEN) and other income funding streams for 2013/14 and is automatically sourced from the 'Fin.Return – SOFA' tab, lines 168 and 169.

Other grant funding (line 5)

- **Line 5 – Other government grants** includes all revenue grants receivable from other government sources and is automatically sourced from the 'Fin.Return – SOFA' tab, line 175.

Other revenue income (lines 6-8)

- **Line 6 – Government source (non-grant)** includes all other income received or receivable from government sources other than DfE and EFA and is automatically sourced from the 'Fin.Return – SOFA' tab, line 180.
- **Line 7 – Academies** includes all other income received or receivable from other academies' and/or trusts own facilities and services and is automatically sourced from the 'Fin.Return – SOFA' tab, line 181.
- **Line 8 – Non-government** includes all other income received or receivable from non-government sources and is automatically sourced from the 'Fin.Return – SOFA' tab, line 182.

Self-generated income (lines 9-12)

This includes all revenue grant income receivable and is automatically sourced from the 'Fin.Return – SOFA' tab, lines 102 to 106. Self-generated income is broken down into sub-headings in the benchmarking return.

Voluntary income (line 13)

- **Line 13 – Donations and/or voluntary funds – revenue** includes all voluntary grants, funding and income receivable associated with running community-focused facilities or activities and is automatically sourced from the 'Fin.Return – SOFA' tab lines 93 and 94.

Investment income (line 14)

- **Line 14** – includes all investment income receivable associated with running academies facilities or activities and is automatically sourced from the 'Fin.Return – SOFA' tab, line 119.

6.5 Capital income (lines 16-28)

- **Line 16-23** – includes 16-19 Demographic Growth Capital Fund, Devolved Formula Capital Grant, Centrally Managed Programme and Continuing Commitments payable by EFA for new buildings and other major capital projects. This information is automatically sourced from the 'Fin.Return – SOFA' tab, lines 139 to 146.
- **Line 24** – includes other capital grants paid directly to the academy by the DfE, other DfE group bodies (the National College for Teaching and Leadership, Standards and Testing Agency) for new buildings and other major capital projects. This information is automatically sourced from 'Fin.Return – SOFA' tab, line 166.
- **Line 25** – includes any other capital grants and amounts received or receivable from local authority is automatically sourced from the 'Fin.Return – SOFA' tab, line 170 and 176.
- **Line 26** – includes all capital donations and/or voluntary funds and all other capital income such as proceeds from the sale of fixed assets. This information is automatically sourced from the 'Fin.Return – SOFA' tab, lines 183 and 92.
- **Line 27**– includes all amounts transferred to be accumulated to fund capital works, any amount transferred to a local authority, any repayment of principal on a capital loan from the local authority and is automatically sourced from line 61.

6.6 Funds inherited on conversion (line 29)

- **Line 29** – includes the value of the net assets held by predecessor school(s) at the point of conversion to an academy, which was (were) transferred to the trust. This information is automatically sourced from 'Fin.Return – SOFA' tab, line 21.

6.7 Revenue expenditure (lines 30-65)

Staff costs (lines 30-40)

This should include the full costs of employment for staff employed directly by the trust including gross pay, bonuses, overtime and allowances, maternity and sick pay, employer's national insurance and superannuation contributions. Do not include any staff not directly employed by the trust (e.g. contractors or agency staff). Include all costs relating to redundancies, early retirements and severance packages.

- **Line 30 – Teaching** – include all teachers employed directly, contracted full-time, part-time teachers and any supernumerary or peripatetic teachers on short-term contracts. Also include the threshold and other payments relating to teacher pay reforms. Do not include supply teachers.

- **Line 31 – Supply teaching staff** – include all supply teachers directly engaged by the trust on a contract for services that are covering curriculum release, long-term absence, sickness absence or training absence.
- **Line 32 – Education support** – include all staff directly employed by the trust in support of pupils' learning but who are not teachers. For example: teaching assistants, learning support assistants, childcare staff, librarians, nursery assistants, pianists, supply education support staff, educational welfare officers, cover supervisors, laboratory, workshop and technical assistants and technicians, exam invigilators and exam officers, and foreign language assistants.
- **Line 33 – Administrative and clerical** – include all staff directly employed by the trust as business managers, bursars, finance directors, office administrators, finance officers, clerk to the governing body, attendance officers, PAs, secretaries, receptionists, telephonists, typists and other administrative staff. Do not include any staff employed to manage the trust's special facilities.
- **Line 34 – Premises staff** – include all staff directly employed by the trust as caretakers, cleaners, security staff, staff employed on routine and long-term maintenance, grounds staff, porters and messengers. Do not include any staff employed to manage the trust's special facilities.
- **Line 35 – Catering staff** – include all catering staff directly employed by the trust as cashiers, chefs and cooks, kitchen porters, servers and snack bar staff. Do not include meal time assistants. Do not include any staff employed to manage the trust's special facilities.
- **Line 36 – Trade union facility time cover** – please enter here the cost of cover arrangements for trade union facility time, irrespective of what category of work is being covered.
- **Line 37 – Other staff** – include all other staff directly employed by the trust and not covered above, such as: midday supervisors, mealtime assistants, boarding staff of a residential academy, escorts (e.g. for pupils with medical or special educational needs), liaison officers, staff employed to manage and support pupil-focused special facilities available at the academy, staff supervising students during before and after academy sessions or clubs and during breaks, youth workers, nurses and medical staff.
- **Line 38 – Indirect employee expenses** – include recruitment costs, staff travel, subsistence and other out-of-pocket expenses, duty meals, medical fees, childcare vouchers, payments to site service officers (caretakers, school keepers) for expenses such as rent, gas, rates, council taxes, electricity and telephone rental. This information is automatically sourced from 'Fin.Return – SOFA' tab, line 272.
- **Line 39 – Staff development and training** – includes the development and training costs for all staff (directly and not directly employed) at the trust, cost of all in-service training courses and other development opportunities, cost of equipment

and resources to provide in service training. This information is automatically sourced from ‘Fin.Return – SOFA’ tab, line 240.

- **Line 40 – Staff-related insurance** – include cover for non-teaching staff absence, employee-related insurance premium for accident and liability, assault, fidelity guarantee, libel and slander. The information is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 241.

Maintenance of premises (line 41)

This includes all costs relating to the maintenance or repair of premises, other than costs of directly employed staff, and equipment. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, lines 255 and 256.

Other occupancy costs (lines 42 – 47)

This includes all costs, other than staff and maintenance costs, related to the occupancy of the premises and grounds. Information is automatically sourced from the ‘Fin.Return – SOFA’ tab, lines 257, 261, 262, 260, 259, and 264.

Special facilities (line 48)

- **Line 48 –** include all costs payable relating to special facilities such as:
    - swimming pools and sports centres
    - boarding provision
    - rural studies and farm units
    - payments by your academy to another school or academy for the benefit of pupils at the other school or academy
    - pupil inter-site travel, i.e. moving between sites
    - expenses relating to before and after-school clubs
    - delegated home to school transport
    - indirect employee expenses and agency staff expenses relating to a special facility
    - purchase of trading items for resale, e.g. school uniforms, books etc.
    - charitable donations (payable by the academy to a charity)
    - community education with a benefit to the pupils at the academy

Do not include costs for directly employed staff associated with managing and supporting the special facility. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, lines 417 and 194.

Educational supplies and services (lines 49-54)

This includes the costs of supplies and services used directly for educational purposes during the period of the financial statements. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, lines 238, 242, 239, 243, 250, and 313.

Other supplies and services (lines 55 – 62)

- **Line 55 – Catering supplies** – includes non-capital catering equipment, provisions, other supplies used in catering (e.g. cleaning materials, protective clothing), purchase, rent, lease or hire of catering vending machines, full cost of service contract, related professional and technical services, repairs and maintenance of kitchen equipment, cost of providing free school meals and milk. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 266.
- **Line 56 – Legal & Professional** – includes professional services, consultancy and advice to staff and governors purchased from a third party relating to: management, finance, legal, personnel, premises, clerking service (if a clerk is not directly employed by the trust) and management fees on PPP contracts. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 285.
- **Line 57 – Auditor costs – Audit fees** – includes professional services, consultancy, and advice related to the trust’s statutory accounts audit. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 290.
- **Line 58 – Auditor costs – Other fees** – includes other professional services, consultancy and advice related to the trust’s own business needs. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 291.
- **Line 59 - Other insurance premiums** – includes premises-related insurance, vehicle insurance, accident and public liability insurance for persons not employed directly by the trust and school trip insurance. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 263.
- **Line 60 - Administrative supplies- non educational** – includes all supplies used for administrative purposes and is automatically sourced from the ‘Fin.Return – SOFA’ tab, lines 226, 254, 258, 265, 267, 276, 296, 298, 299 and 300.
- **Line 61 – Direct revenue financing (revenue contributions to capital) –** includes all amounts transferred to be accumulated to fund capital works, any amount transferred to a local authority, any repayment of principal on a capital loan from the LA and maintained schools may not enter into loan agreements with any other bodies. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 42.

- **Line 62 - Other** – includes all other administrative supplies and services. This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, lines 273, 274, 275, 292, 293, and 294.

Funding costs (lines 63–65)

- **Line 63 – Interest charges for loan and Bank –** includes any interest payments made on loan repayments and bank charges and is sourced from the ‘Fin.Return – SOFA’ tab, lines 270 and 271.
- **Line 64 – PFI Charges –** includes any PFI charges to the academies in year and is automatically sourced from the ‘Fin.Return – SOFA’ tab, line 269.
- **Line 65 – Central Recharge – MATs only –** includes any central recharges made by MATs. SATs should ignore this line.

6.8 Capital costs (lines 66-75)

Tangible Fixed Assets (Lines 66-69)

This includes the purchase of tangible fixed assets, depreciation, impairment, net book value for all classes of tangible fixed asset for the accounting period.

This information is automatically sourced from the ‘Fin.Return – BS’ tab, lines 65, 79, 89 and 99.

Intangible Fixed Assets (Lines 70-73)

This includes the purchase of intangible fixed assets, the full charge, for amortisation and impairment, net book value for all classes of intangible fixed asset for the accounting period. This information is automatically sourced from the ‘Fin.Return – BS’ tab, lines 126, 139, 149 and 159.

Purchase of investments (Line 74)

This includes the cost of purchasing of investment sourced directly from the ‘Fin.Return – BS’ tab, line 171.

6.9 Average staff numbers: full time equivalent (lines 76-78)

This information is automatically sourced from the ‘Fin.Return – SOFA’ tab, lines 325 – 327. An example table is below:

Average Staff Numbers (FTE)		**Total Number**	**Permanently Employed Number**	**Temporary / Interim Staff Number**
Teachers	76	105	100	5
Administration & Support	77	41	37	4
Management	78	2	2	0
		148	139	9

Part 7: Land and property return

7.1 Introduction

EFA and DFE need to capture certain information about trusts' land and property assets to reflect them properly in their consolidated accounts.

EFA and DFE accounts for 2012 to 2013 were qualified because the information held on trust land and property was not sufficient to determine the correct accounting treatment had been applied. We have introduced this part of the return for the first time to try and remedy this failing and it will form part of all future returns.

7.2 Specific completion guidance

The return takes the form of a table into which trusts enter details of each separate land and property asset that they hold. The details required are:

- academy name – automatically populated based on the UPIN entered
- UPIN – entered directly as detailed in 1.7
- description of the property – selected from a dropdown menu
- net book value – as it is included as part of the fixed asset note in the financial return
- whether freehold or leasehold
- donor/lessor/purchaser type – selected from a dropdown menu
- lease term (if relevant) – in years
- lease type (if relevant) – operating or finance: this should match the classification adopted in the finance return
- rental type (if relevant) – whether market value, nominal or not applicable (if freehold)

The net book value is validated against the total net book value for freehold and leasehold property and leasehold improvements in the fixed asset note of the financial return.

Education
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