



Education
Funding
Agency

Academy Whole of Government Accounts (WGA) 2011-12 Part E

Guidance for Completion of the Counter Party Balance Statement

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Scope

1. This guidance note should be used by academies that have submitted to the EFA audited financial statements for academic year 2010/11 and whose annualised total reported income for that academic year is greater than £4 million (large academies).
2. This counter party balances statement is needed as academies' published financial statements for academic year 2010/11 do not contain enough information on these counter party balances and collectively these balances are significant for larger academies. Academies that have published audited financial statements for academic year 2010/11 and whose annualised total reported income for that academic year is less than £4 million **do not** need to submit a counter party balances statement.

Deadline for submission

3. We will let you know nearer the time how to upload the completed return between 3 and 28 September.

What this guidance note contains

4. This note sets out:
 - How to complete the counter party balance statement (part 1)
 - How to use information in your annual financial statements to prepare the counter party financial statement (part 2).

PART 1 –Guidance on Completing the Counter Party Balance Statement

Before you start

Cell colour conventions

Input into light blue cells is mandatory. Where specific instructions are provided, please follow them.
Grey cells are calculated or transferred from elsewhere. These cells are protected and cannot be changed.
Cells with a dotted fill are not used. They are protected.
Cells coloured peach are available for you to add notes, calculations etc.

Signage conventions

- Credits are entered as negative numbers and debits as positive numbers
- Income is negative, expenditure is positive
- Assets are positive and liabilities negative
- Reserves are negative if they represent a surplus, an increase in reserves or funding
- Reserves are positive if they represent a deficit or a reduction in reserves or funding
- Increases in provisions are negative
- A release of provisions is positive.

Entering data into the counter party balance statement

5. Data **must be entered in units of £'000s** unless there is a specific instruction to enter the data in units of £1.

Submission of a group counter party balance statement by federations

6. Federations that prepare group annual financial statements on behalf of the whole federation will be able to submit a group counter party balance statement for academic year 2010/11. This step applies only to those academies that are reporting as part of a federation as defined in the next paragraph. Academies reporting in their own right as single academies can disregard this section.
7. About 20% of open academies belong to a federation. Many federations choose to report the results of their member academies and associated entities as one set of financial statements for the federation group. Those academies within federations that report as a group do not need to complete individual counter party balance statement. Instead the academy leading the federation (i.e. the body required to prepare, and have audited, statutory annual financial statements) should complete a counter party statement on behalf of all member academies.

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8. The federation should list all academies included in the consolidated counter party balance statement at row 193 in the sign-off section of the counter party balance form.
9. Federation member entities included in the counter party statement should be consistent with their audited financial statements for 2010-11. New members of federations not included in group financial statements for academic year 2010/11 are required to submit a 2011-12 WGA return and should not be included in counter party balance statement.

Step 1 – Transactions between the academy and other public bodies for the academic year ending 31 August 2011

10. Identify transactions between the academy and other public bodies for the academic year ending 31 August 2011.
11. For each category of transaction/balances give a breakdown by selecting the public body the transaction/balances relate to for the year ending 31 August 2011.

Step 2 - Balance Sheet:

12. Provide breakdown for assets and liabilities relating to other public bodies as at 31 August 2011.

Step 3 - Income and expenditure

13. Provide a breakdown for income and expenditure relating to other public for the academic year ending 31 August 2011.

Step 4 – Sign-off and submission

14. **Key action:** the counter party balance statement should be signed off by the academy finance director.
15. Row 186 to 204 of the counter party balance statement is required to be signed off by the academy's accounting officer.
16. The academy should retain the signed form for its own records and this may be validated by the EFA as part of obtaining assurance during summer 2012. Once all information has been included, and the academy's finance director has signed the form, the form can then be sent to the WGA team via the EFA Information Management Portal or other secure route as notified by the EFA between 3 and 28 September 2012.
17. Please do not either email us or post us your completed form.

PART 2 – Guidance on classifying academy financial statements into the counter party balance statement

18. Academies' own annual financial statements are a key source for preparing the counter party balance statement. This part of the guidance explains how to use disclosures in the financial statements in counter party balance statement.
19. The main entries in the annual financial statements that are significant for the counter party balance statement include:
- Tangible fixed assets (land and buildings)
 - Debtors
 - Creditors
 - Grant income
 - Business rates
 - Sale and purchase of goods & services

Assets

Asset type	Recommended approach
Tangible assets (land and buildings)	<p>Where land and buildings have been transferred from local authorities during the academic year ending 31 August 2011, the net book value of the assets as per the financial statements should be disclosed and the local authority from which the asset was transferred from should be disclosed by selecting the local authority's name from the drop down box in column E.</p> <p>The value for buildings transferred should be disclosed separately in rows 11 – 15.</p> <p>The value for land transferred should be disclosed separately in rows 19 – 23.</p>
Surpluses and Deficit transferred	<p>If surpluses and deficits were transferred from the local authority to the academy during the academic year ending 31 August 2011, the value should be disclosed in row 19 -23 and the local authority from which the surpluses/deficit transferred from should be disclosed by selecting the public body name from the drop down box in column E (row 19 – 23).</p>
Debtors & other receivables	<p>If the academy has debtor balances relating to any public body as at 31 August 2011, the debtor value and the public body should be disclosed for the following:</p> <ul style="list-style-type: none"> • Rows 36 – 40 for trade debtors • Rows 44 – 48 for other debtors • Rows 52 – 56 for government grants receivable; these are government grants due but not yet received as at 31 August 2011. • Rows 60 – 64 for prepayments & accrued income.

Asset type	Recommended approach
	Prepayments are payments made in advance for goods & services not yet received as at 31 August 2011 while accrued income is income due but not yet received by the academy as at 31 August 2011. Taxes receivable from HMRC e.g. VAT should be included.

Liabilities

Liability type	Recommended approach
Creditors	<p>If the academy has raised any creditors for sums owed to any public body, the sums and the related public body should be disclose:</p> <ul style="list-style-type: none"> • Rows 72 – 76 for Trade creditors. • Rows 80 – 84 for Other creditors <p>Creditors will include sums due for goods and services supplied to the charity.</p> <p>Taxes payable to HMRC e.g. sums payable for national insurance contributions or VAT should be included.</p>
Accruals and deferred income	All accrued expenses and deferred income as at 31 August 2011 relating to public bodies should be disclosed. The sum and the related public body should be disclosed in rows 88 – 92.

Incoming resources

Income type	Recommended approach
Government grants income	<p>All government grants income received for the academic year ending 31 August 2011 and the public body which paid the grant should be disclosed:</p> <ul style="list-style-type: none"> • Rows 101–105 for revenue grants • Rows 109 –113 for capital grants.
Donations in kind	<p>For converters (schools that became academies during the period 1 September 2010 to 31 August 2012), include all income related to assets transferred from local authorities and new buildings procured through Partnerships for Schools (Pfs).</p> <p>The donation in kind and the related public body should be disclosed in rows 117–121.</p>
Income from education and training	<p>Include fees from courses and training events provided to any public body for the academic year ending 31 August 2011.</p> <p>The sum and the public body should be disclosed in rows 125 – 129.</p>
Sales of goods	If the academy has provided goods or services to public body for

Income type	Recommended approach
and services	the academic year ending 31 August 2011, the sum and the public body should be disclosed in rows 133 – 137.
Other non trading income	Any other non trading income received during the academic year ending 31 August 2011 from public bodies should be disclosed in rows 141–145.

Resources expended

Account/transaction description	Recommended approach
Business Rates	Business rates paid during the academic year ending 31 August 2011 and the local authority paid to should be disclosed in rows 152–156.
Purchase of goods and services	If the academy has purchased goods and services from public bodies for the academic year ending 31 August 2011, the sum and the public body should be disclosed in rows 160–164. Examples of items to include: professional services, books, stationery.
Rental expenses under operating leases	Include rental expenses under operating leases charged to expenditure during the year to 31 August 2011 for lease agreement with public bodies in rows 168–172.
Other expenses	Include any other expenses that relate to any public body in rows 176–180.