



Education  
Funding  
Agency

# **Academy Whole of Government Accounts (WGA) 2011-12**

**Guidance for completion of  
the small academy WGA  
return**

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## Scope

1. This guidance note should be used by 'small' academies. 'Small' academies are those with annualised income of less than £4 million. There is a separate guidance note for 'large' academies with annualised income of more than £4 million. A fuller definition is given in the briefing note covering this guidance note.
2. This guidance note applies only to those academies (including Free, Special and Studio Schools and University Technical Colleges) that have not submitted audited annual financial statements to the EFA for academic year 2010/11. Academies that have recently joined Federations but were not included in their Federation's audited annual financial statements for academic year 2010/11 should prepare individual 2011-12 WGA returns.
3. Academies in scope are required to complete a 2011-12 WGA return relating to income and expenditure for the year 1 April 2011 to 31 March 2012 or from the date of opening if this is later than 1 April 2011. All academies must provide a balance sheet as at 31 March 2012.

## Deadline for submission

4. Academies in scope must submit a completed 2011-12 WGA return to the EFA between 3 and 28 September 2012. Submission will be through the EFA Information Management Portal (IMP) or other secure route. We will brief academies on how to submit through the EFA portal in a later update.

## What this Guidance Note Contains

5. This note sets out:
  - How to complete the return (part 1)
  - How to use information in your annual financial statements to prepare the return (part 2).

## PART 1 – Guidance on completing the small academies version of the 2011-12 WGA form

### 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.
Optional
Cells with a dotted fill are not used. They are protected.
Cells coloured orange 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 2011-12 WGA return

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

### Step 1 – Income and expenditure for April to August 2011

7. This step applies to all academies open by 1 April 2011 or who opened during the period April 2011 to August 2011. It does not apply to those academies that opened after 1 September 2011. While academies that opened after 1 September 2011 may have been registered with Companies House and the Charity Commission before that date and had some minor pre-opening transactions, these are immaterial for the 2011-12 WGA return and do not need to be included.
8. **Key action:** Input five months' income and expenditure of the academy's financial results for the period ending 31 August 2011 or for the period the academy was open

(e.g. if the academy opened in May 2011, four months of income and expenditure).  
Input in column C, rows 56-68 of the summary worksheet.

9. Guidance on how to translate entries in financial statements into the 2011-12 WGA return can be found in Part 2 of this guidance. Additional guidance notes are included as comments within the Excel worksheet.

## Step 2 – Income and expenditure for September 2011 to March 2012

10. This step applies to all academies completing a 2011-12 WGA return.
11. **Key action:** Input the academy's financial results for the seven months ending 31 March 2012 or for the period during which the academy was open at column D, rows 56-68 of the summary worksheet. The financial results entered here should be consistent with those you will use to produce your statutory annual financial statements for academic year 2011-12. Guidance on classifying financial statements into the 2011-12 WGA return can be found in Part 2 of this guidance.
12. These entries will also determine the academy's statement of financial position or balance sheet as at 31 March 2012 for the purposes of the 2011-12 WGA return. The academy's finance director or equivalent should undertake year-end procedures to ensure these balances are an accurate reflection of the academy's position as at 31 March 2012. These year end procedures should include:
  - Calculating depreciation for the five months April 2011 to August 2011 (column D rows 19, 21, 30 and 32) and for the seven months ending 31 March 2012 (column E rows 19, 21, 30 and 32)
  - Ensuring significant asset additions and disposals have been included
  - Ensuring significant accrued expenses, stock counts, bank reconciliation and other year-end adjustments have been accounted for.

## Step 3 – Prepare the balance sheet

13. **Key action:** Prepare balance sheet entries on the summary worksheet rows 12-49. Which entries should be made depends on how long the academy has been open and which financial returns it has already prepared.
14. Academies that prepared annual financial statements for academic year 2011-12 and completed a 2010-11 WGA return or opened by 31 March 2011 should input the assets and liabilities balances as at:
  - 31 March 2011 in column C (please see additional comment in cell C12)
  - 31 August 2011 in column D
  - 31 March 2012 in column E.

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15. Academies that prepared annual financial statements for academic year 2011-12 but did not complete a 2010-11 WGA return or opened after 31 March 2011 should input the assets and liabilities balances as at:
  - 31 August 2011 in column D
  - 31 March 2012 in column D.
  
16. Academies that did not prepare annual financial statements for academic year 2011-12 or completed a 2010-11 WGA return should input the assets and liabilities balances as at 31 March 2012 in column E. If an academy is unable to provide balance sheet information or other disclosures (rows 75 -87) in the summary sheet, the academy accounting officer should disclose this in the notes section column G.
  
17. The EFA will support academies with valuing their land and buildings and their Local Government Pension Scheme (LGPS) fund balances. We will work with academies, valuers and scheme actuaries to obtain valuations as at 31 August 2012 as this is directly relevant to an academy's annual financial statements for academic year 2011-12. These valuations may not be available in time for the academy to agree them and enter them into the 2011-12 WGA return. The academy has three options for these entries:
  - Our preferred option, for the academy to enter those values it is aware of and reports against for the academy's own purposes. This is the preferred option as the academy's own valuation will be an important point of reference for an updated valuation
  - Leave the relevant entries blank and the EFA will update the academy's return for it when an agreed valuation becomes available later. This should be noted in column G rows 12 -13
  - Opt not to wait for an updated valuation but use its own valuation as final and representing the academy's position at the return date.
  
18. Academies should use the actuarial LGPS FRS17 valuation of the academy's LGPS fund balance as at 31 August 2012, as used for their annual financial statements for academic year 2011-12 or, for academies that have not yet prepared annual financial statements, the valuation provided by their local authority as at 31 August 2012. The LGPS FRS17 valuation as at 31 August 2012, where available, should be included in rows 40 and 41.
  
19. If the LGPS FRS17 valuation statement is not available at the time of submission the fields may be left blank. The academy should submit to the EFA an additional LGPS valuation statement on receipt of the information no later than 31 October 2012.

## Step 4 – Completion

20. When the above steps have been completed ensure that:

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- The total funds row 50 and net liabilities row 44 of the summary sheet are equal. The 2011-12 WGA return should not be submitted until rows 50 and 44 are the same
  - The academy name has been selected from the drop down list in cell A6 and the date of conversion from cell E6 of the summary sheet.
21. You should contact the WGA team immediately as soon as you become aware that you will not be able to complete the form by 28 September 2012 on:  
[Academieswga.EFA@education.gsi.gov.uk](mailto:Academieswga.EFA@education.gsi.gov.uk)

## Step 5 – The self-review checklist and accounting tests

22. Please note the self-review checklist is a separate document that should be downloaded, completed and submitted to the EFA by 28 September 2012. The EFA will not consider 2011-12 WGA returns to have been successfully submitted where a complete self-review checklist has not been submitted by the deadline.
23. **Key action:** The academy should complete the self-review checklist. The purpose of the checklist is to provide an opportunity to check the figures included in the form and to account for any major variations since the last set of audited accounts (if any). The checklist is a series of management confirmations and tests.
24. The academy should make every effort to complete the form. If there are any known or likely errors or missing data (e.g. land and buildings or LGPS fund balances), then this should be in the note section of column G in the summary worksheet.

## Step 6 – Sign-off and submission

25. **Key action:** the 2011-12 WGA return should be signed off by the academy accounting officer. The 2011-12 WGA return is a legal requirement on the academy in accounting to Parliament. As such it must be certified on completion by the academy or Federation principal or chief executive as accounting officer for all academies covered by the return.
26. Row 99 to 113 of the summary worksheet is required to signed-off by the academy accounting officer.
27. The academy may wish to retain a copy of the signed form for its own records and this may be validated by the EFA as part of obtaining assurance during autumn 2012. Once all information has been included, the self-review checklist and accounting tests have been completed and the academy's principal as its accounting officer has signed the form, the form can then be sent to the WGA team via the EFA Information Management Portal or other secure route between 3 and 28 September 2012. We will brief academies on how to submit WGA returns nearer to September. Please do not either email us or post us your completed form.

## PART 2 – Guidance on classifying academy financial statements into summary worksheet and details worksheet of the return

28. Academies' own annual financial statements are a key source for preparing the 2011-12 WGA return. This part of the guidance explains how to use disclosures in the financial statements in the 2011-12 WGA return. It is relevant to those academies that have not yet prepared annual financial statements as these academies should have established charts of accounts designed to produce their annual financial statements for academic year 2011/12.
29. The main entries in the annual financial statements that are significant for the 2011-12 WGA return include:
- Tangible fixed assets
  - Pensions
  - Cash
  - Reserves
  - Salaries
  - Depreciation
  - Grant income.
30. Guidance on other accounts is also included.

### Assets (input data in details sheet)

Asset type	Recommended WGA approach
Tangible assets	<p>Code tangible assets to the most relevant category. Where possible, tangible assets should be coded on the same basis as in the academy's most recent annual financial statements. Include land and buildings, furniture and equipment, computer equipment, motor vehicles, and software licences.</p> <p>Information is required for asset additions and disposals for the period the academy was open between 1 April 2011 and 31 March 2012. This information may not be readily available for some academies. In this case, the academy should use professional judgement to estimate the asset movements including significant purchases and disposals during the period.</p>
Land and buildings	<p>For academies that produced annual financial statements for academic year 2010-11 and completed a 2010-11 WGA return or opened on 31 March 2011, input values as at:</p> <ul style="list-style-type: none"> <li>• 31 March 2011 in column C</li> <li>• 31 August 2011 in column D</li> <li>• 31 March 2012 in column E.</li> </ul>



Asset type	Recommended WGA approach
	<p>For values as at 31 March 2011, please see comments in cell C12 of the summary sheet.</p> <p>For academies that produced annual financial statements for academic year 2010-11 but did not complete a 2010-11 WGA return or opened after 31 March 2011 input values as at 31 August 2011 and 31 March 2012.</p> <p>For academies that opened during the year and did not produce annual financial statements for academic year 2010-11 use the local authority's figures for gross value and depreciation until the point of transfer. If the local authority only provided the asset value with no depreciation, use this as the transferred in value. Input values into column E (as at 31 March 2012) under 'transferred from local authorities'.</p> <p>For schools that converted or new schools that opened as academies during the period 1 April 2011 to 31 March 2012:</p> <ul style="list-style-type: none"> <li>• Depreciation in year should be from the date of conversion to 31 March 2012</li> <li>• Accumulated depreciation at the date of conversion should be coded to accumulated depreciation transfers after 1 April 2011</li> <li>• Asset transfers should be coded to under 'transferred from local authorities'</li> <li>• Donated assets should be coded to additions and the corresponding entry as donations in kind under incoming resources.</li> </ul>
Other tangible/intangible assets	<p>Include furniture and equipment, computer equipment, motor vehicles and software licences.</p> <p>Adopt the same approach as for land and buildings. However, for academies that opened during the year and did not produce annual financial statements for academic year 2010-11, the local authority should provide gross value and depreciation until point of transfer. If the academy is unable to get the information from its local authority or this is not relevant, the EFA will support the academy in obtaining a valuation.</p>
Cash at bank	<p>Row 34. Include all cash at bank and on hand as per reconciled bank account at 31 March 2012 in cell E34. Include all bank accounts for the academy (e.g. current account, endowment fund account, private income account, deposit account).</p> <p>Also, include balances as at:</p> <p>31 March 2011 cell C34, for academies that have opened as at 31 March 2011</p> <p>31 August 2011 cell D34, for academies that have opened as at 31 August 2011.</p> <p>Base your classification of cash/investments on your most recent</p>

Asset type	Recommended WGA approach
	annual financial statements (if any).
Debtors and other assets	<p>Row 35. If your academy has raised any debtors for sums owed by the EFA, local authorities, DfE or Partnerships for Schools (PfS), these debtors should be coded to row 35.</p> <p>Other items that need to be included in row 35 are:</p> <ul style="list-style-type: none"> <li>• Taxation and social security receivable, e.g. VAT receivable</li> <li>• Debtors including sums owed to the academy for services provided, and grants and donations receivable at 31 March 2012</li> <li>• Accrued income including sums receivable from EFA, local authorities DfE and PfS as at 31 March 2012</li> <li>• Prepayments including payments made by the academy for goods and services that have not been received as at 31 March 2012</li> <li>• Accrued income including invoices issues by the academy for goods and services delivered as at 31 March 2012 for which payment has not been received as at 31 March 2012.</li> <li>• Stocks items held for resale, e.g. uniforms and catering</li> <li>• Endowment funds or surplus cash invested in products that do not meet the definition of cash. This treatment should be consistent with your last annual financial statements (if any).</li> </ul>

### Liabilities (input details sheet)

Liability type	Recommended WGA approach
Creditors and other payables	<p>Row 39. All creditors and other liabilities should be included in row 39.</p> <p>If the academy has raised any creditors for sums owed to the EFA, local authorities, DfE or PfS, these sums should be included in row 39.</p> <p>Creditors will include sums due for goods and services supplied to the charity.</p> <p>Other liabilities will include:</p> <ul style="list-style-type: none"> <li>• Taxes payable to HMRC, e.g. sums payable for national insurance contributions</li> <li>• Any sums owed to the National Insurance Fund, which should be coded to row 39</li> <li>• All accrued expenses and deferred income as at 31 March 2012, which should be included in row 39. The academy should ensure that any major accruals have been processed into the trial balance as part of the month-end adjustment at</li> </ul>

Liability type	Recommended WGA approach
	31 March 2012.
Pension liability/asset	<p>Row 40 and 41: As per notes 13-14 above, academies should use the actuarial assessment of the academy's LGPS fund balance as at 31 August 2012 for their annual financial statements for academic year 2011-12. For academies that have not yet prepared annual financial statements, the valuation provided by their local authority as at 31 August 2012.</p> <p>Pension valuation as at 31 August 2012, where available, should be coded to:</p> <ul style="list-style-type: none"> <li>• Row 40 for gross pension assets</li> <li>• Row 41 for gross pension liabilities</li> </ul> <p>Cells E40 and E41 should include the contributions and benefits paid during the period to 31 August 2012.</p>

### Reserves (input details sheet)

Reserves	Recommended WGA approach
Restricted, endowment fund and other reserves	<p>Rows 47-49. Code all reserves into restricted, endowment fund and other reserves.</p> <p>Pension reserves should be included in restricted reserves row 47.</p> <p>The opening balances as at 1 April 2011 and movement to 31 March 2012 are required.</p> <p>Input balances as at:</p> <ul style="list-style-type: none"> <li>• 31 March 2011 in column C, for academies that have opened as at 31 March 2011</li> <li>• 31 August 2011 in column D, for academies that have opened as at 31 August 2011.</li> <li>• 31 March 2012 in column E, for all academies completing the WGA return.</li> </ul>

31. Statement of financial activities: input details in the summary sheet for completion of income and expenditure.
32. WGA does not require income and expenditure items to be separated into funds such as restricted and unrestricted. WGA treats all transactions as unrestricted fund transactions. You should not attempt to split transactions between the various funds when entering income and expenditure into the 2011-12 WGA return.
33. The charitable companies through which academies operate often have small income streams and miscellaneous expenditure. To ensure the form is completed as efficiently as possible, it is important not to spend too much time deliberating over the classification of these income and expenditure items. Find the 'best fit' for the item out of the accounts available.

## Incoming resources

Income type	Recommended WGA approach
Government grant income	Row 56. Include: <ul style="list-style-type: none"> <li>Sums recognised as government grant income during the period.</li> <li>Revenue grant income, include all recurrent grants</li> <li>Capital grant income, include all capital grants.</li> </ul>
Donations in kind	Row 57. For new openers/converters (schools that became academies during the period 1 April 2011 to 31 March 2012), include all income related to assets transferred from local authorities and new buildings procured through PfS.
Endowment income	Row 58. Include all endowment fund income recognised as revenue during the period.
Other income	Row 59. All income <u>excluding</u> government grants, donations in kind and endowment income should be coded to row 5 'other income'.  This will include the following: fees from courses and training events, school trips, bank interest, other investment income, profits on disposal, charity income, rentals, lettings, catering income, sales of goods, income from other activities generating funds and other sundry income.

## Resources expended

Account/transaction description	Recommended WGA approach
Purchase of goods and services (excluding consultancy)	Most un-capitalised expenditure on goods should be coded to row 68.  Other than staff costs and consultancy (requested separately), most un-capitalised purchases of services should also be coded to row 68.  Examples of items to be coded to row 68 include: books, stationery, apparatus (non-capitalised), maintenance of premises and equipment, cleaning (excl. staff costs), electricity and gas, security (excl. staff costs), catering (excl. staff costs).
Auditors' remuneration	Include auditors' remuneration for the year to 31 March 2012 in row 68.
Rental expenses under operating leases	Include rental expenses under operating leases charged to expenditure during the year to 31 March 2012 in row 68.
Depreciation of assets	The total depreciation (tangible and intangible) recorded in row 66 should agree with the total depreciation in the details sheet (see notes 1 and 2).
Revaluation of assets	On a revaluation of assets there may be a charge to expenditure if the value is reduced or an increase in the reserve if the asset

Account/transaction description	Recommended WGA approach
	value has increased.

### Other disclosures (input data summary sheet)

Disclosure	Recommended WGA approach
Number of staff	Number of staff rows 80 and 81. Include the average number of staff (FTE) employed as at 31 March 2012. This should be split into permanent and temporary staff.
Operating lease payment	Row 86. Include total future minimum operating lease payments as at 31 March 2012
PFI obligations	Row 87. Include net present value of total future PFI obligations. These are the future PFI payments due within 1 year, 1 to 5 years and after 5 years.

### Confirmation of engagement of professional financial advice

34. The EFA will pay a grant to academies that have paid for professional financial advice in preparing their 2011-12 WGA return, as set out in Part B of the Guidance Note on Preparing for Whole of Government Accounts. Grant will be paid where the academy:

- Submits a complete 2011-12 WGA return to the EFA portal or other secure route by 28 September 2012
- Confirms that it has incurred professional financial support from named advisors at additional cost to the academy in preparing the 2011-12 WGA return (the academy does not need to state the cost of this support)
- Confirms under the signature of the academy's accounting officer (the head teacher, principal or chief executive) that the academy's professional financial advisors, if involved in preparation of the 2011-12 WGA return consider the return fairly represents the academy's financial outcomes for financial year 2011-12. The academy need not obtain a written confirmation from their professional financial advisors to this effect. Where professional financial advisors have not been involved this confirmation is not needed.

35.



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