



# Guidance for schools

**2024-25 Year End Closing**

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**It is important that this information is given to the person in your school who deals with the administration of your school's financial affairs.**

## 1 - Introduction

The London Borough of Hackney (LBH) Council is statutorily required to provide external auditors and publish a draft set of accounts for scrutiny by 31st May 2025. School balances form an integral part of the Council's accounts.

The spring term ends Friday 4th April 2025 and Summer Term begins Tuesday 22 April 2025. Your Business Analyst will be contacting you with regards to meeting the above deadline and establishing what support will be required.

Schools are legally required to close their accounts on the accruals (otherwise referred to as resource accounting) basis. This means that the costs of goods and services must be charged within the year in which they were received or provided, even though the actual payment for those goods or services fall in the following financial year.

**For example:** A computer delivered in March 2024 but not paid for until April 2024 should be recorded as a cost in the 2024-25 financial year, even though it will be paid for in the 2025-26 financial year.

## Submission to Hackney Education

Once complete, the Head teacher should sign the statement. The statement should then be scanned and sent in PDF Format by **Wednesday 23rd April 2025 by email** to: [schools.finance@hackney.gov.uk](mailto:schools.finance@hackney.gov.uk)

## 2 – 2024-25 Schools Accounts Closure Timetable

Item	Due Date	Return to / from:
School leases return	Friday 28th March	<a href="mailto:schools.finance@hackney.gov.uk">schools.finance@hackney.gov.uk</a>
February/P11 month-end Reports and VAT Full Report MTD	Tuesday 11th March	<a href="mailto:schools.finance@hackney.gov.uk">schools.finance@hackney.gov.uk</a> Or using the Electronic Reporting Utility
SFVS	Friday 28th March	<a href="mailto:schools.finance@hackney.gov.uk">schools.finance@hackney.gov.uk</a> Schools Support Team
4 <sup>th</sup> Qtr. Pupil Premium Advance to be paid	End of March	From: HE via BACS
March/P12 month-end Reports and VAT submittal	Wednesday 23rd April	<a href="mailto:schools.finance@hackney.gov.uk">schools.finance@hackney.gov.uk</a> Or using the Electronic Reporting Utility
Year-End Statement with all evidence of accruals	Wednesday 23rd April	<a href="mailto:Schools.finance@hackney.gov.uk">Schools.finance@hackney.gov.uk</a> Signed version saved as a PDF; and An Excel version for reconciliation. <i>Each file name should start with your school number ie. 204xxxx Year End 2024-25</i>
2025-26 Final Budget	Friday 23rd May	<a href="mailto:Schools.finance@hackney.gov.uk">Schools.finance@hackney.gov.uk</a> Please save the file as a PDF, to avoid unreadable copies. <i>The file name should start with your school number ie 204xxxx Budget 2025-26</i>
Surplus Spend Plan (If required)	Friday 23rd May	<a href="mailto:Schools.finance@hackney.gov.uk">Schools.finance@hackney.gov.uk</a>
Deficit Recovery Plan (If required)	Friday 29th May	<a href="mailto:Schools.finance@hackney.gov.uk">Schools.finance@hackney.gov.uk</a>
Confirmed Schools Closing position	Monday 30th June	From Schools Finance Team
Upload the Consistent Financial Reporting return	tbc	Direct to DfE via “COLLECT”

### 3 - Schools with Children's Centres

Schools with a Children's Centre should use the additional column on the Year End Statement as you are required to account for the Centre's income (I15, I16 and I17 only) and expenditure (E31 and E32 only) separately to the school.

If you require further guidance please contact your Business Analyst.

### 4 - Year End Statement/CFR Report

The opening balance must reflect the 2023-24 closing figure which was sent to schools in June 2024.

You can verify this by running a Summary Trial Balance. The figure to check is in the FC or FD or RE account (sometimes a combination of FC + FD). Should be a total of Revenue & Capital (& Children Centre if applicable). Must equal what is on the Year-End Statement for the school's opening balance.

If you require further guidance or the figures do not match, please contact your Business Analyst immediately.

The headings in Section A of the Statement mirror the CFR headings. For guidance on the information required for each heading, you can refer to:

<https://www.gov.uk/guidance/consistent-financial-reporting-framework-2024-to-2025>

### 5 - School Accounting System

Your return must accurately reflect your school's accounting system records, so it is essential that year end entries reported in Section B are implemented on your school's accounting system.

To ensure that the return does accurately reflect the accounting system data, schools should ensure that the figures reported in Section A reflect the closing balances on their accounting system after all year end journals have been implemented.

HE will carry out several quality assurance checks on receipt of your submission **and will adjust any school figures not supported by the reports produced from the school's accounting system**. In addition, the Audit Commission will carry out spot checks on a selection of schools at the end of the closedown process, to ensure that the schools' accounting systems fully support the actual year end statements.

### 6 - Supporting Documentation

It is important that schools retain documentation (such as copies of invoices, evidence of income) to support all closedown accruals and prepayments, for audit purposes. Copies of invoices supporting accruals or prepayments exceeding £1,000 must be scanned and forwarded to HE with the Year End Statement. The LA will adjust school data where satisfactory supporting evidence is not provided with the year-end statement.

By **Wednesday 23rd April 2025 the authority should receive:**

- Accruals, Trial balance and VAT evidence in support of your Year-end Statement.
- A signed PDF version of the Year end statement.
- An Excel version of the Year end statement for the local authority to incorporate into a borough wide monitoring report.

As in previous years, the Council's external auditors will select a sample of schools to verify the validity of closedown adjustments.

## 7 - Year-end preparation

### **7.1 - Commitments**

**Commitments (accounting entries reflecting orders raised) must not be included in school year-end figures.** Instead, they must be cleared out of the 2024-25 accounts and put into the 2025-26 accounts. Schools should take the opportunity to verify the validity of their commitments and delete any that are no longer appropriate (e.g., those that have been paid or cancelled).

Where goods or services relating to a commitment have been received by 31<sup>st</sup> March 2025, these should be represented in the 2024-25 accounts as either a paid invoice or, where the invoice has either not been paid (or paid in 2024-25), as an accrual adjustment. Accruals need only be made for values of £1,000 or more.

### **7.2 - Unpresented items listing**

You must not have any items on your Unpresented Items listing that are more than six months old. If you have outstanding payments/receipts that are older than six months, you must investigate why these are still Un-presented. These items should be cancelled and reissued (if required).

### **7.3 - Debtor Control on FMS**

Schools using Accounts Receivable system: If your system reports a Debtor Control balance (run a summary trial balance by ledger code to check) this balance should be reviewed by analysing your Aged Debtor Report. You should be satisfied that the balance is a true reflection of payments due to the school for which payment has not been received by 1<sup>st</sup> April 2025. Where the debt is over a year old or its collection is in doubt, schools should make provision in their accounts for a bad debt.

If you require further guidance or the figures do not match, please contact your Business Analyst immediately.

### **7.4 - VAT reconciliation**

You should be regularly checking the outstanding VAT claims due to the school against claims received and Summary Trial Balance.

Fund VO-VI = outstanding VAT.

This should be equal to the sum of the outstanding VAT claims + the VAT entered for current period that is yet to be claimed)

You should complete the VAT Reconciliation table (sheet 2 in the Year End Statement spreadsheet) and submit this with your statement.

If you require further guidance or the figures do not match, please contact your Business Analyst immediately.

If you have identified any discrepancies with claims made and reimbursements received you should contact Jessica Rolle immediately.

### **7.5 - Income Analysis**

Please note the following:

I18A was used for income from the Coronavirus Job Retention Scheme for staff who were furloughed by the school. This scheme no longer exists and the line is not being used.

I18B: income from any grants provided in relation to coronavirus (COVID-19). No such grants currently exist but we are leaving the line in place.

I18C: income from any grants provided in relation to coronavirus (COVID-19) catch-up activity.

Examples are:

recovery premium

the National Tutoring Programme

coronavirus (COVID-19) 16 to 19 tuition fund

I18D: income from other additional grants, including:

- Primary PE and sports grant
- Universal infant free school meal funding
- Free school meal supplementary grant
- Lord Mayors free school meals funding

Schools are required to ensure all budgets and grant income are posted in the correct CFR heading and your finance system reconciles with the relevant income stream.

**NEW - Schools Budget Allocations 24.25** is available on the Hackney S4S website under Resources for Education, Schools Finance: [Link](#)

[Enter link to document](#)

### **7.6 – Expenditure Analysis**

**All schools MUST have expenditure against E23 – Insurance Premiums.**

Which in include:

- sums de-delegated by the local authority for centrally managed insurance schemes
- premises related insurance
- vehicle insurance
- accident and public liability insurance for persons not employed directly by the school
- school trip insurance
- sums de-delegated by the local authority for contingencies (including support for schools in financial difficulties, new/closing/amalgamating schools, closing school deficits)
- payment for membership of the risk protection arrangement, whether this is done through de-delegation or through a negative factor in the local formula

Voluntary insurance for staff cover should be recorded against E10 or E11.

**NEW 2024/25 - CFR CODES FOR ICT RELATED COSTS**

- E20A ICT - Connectivity
- E20B ICT - On site servers
- E20C ICT - Learning resources
- E20D ICT - Admin software & systems
- E20E ICT - Laptops, desktops, tablets
- E20F ICT - Other hardware

- CE04A Connectivity
- CE04B On site servers
- CE04C Admin software & systems
- CE04D Laptops, desktops, tablets
- CE04E Other hardware

If your finance system has the above new CFR codes you can create the necessary cost centre codes in your chart of accounts and map them to the relevant CFR code.

If you do not have the new CFR codes. Your system generated CFR report can show a total ICT expenditure in E20 or CE04. But you must split the types of expenditure as required by the DfE on your YE Statement. And then when you are required to complete your CFR return on DfE COLLECT you will need to use your YE statement breakdown of E20 and CE04.

Please refer to the link below for further information:

<https://www.gov.uk/guidance/consistent-financial-reporting-framework-2024-to-2025>

**7.7 - De Delegation of budget**

All schools MUST post their delegated budgets as shown on the 2024/25 Budget Template under tab - Summary & CFR : Expenditure Items

If you require assistance please contact your Business Analyst or email [schools.finance@hackney.gov.uk](mailto:schools.finance@hackney.gov.uk) for guidance.

Example journal as follows:

	CFR	Debit	Credit	Narrative
	E17	45,568		DeDel - 2024/25 National Non Domestic Rates
	E23	4,820		DeDel - For School Contingencies
	E27	9,882		DeDel - For UPEG/bilingual learners
	E28a	1,355		DeDel - Free school meals eligibility service
	E19	1,211		DeDel - Licences/subscriptions
	E11	3,529		DeDel - For Trade Union Supply Cover
	E27	10,466		DeDel - For School Improvement (SRAS)
	I01		76,831	DeDel - Formula funding allocation
Check	0	<b>76,831</b>	<b>76,831</b>	



### 7.8 - Payroll Control

If applicable to your school. You should clear any outstanding commitments **to nil balance**.

## **8 - Bank Reconciliations**

On or around the 1st April 2025 you will proceed to completing and printing your March/P12 bank reconciliation and VAT claim.

**Schools must not under any circumstances issue cheques or process a BACS run after the 31<sup>st</sup> March 2025 in the 2024-25 financial year.**

If this has happened, you must contact your Business Analyst immediately.

You must now collate all expenditure and income for accruals that are deemed material and over £1,000. See below further details for the relevant accrual.

## **9 - Completing Section A of the Statement**

When entering your data from the report extracted from your finance system. Please ensure that each line on the statement is entered to 2 decimal places.

### **Year End Closing Balances**

The Year End Balance figures (accumulated expenditure and income totals for the year) must be taken from your schools' preliminary year end reports for 2024-25 after period 12 closure and the inclusion of all year-end adjustments (accruals, prepayments etc. – see below for further information) in period 13.

**Please note schools should not complete a preliminary close without seeking clearance from the Business Analyst assigned to the school.**

In June 2025 schools will receive the LA's confirmation of the 2024-25 balances to be carried forward. In July schools will be required to complete the CFR Upload, and should have performed the final close of the 2024-25 financial year. **No school will be able to adjust its 2024-25 position.** If you have a difference with the confirmed balance and your finance system you must contact Schools Finance immediately.

### **Capital**

Capital balances (sections F-J) need to be split between:

- Devolved Formula Capital (B03), and
- Other Capital Balances (B05).

Please ensure that there are no variances in the final column before submitting your statement.

Schools are not permitted to close with a year-end capital overspend anywhere on row J. Where costs exceed capital income plus any balances brought forward, a transfer from revenue between CFR codes E30 and C104 should be shown on the statement and recorded on your accounting system.

## 10 - Completing Section B of the Statement

### **Bank Balance at 31<sup>st</sup> March 2025 (1)**

Record the closing balance as at **31<sup>st</sup> March 2025** as per the schools' bank statement

### **Unpresented Cheques (2)**

As per RM Finance / SIMS etc. Unpresented Cheques Report **as at 31<sup>st</sup> March 2025**

No cheques issued after 31<sup>st</sup> March should be included in your school's un-presented (un-reconciled) year-end listings.

### **Cash Paid Into Account Not Yet on Bank Statement (3)**

Record any sums paid into the bank account before 1<sup>st</sup> April but not recorded on the bank statement **as at 31<sup>st</sup> March 2025.**

### **Cash Statement (4)**

Enter figure as per SIMS Bank Reconciliation Report / RM etc. Finance Cash Book Balance Year **as at 31<sup>st</sup> March 2025.**

### **Cash Book Balance at 31<sup>st</sup> March 2025 (5)**

The Cash Statement (cash book balance) figure is auto populated from line 4, Section B.

### **Accrued Expenditure (6)**

Invoices for goods and services received before 1st April 2025 should wherever possible be paid by 31<sup>st</sup> March 2024. **All invoices paid after 31<sup>st</sup> March MUST be posted to the 2025-26 financial year.**

When a payment of £1,000 or more is outstanding on 31<sup>st</sup> March for goods or services received prior to 1<sup>st</sup> April, it must be recorded as an accrual. Details recorded must include a description of the goods or services received from the supplier, the value (excluding VAT) and the CFR code to which the accrual is recorded.

**i** Schools using the SIMS system: If your system reports a Creditor Control balance (run a summary trial balance by ledger code to check) this balance which should be reviewed by analysing your Aged Creditor report. If you are satisfied that the balance is a true reflection of invoices processed for which cheques were not issued for 1<sup>st</sup> April, please include this balance against the accrued expenditure heading and include the Aged Creditor report as supporting documentation when submitting the Year End Statement to the Schools Finance Team.

**NB** Please indicate how much of the accrual is for the London Borough of Hackney in the box provided.

**Deferred Income (7)**

Record the details of any income item of £1,000 or more received for 2025-26 before 1<sup>st</sup> April 2025. Most schools are unlikely to have anything to record against this heading.

**Adjustments to your school's SIMS or RM or other Finance system for the Deferred Income (if any) listed against this heading must be made in period 12.**

**Prepayments (8)**

Record any payments of £1,000 or more posted to the 2024-25 account, which relate to goods or services to be received after 31<sup>st</sup> March 2025.

For example, if a school has paid £1,500 for summer 2025 exam fees, this should be recorded as a Prepayment. Again, most schools are unlikely to have anything to record against this heading.

**Accrued Income (9)**

Record income items of £1,000 or more due for the period to 31<sup>st</sup> March but not received by that date.

**i** Schools using the SIMS accounting system: If your system reports a Debtor Control balance (run a summary trial balance by ledger code to check) this balance, which should be reviewed by analysing your Aged Debtor Report. If you are satisfied that the balance is a true reflection of payments due to the school for which payment has not been received by 1<sup>st</sup> April, please include this balance against the accrued income heading and include the Aged Debtor Report as supporting documentation when submitting the Year end Statement Schools Finance. Where the debt is over a year old or its collection is in doubt, schools should make provision in their accounts for a bad debt.

**NB** Please indicate how much of the accrual is for the London Borough of Hackney in the box provided.

### **Bad Debt Provision**

To make a bad debt provision you must first make a prudent assessment as to how much of the invoice issued and recorded on the school's accounting system is unlikely to be paid. You should then enter on your accounting system a deferred income adjustment and clearly label it on both the system journal and the year-end statement as 'Provision for Bad Debt'. Schools should provide bad debt provision for all amounts of more than 1 year old.

### **VAT Reimbursements (10)**

VAT reimbursements due to the school for 2024-25 that are either yet to be received or have been banked after 31<sup>st</sup> March 2025 must be recorded on the statement.

- Print the VAT short summary report for each month that VAT is still outstanding.
- Print the VAT full report for April 2025 (as any March bank reconciliation journals with VAT that have been entered after 1<sup>st</sup> April will need to be included in the VAT reconciliation)
- Print any other outstanding VAT claim queries.

### **Petty Cash Accounts (11)**

Record the cash balance held **on 31<sup>st</sup> March 2025**

### **Total Carry Forward Balance (2024-25 closing balance) (12)**

The carried forward balances will be formally agreed by HE during the year end process and subsequently scrutinised by the Audit Commission. Any adjustments that need to be made will be communicated to you.

### **Revenue Carry Forward Balance (2024-25 closing balance) (15)**

Report the revenue Surplus (+) or Deficit (-) to be carried forward into 2024-25

### **Capital Carry Forward Balance (2024-25 closing balance) (13)**

Report the accumulated capital surplus (+) to be carried forward into 2024-25 taken from Line J of Section A. This includes any balance brought forward to 2024-25.

Schools are not permitted to close with a year-end capital deficit. When capital costs exceed capital income, schools must make a transfer from revenue (between CFR codes E30 and CI04) to fund the difference.

## 11 - Reconciling Sections A and B

Sections A and B should reconcile to each other. Items that do not reconcile will be highlighted in red on the excel file and should be reviewed by schools.

Section A figures should include the year end accounting entries.

Should you have any difficulty in reconciling sections A and B, please contact the Schools Support (Finance) Team. Do not allow reconciliation difficulties to delay the submission of your return.

## 12 - Completing Section C – Confirmation Sheet

### Revenue Balance Analysis

School balances are reported to the DfE primarily via the Consistent Financial Reporting (CFR) return. The CFR return data is used to populate the DfE benchmarking website and is accessible by schools, and bodies such as OFSTED, the Audit Commission and LAs.

Schools are required by the DfE to divide their year-end revenue balances between committed (B01) and uncommitted (B02) for the purposes of the financial return. Schools should place a value against individual commitments and list them.

### School Year End Revenue Balance Reporting Requirements

Please note that Secondary Schools with surplus closing revenue balances more than 5% and Primary, Nursery and Special schools with balances more than 8% are required to submit spending plans to HE.

There could be a considerable overlap between the commitments the school lists in the Revenue Balance Analysis in Section C and the school's surplus spend plan.

Surplus spend plans require the breakdown of spend plans over three financial years and are required to be signed off by Governors before sending to HE. **The plans should be considered by Governors' alongside the approval of the original 2025-26 budget and submitted by 23rd of May 2025.**

**Those schools with deficit revenue balances need to submit a deficit recovery plan by the 23rd May 2025.**

### 13 - Section D – Reconciling Year End Statement to the Trial Balance

This section shows the calculations HE will perform to ensure that your accounting system reconciles to your Year End Statement. These calculations help identify whether the closing balance on your school accounting system will reflect that reported in Sections A+B of your Actual Year End Statement.

Completion of section D is optional (but recommended). It has been included to help schools to manage their accounting systems and identify potential reconciliation problems before information is passed to HE.

#### **To complete section D:**

1. Ensure that all year end journals have been entered onto the accounting system and that sections A and B of the Year End Statement are complete and reconciled.
2. You should then run a Summary Trial Balance by Ledger Code, making the following selections:
  - All funds
  - Period 13
  - Financial Year 2024-25
3. Enter the values from the Summary Trial Balance on to Section D.

The Ledger codes used in section D reflect the standard headings used by many, but not all schools. Your school's ledger type codes may differ from these. The following ledger types are not shown on section D:

- **Ledger Code FC – Fund Control** - Schools should not be using the Fund Control Account. It must report a nil balance at the year end.
- **Ledger Code PY – Payroll Control Account** - under normal circumstances, this must be balanced to nil for year end. Under exceptional circumstances there may be money due to or from your payroll provider at the close of play on 31<sup>st</sup> March. If this happens, record the amount as either Accrued Expenditure or Income in Section B, and include supporting documentation with your Year End Statement.

#### **Imbalances**

Where the school's accounting system does not reconcile to the Year End Statement, the imbalance will be highlighted on the excel file in red. If you need assistance in resolving these imbalances, please contact the Schools Finance Team immediately. Schools should not delay the submission of their Year End Statements beyond the Wednesday **23rd April 2025** deadline where imbalances cannot be resolved.

Please note that the process outlined above may differ according to the accounting system being used by your school.

## 14 - Submission to Hackney Education

The following documents **must** accompany your schools 2024-25 Actual Year End Statement (Sections A+B), signed confirmation (Section C) and Section D (if you have completed it):

### For all schools:

- Signed Bank Statement showing the closing balance on 31<sup>st</sup> March 2025.
- Signed Bank Reconciliation
- Signed Unreconciled Items report
- Copy invoices or other documentation to support all income/expenditure accruals of £1,000 or more (purchase orders or statements are NOT sufficient)
- Trial balance by ledger/CFR showing all funds to period 13. This must include all control accounts
- Signed VAT Submittal Period 12 and any other outstanding periods
- VAT Full Report MTD Period 12 - **in excel format**
- CFR Income & Expenditure Report to period 12/13. This must include all balance sheet items
- Signed YE Statement and CAS by Head Teacher, (GB to sign-off both at the next meeting and submitted thereafter)
- YE Statement in **excel format**

The deadline for submitting the Actual Year End Statement for 2024-25 is **Wednesday 23rd April 2025**

### Remote Access

**To facilitate remote support, please liaise with your IT provider to ensure that TeamViewer is installed on your computer, with adequate security clearance for remote access by your allocated Business Analyst.**

## 15 - Queries? Who to Contact?

If you have any queries or comments, please do not hesitate to contact the Schools Finance Support Team at Hackney Education.

Name/Title	Email
<b>Business Analyst</b> Yukon Chow	<a href="mailto:yukon.chow@hackney.gov.uk">yukon.chow@hackney.gov.uk</a>
Asha Tailor	<a href="mailto:asha.tailor@hackney.gov.uk">asha.tailor@hackney.gov.uk</a>
Norman Planter	<a href="mailto:norman.planter@hackney.gov.uk">norman.planter@hackney.gov.uk</a>
<b>Finance Admin Assistant</b> Jessica Rolle	<a href="mailto:jessica.rolle@hackney.gov.uk">jessica.rolle@hackney.gov.uk</a>

## **And Finally....**

We once again look forward to working with you on this year's closure.

Many thanks.

*Schools Finance Support Team*