

## Help Sheet: Balance Sheet

### Arlingclose Online Spreadsheets

#### Purpose

This is the starting page for the liability benchmark calculations. Because the balance sheet must always add up to zero, we can forecast movements in cash by forecasting movements in other balances. The balance sheet shows the starting position.

#### Instructions

You will need the balance sheet from the authority's most recent statement of accounts. Draft unaudited accounts are fine.

#### *Balance sheet entry*

- Enter the balance sheet date in cell C1; this will normally be 31<sup>st</sup> March.
- Enter the various balances in column C against the relevant heading in column B in thousands of pounds (£'000).
  - The sheet includes all the standard headings recommended by CIPFA.
  - Your authority may have additional lines on the balance sheet, add these to the most appropriate row on the spreadsheet, e.g. General Fund earmarked reserves should be added to the General Fund.
  - If your authority combines the usable reserves into one heading, you should find the breakdown in the movement in reserves statement.
  - If your authority combines the unusable reserves into one heading, you should find the breakdown in a disclosure note.
  - There are separate rows for the capital adjustment account and the financial instruments adjustment account; all the other adjustment accounts should be added together.
- Assets should be entered as positive numbers and liabilities as negative numbers.
- Reserves in credit should be entered as negative numbers; some unusable reserves may be in debit in which case they should be entered as positive numbers.
- Check the calculated subtotals for each section against the published balance sheet.
- The grand total on row 56 should be zero (or close to zero, allowing for rounding); an error will display if it is out by more than 4.

#### *Categorising balances*

- The balance sheet is analysed across five categories in columns E to I.
- Most balances are automatically categorised, for example property plant and equipment is always part of the CFR.
- In some cases you will need to make adjustments, these are for:

- Investments, debtors and inventories that are capital expenditure - enter the principal amount in the CFR column.
- Accrued interest on treasury investments and borrowing, impairment allowances on treasury investments and EIR adjustments on borrowing - enter the relevant figures in the balance sheet resources column so that only the principal amounts feed into the columns for treasury investments and borrowing.
- Cash in hand and operational bank accounts under cash and cash equivalents, so that only treasury investment principal feeds into column G.
- Other debt liabilities (leases, PFI liabilities and transferred debt) - enter the balances in column I.

### HRA

The spreadsheet enables housing authorities to create separate liability benchmarks for the HRA and General Fund. The split is shown on rows 58 and 59, calculated as follows:

- CFR - from the Capital worksheet - the schemes where the element is set to “H”.
- Balance sheet resources - the Housing Revenue Account and Major Repairs Reserve balance.
- Treasury investments - this is the balancing item (if negative it indicates internal borrowing).
- Borrowing - from the Borrowing workbook - loans where the pool is set to “H” and the relevant share of the loans where the pool is set to “M” for mixed.
- Other debt liabilities - please enter the figure (as a negative number) for any HRA leases or PFI liabilities.

### More Help

Further help sheets are available at <https://www.arlingclose.com/insights/help-sheets>.

If you have any further queries, please email the Arlingclose team at [treasury@arlingclose.com](mailto:treasury@arlingclose.com).

**Arlingclose Limited**  
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