



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC GUIDANCE

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Accounts Direction for Scotland's Colleges 2024-25

Guidance Notes



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Accounts Direction for Scotland's Colleges 2024-25: detailed notes for guidance on completion of 2024-25 financial statements

Introduction

1. These guidance notes are designed to supplement the Scottish Funding Council's Accounts Direction.
2. The guidance has been prepared with a view to improving the quality and consistency of financial reporting throughout the college sector.

General

3. The Statement of Recommended Practice for Further and Higher Education (SORP) was issued in October 2018 and is effective for accounting periods beginning on or after 1 January 2019. The SORP reflects the changes to UK Generally Accepted Accounting Practice following the issue of FRS 100, 101 and 102. A copy of the SORP and supporting materials can be found on the [BUFDG website](#).
4. As noted in the SORP, institutions¹ must apply all requirements under FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', relevant legislation and accounts direction from Funding Bodies applicable to the institution.
5. Incorporated colleges and Glasgow Colleges' Regional Board² are also required to comply with the Financial Reporting Manual (FReM) and the Scottish Public Finance Manual (SPFM).

SFC and Regional Strategic Body Funding

6. The note analysing SFC grants or grants funded by Regional Strategic Bodies (RSBs) should provide sufficient information to allow the reader to understand the major types of grant received from each funding body. **Annex A** contains a model note which institutions should adopt as far as possible.
7. Any significant one-off or ring-fenced grants should be identified on a separate line. While smaller grants may be grouped together under the heading "other", this should not represent a significant portion (i.e. more than 20%) of the total grants received.

¹ The term institution includes colleges and Glasgow Colleges' Regional Board.

² Glasgow Colleges' Regional Board was dissolved on 30 July 2025. The Scottish Funding Council will be responsible for preparing the 2024-25 accounts. This applies to all references made to Glasgow Colleges' Regional Board throughout this document.

Tuition Fees and Education Contracts

8. Institutions should analyse tuition fees and contracts in accordance with the model notes given in **Annex B**.

Grants from Arms-Length Foundations

9. Institutions should disclose separately any revenue or capital grants received from arms-length foundations.

Student Support Funds

10. Paragraph 16.9 of the SORP states that “Where the institution disburses funds it has received as paying agent on behalf of a funding body or other body, and has no beneficial interest or risks related to the receipt and subsequent disbursement of the funds, these funds should be excluded from the Statement of Comprehensive Income of the institution.”
11. What constitutes an agency arrangement will depend upon each individual fund and its own individual characteristics. However, the following can be considered to be agency arrangements:
 - Further education bursary funds.
 - Discretionary funds.
 - Education maintenance allowances.
12. Accordingly, these should be excluded from the Statement of Comprehensive Income and the movements disclosed in a note to the accounts. To ensure comparability between institutions, we recommend that the standard note shown in **Annex C** is adopted.
13. FE and HE childcare funds received by institutions should be included in the main Statement of Comprehensive Income as institutions have more discretion in the manner in which these funds are disbursed and these funds do not therefore meet the definition of agency funds. The income from childcare funds should be identified as a separate line in the Scottish Funding Council income note. Related expenditure from the fund should be shown as a separate line within the appropriate expenditure heading. A note of the movements on childcare funds should be disclosed in the notes in accordance with the model note given in **Annex C**. The guidance section on the SFC website provides further details of childcare guidance for FE and HE students studying at colleges.
14. Any in-year redistributions agreed by SFC should also be reflected in the notes. Amounts to be recovered should be identified as repayable to SFC or other body in the student support fund note.

15. Institutions should have in place systems which minimise incorrect payments of student support funds. However, where there has been overpayment for any reason and funds are recovered these should be credited to the fund balance at the time of recovery. The administrative costs of recovering these overpayments, in line with other administrative costs relating to student support fund payments, should be met from core funds.
16. A link to extant guidance relevant to non-advanced student support funds from SFC is given in **Annex D**.

Staff Costs

17. For consistency and clarity the headings shown in the staff costs note should be analysed as shown in **Annex E**. As in previous years, agency staff costs should be included as a separate line under 'Other operating expenses'.
18. The current position in relation to the support staff job evaluation exercise is set out in paragraphs 32 to 38 in Appendix 1 of the Accounts Direction document.

Non-Profit Distributing Projects

19. In accounting for the unitary charge payment, the split between the running cost and loan repayment elements should be disclosed in the notes to the financial statements.

Donations to Arms-Length Foundations

20. Any donation to an arms-length foundation should be disclosed above the operating surplus line, under the expenditure headings, in the Statement of Comprehensive Income. The donation should be clearly disclosed in order to ensure transparency within the annual report and accounts.

Summary Pension Note

21. A model summary pension note disclosing SOCI charges and Balance Sheet movements is shown at **Annex F**. The suggested note is included within the guidance notes with a view to generating consistency of reporting between colleges of the key SOCI charges and Balance Sheet movements. The suggested note will form part of the wider disclosures on pensions required in the accounts though this additional information is not reflected in **Annex F**. It is important that the note sets out the non-cash movements charged to the SOCI (service costs and net interest cost) as these will also be disclosed and cross-referenced on the adjusted operating position table.

Annex A

Model Note: SFC and Regional Strategic Body Income

	2024-25 £'000	2023-24 £'000
SFC/RSB FE recurrent grant (including fee waiver)		
SFC/RSB financial sustainability funding		
UHI recurrent grant – HE provision		
FE childcare funds		
SFC/RSB Capital grants received		
Release of SFC/RSB deferred capital grants		
SFC grant for NPD		
Other SFC / RSB grants – FE provision		
Other UHI grants – HE provision		
Total		

Annex B

Model Note: Tuition Fees and Education Contracts

	2024-25 £'000	2023-24 £'000
FE fees – UK		
FE fees – EU		
FE fees – non EU		
HE fees		
SDS contracts		
Education contracts		
Other contracts		
Total		

Annex C

Model Note: FE Bursaries and other Student Support Funds

	2024-25	2024-25	2024-25	2024-25	2023-24
	FE Bursary	EMAs	Other	Total	Total
	£'000	£'000	£'000	£'000	£'000
Balance b/fwd					
Allocation received in year					
Expenditure					
Repaid to SFC (recovery of funds)					
College contribution to funds					
Intra-region allocations					
Virements					
Balance c/fwd					
Represented by:					
Repayable to SFC (recovery of funds)					
Repayable to region					
Retained by college for students					

Note:

- The SAAS Discretionary fund should be included in the “other” column; and
- The expenditure included above should be net of recoveries made in the year.

Annex C (Continued)

Model Note: FE and HE Childcare Funds (College Funds)

	2024-25	2023-24
	£'000	£'000
Balance b/fwd		
Allocation received in year		
Expenditure		
Repaid to SFC (recovery of funds)		
College contribution to funds		
Intra-region allocations		
Virements		
Balance c/fwd		
Represented by:		
Repayable to SFC (recovery of funds)		
Repayable to region		
Retained by college for students		

Annex D

Extant SFC Guidance for Student Support Funds

22. Student support guidance for Academic Year 2024-25 is available from the SFC website as set out below:

[National Policy for FE Student Support Bursaries 2024-25 - Scottish Funding Council](#)

[FE Student Support Discretionary Funding 2024-25 - Scottish Funding Council](#)

[Childcare Funding for College Students 2024-25 - Scottish Funding Council](#)

23. Guidance notes on the audit requirements for Education Maintenance Allowances for 2024-25 and the audit requirements for student support funds for 2024-25 will be published on SFC's website later in August 2025.

Annex E

Model Note: Staff Numbers and Staff Costs

Staff Numbers

	2024-25	2023-24
	Number	Number
Academic / Teaching departments		
Academic / Teaching services		
Research grants and contracts		
Administration and central services		
Premises		
Other expenditure		
Catering and residences		
Total		

Staff Costs

	2024-25	2023-24
	£'000	£'000
Academic / Teaching departments		
Academic / Teaching services		
Research grants and contracts		
Administration and central services		
Premises		
Other expenditure		
Catering and residences		
Sub-total		
Exceptional restructuring costs		
Total		

Annex F

Model Summary Pension Note

The analysis of amounts charged to the Statement of Comprehensive Income (SOCl) is as follows:

	2024-25	2023-24
	£'000	£'000
Charged to staff costs:		
Current service costs	x	x
Past service costs	x	x
Total charged to staff costs	xx	xx
Credit/charge for net return on pension scheme:		
Interest income	x	x
Interest cost	x	x
Net interest charged	xx	xx
Credit/charge to other comprehensive income:		
Return on assets	x	x
Other experience	x	x
Gains and losses arising on changes in financial assumptions	x	x
Actuarial Gain/(Loss)	xx	xx
Total charge to the SOCI	xxx	xxx

**Analysis of the movement in deficit
during the year:**

Deficit in scheme at start of year	x	x
Service costs	x	x
Employer contributions	x	x
Net interest costs	x	x
Actuarial gain/(loss)	x	x
Deficit in scheme at end of year	xx	xx