Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC GUIDANCE

REFERENCE: SFC/GD/13/2025

ISSUE DATE: 08/08/2025

Accounts Direction for Scotland's Universities 2024-25 Guidance Notes

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Accounts Direction for Scotland's Universities 2024-25: Detailed Notes for Guidance on Completion of 2024-25 Financial Statements

Introduction

1. These guidance notes are designed to supplement the Council's Accounts Direction.
2. The guidance has been prepared with a view to improving the quality and consistency of financial reporting throughout the university sector.
3. This guidance covers key disclosures in the financial statements, including model disclosure notes.

General

4. The Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) was issued in October 2018 and is effective for accounting periods beginning on or after 1 January 2019. A copy of the SORP can be found at the following link: 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.
5. Model financial statements are available on the BUFDG website (www.bufdg.ac.uk).
6. As noted in the SORP, institutions 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.

SFC Funding

7. The note analysing Funding Council grants should provide sufficient information to allow the reader to understand the major types of grant received from SFC. **Annex A** contains a model note which institutions should adopt as far as possible.
8. Any significant one-off or ring-fenced grants should be identified on a separate line. Whilst 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.

Tuition Fees and Education Contracts

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

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:

    - Higher education childcare funds.
    - Higher education discretionary funds.

12. Accordingly, these should be excluded from the Statement of Comprehensive Income and the movements disclosed in a note to the accounts.

13. The funds that institutions receive to offset the administration costs of operating HE student support funds should be included within the institution's own Statement of Comprehensive Income.

14. Any in year re-distributions agreed by the Council should also be reflected in the notes. Amounts to be recovered should be identified as repayable to Funding Council or other body in the student support fund note. An example note is included at **Annex C**.

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.

Staff Costs

16. For consistency and clarity, the headings shown in the staff costs note should be analysed as shown in **Annex D**. As in previous years, agency staff costs should be included as a separate line under 'Other operating expenses'.

Annex A

Model Note: SFC Income

	2024-25 £'000	2023-24 £'000
General Fund – Teaching		
General Fund – Research and Innovation		
Capital grants received in year		
Deferred capital grants		
Strategic funding		
Capital maintenance grants		
Grants for FE provision		
Ring-fenced grants funded by Scottish Government		
Total		

Annex B

Model Note: Tuition Fees and Education Contracts

	2024-25 £'000	2023-24 £'000
Scotland home domicile fees		
EU domicile fees		
RUK domicile fees		
Non-EU domicile fees		
Non-credit bearing course fees		
Education contracts		
Other contracts		
Total		

Annex C

Model Note: HE Student Support Funds

	2024-25 HE Childcare £'000	2024-25 HE Discretionary £'000	2024-25 Other £'000	2024-25 Total £'000	2023-24 Total £'000
Balance b/fwd					
Allocation received in year					
Expenditure					
Repaid (recovery of funds)					
Contribution to funds					
Balance c/fwd					
Repayable (recovery of funds)					
Retained by institution for students					

Annex D

Model Note: Staff Numbers and Costs

Staff Numbers

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

Staff Costs

	2024-25 £'000	2023-24 £'000
Academic / Teaching departments		
Academic / Teaching support services		
Research grants and contracts		
Administration and central services		
Premises		
Other income generating activities		
Other expenditure		
Catering and residences		
Movement on pension provision		
Sub-total		
Exceptional restructuring costs		
Total		

Staff Costs (Continued)

	2024-25 £’000	2023-24 £’000
Salaries		
Social security costs		
Pension contributions paid		
Pension net service cost		
Movement on pension provision		
Sub-total		
Exceptional restructuring costs		
Total staff costs		