Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC Call for Information

Reference: SFC/CI/06/2025

Issue date: 14/11/2025

College Financial Statements and Returns 2024–25

College Financial Statements and Returns 2024–25

ISSUE DATE:	14 November 2025
REFERENCE:	SFC/CI/06/2025
SUMMARY:	This Call for Information requests copies of audited 2024–25 financial statements and associated supporting information.
FAO:	Principals, Finance Directors and Board Secretaries of Scotland's Regional Colleges, non-assigned non-incorporated colleges, University of the Highlands and Islands; and the general public.
FURTHER INFORMATION:	**CONTACT:** Andrew Millar / Wilma MacDonald **JOB TITLE:** Assistant Director / Assistant Director **DIRECTORATE:** Finance **TEL:** 0131 313 6538 / 0131 313 6565 **EMAIL:** amillar@sfc.ac.uk / wmacdonald@sfc.ac.uk

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College Financial Statements and Returns 2024-25

Purpose

1. I am writing to ask you to provide copies of your audited 2024-25 financial statements and associated supporting information.

2. Regional colleges and non-assigned non-incorporated colleges should send their returns to the Scottish Funding Council (SFC). The Regional Strategic Body (RSB) for the Highlands and Islands, University of the Highlands and Islands (UHI), should provide SFC with assigned colleges' financial statements, spreadsheet returns and associated documents.

3. All returns and associated documents should be submitted to SFC **by 31 December 2025**. However, if any of your documents are ready prior to 31 December, earlier submission to SFC would be welcomed. UHI will set an earlier deadline for its assigned colleges' returns to allow time for scrutiny prior to submitting them to SFC.

4. Electronic copies of the annual accounts return and supporting documents should be emailed to: isg-returns@sfc.ac.uk.

2024-25 Financial statements

5. In preparing their annual report and accounts, colleges are required to comply with the Accounts Direction issued on 14 August 2025.

6. The annual accounts review is an established part of SFC's financial health monitoring framework.

7. Guidance on completing the spreadsheet return can be found at **Annex A**.

8. The documents needed to complete your electronic return are published on our website along with this Call for Information and include a blank copy of the spreadsheet return template and checklist of required documents (**Annex B**). The template is unlocked so that it can be used in preparing the figures for the return. We request that colleges complete the pre-populated return provided for submission to SFC.

9. Finance Directors will receive an individual spreadsheet which we have pre-populated with the 2023-24 comparative figures and June 2025 Financial Forecast Return (FFR) figures for 2024-25. For assigned colleges, we will send the pre-populated returns to UHI. If any changes are required to the 2023-24 figures due to prior year adjustments, colleges should advise SFC, or UHI as their RSB, of the amendments required and an updated return will be provided for completion.

Colleges assigned to UHI

10. Assigned colleges should submit their documentation to UHI who will forward

everything on to SFC. SFC will follow up any queries with UHI.

Adjusted operating position

11. The 2024-25 Accounts Direction referred to above provides guidance on the calculation of the adjusted operating position for colleges in paragraphs 51 to 54 of Appendix 2.

12. Colleges are required to submit a draft Adjusted Operating Position calculation, together with their draft accounts and actuarial report, to SFC for agreement prior to finalising their 2024-25 accounts.

Update on operating position

Regional colleges

13. If your college has recorded any significant deterioration in its financial position for the current Academic Year (2025-26) compared to that set out in the 2025 FFR, please inform the relevant Senior Financial Analyst within the Finance directorate as soon as possible and provide a full commentary on the reasons for the deterioration. A list of the Senior Analyst portfolios is available on the SFC website.

14. Similarly, if any covenants relating to your college's borrowing have been or are likely to be breached within the next 12 months, please advise the relevant Senior Financial Analyst without delay.

Colleges assigned to UHI

15. If your college has recorded any significant deterioration in its financial position for the current Academic Year (2025-26) compared to that set out in the 2025 FFR, please inform UHI as soon as possible and provide a full commentary on the reasons for the deterioration. UHI should inform the relevant Senior Financial Analyst.

16. Similarly, if any covenants relating to your college's borrowing have been or are likely to be breached within the next 12 months, please advise UHI without delay. UHI should inform the relevant Senior Financial Analyst.

Further information

17. Please contact Andrew Millar, Assistant Director, Finance (tel: 0131 313 6538; email: amillar@sfc.ac.uk) or Wilma MacDonald, Assistant Director, Finance (tel: 0131 313 6565; email: wmacdonald@sfc.ac.uk) to discuss any aspect of this communication.

Ursula Lodge CPFA
Deputy Director Institutional Financial Health

Annex A

Completion of the financial statements' spreadsheet

Explanations for significant variances

1. Please enter explanations for any significant variances in the columns provided. Providing comprehensive reasons for larger variances in the spreadsheet should reduce the number of questions we have after submission. Please use the explanations column to draw attention to anything you feel it would be useful for SFC to know.

2. When we have reviewed your spreadsheet, we will consider if there are any further matters we need to raise with you, or in the case of assigned colleges with UHI, before concluding our consideration of your financial statements.

Which figures does the institution need to add?

3. All blue boxes in the worksheets should be completed. If the figure for an item is zero, please enter a "0" and do not simply leave the box blank. The revenue funding for non-SOCI payments and WGA sheets are not required for non-incorporated colleges.

Spreadsheet order

4. There are fourteen sheets in the spreadsheet that have boxes to be completed. We suggest that the order of completion is:

   (i) Income.
   (ii) Expenditure.
   (iii) Pension contributions.
   (iv) Statement of Comprehensive Income and Expenditure (SoCIE).
   (v) Staffing efficiencies.
   (vi) Balance Sheet.
   (vii) Liquidity analysis.
   (viii) Adjusted operating position.
   (ix) Revenue funding non SOCI.
   (x) Additional info (please complete all applicable sections).
   (xi) Cashflow.
   (xii) WGA Fixed asset breakdown
   (xiii) WGA Other info
   (xiv) Declaration.

5. Please note that only whole numbers should be input into the spreadsheet. It is very important that you do not link the spreadsheet to another document or add additional

columns or rows in any of the sheets in the workbook.

What explanation is the institution expected to provide?

6. If the movement in an item on last year’s results or on the 2025 FFR forecast is of a significant amount (variance +/- 5% or over 2% of total expenditure), please provide details of the reason for the variance in the explanation column.

7. Explanations should be genuinely insightful, giving clarity about the cause of a variance. This should reduce the number of queries arising from our review of the spreadsheet and accounts.

Annex B

Financial statements and return checklist

Please ensure that all the documents referred to below are submitted to SFC in the format indicated and no later than 31 December 2025. Colleges assigned to UHI should ensure that all documents are submitted to UHI in the format indicated to allow UHI to send its information to SFC no later than 31 December 2025. UHI will set an earlier deadline for its assigned colleges' returns to allow time for scrutiny prior to submitting them to SFC.

1	A signed copy of the audited financial statements	PDF
2	An unsigned copy of the audited financial statements (to be put on SFC's website after laying in Parliament) [1]	PDF
3	Annual audit report and any management letter(s) from external auditor	PDF
4	Paper to finance committee which accompanied the financial statements	PDF
5	Subsidiary accounts (where applicable)	PDF
6	Internal auditor's annual report	PDF
7	Audit Committee annual report	PDF
8	The spreadsheet return signed by the Principal	Excel

[1] This is not required if the signed financial statements are signed using DocuSign.