



SFC Guidance

Further Education Colleges: Financial statements return 2012-13

Issue date: 1 November 2013

Summary: This document provides guidance on the completion of the financial statements return spreadsheet for 2012-13.

FAO: Principals and directors of Scotland's colleges

Further information:

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Further education colleges: Financial statements return 2012-13

Financial statements review 2012-13 guidance

1. As in previous years, and reflecting the requirements of the *Financial memorandum*¹ and the associated *Mandatory requirements*², please send us copies of the following (unbound if possible) no later than **31 December 2013**:
 - a signed copy of the audited financial statements (if these are not yet ready, please provide a copy of the draft accounts and let us know why there has been a delay);
 - full final management letter from your external auditors;
 - paper to the finance committee which accompanied the financial statements;
 - subsidiary accounts where applicable;
 - internal auditor's full final annual report;
 - audit committee annual report;
 - a hard copy of the spreadsheet, signed by the Principal;
 - Statement of Assurance on governing body development activity; and
 - an electronic copy of the spreadsheet to:
GMAP-returns@sfc.ac.uk
2. The returns should be sent to Angela Iannetta, Administrative Officer, Scottish Funding Council, Apex 2, 97 Haymarket Terrace, EH12 5HD.

Financial statements spreadsheet

3. 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.
4. When we have reviewed your spreadsheet, we will consider if there are any further issues we need to raise with you before concluding our consideration of

¹ http://www.sfc.ac.uk/guidance/GovernanceGuidance/FinancialMemorandum/financial_memorandum.aspx

² http://www.sfc.ac.uk/guidance/GovernanceGuidance/FinancialMemorandum/mandatory_requirements.aspx

your financial statements. A blank copy of the spreadsheet format is also on our website³.

Comparative figures

5. We have input the 2011-12 actual figures (from the 2011-12 financial statements spreadsheet) and forecast figures (from the 2013 FFR) in your unique electronic version of the spreadsheet (which we have sent by email to your Finance Director).
6. For a number of colleges we are unable to input the forecast figures because the forecast provided was for the new merged college. If these figures are available for the individual colleges, please input those into the spreadsheet.
7. In the email accompanying your returned spreadsheet please give details of any prior year adjustments or restatements, or any comparative figures you consider to be incorrect. The spreadsheets are protected, but not with a password. Therefore it will be possible for you to make these changes in the electronic return without having to contact SFC.

Completion of the spreadsheet

Which figures does the institution need to add?

8. All blue boxes and the sheet 'Detail of Borrowing', if your institution currently has borrowing, should be completed. If the figure for an item is zero, please input a "0" and don't simply leave the box blank.

Spreadsheet order

9. There are nine sheets in the spreadsheet that have boxes to be completed. We suggest that the order of completion is:
 - (i) Income
 - (ii) Expenditure
 - (iii) I&E
 - (iv) Balance sheet
 - (v) Additional info (**please complete all applicable sections**)
 - (vi) Detail of Borrowing
 - (vii) Cash flow
 - (viii) Commentary (where applicable)
 - (ix) Declaration

³ Go the 'Financial statements 2012-13' section of <http://www.sfc.ac.uk/guidance/GovernanceGuidance/FinancialSustainability/FinancialSustainabilityGuidance.aspx>

10. Please note that only whole numbers can be input into the spreadsheet. **Please do not link the spreadsheet to another document.**

What explanation is the institution expected to provide?

11. If the movement in an item is of a significant amount, please provide details of the reason for the variance in the explanation column.
12. Explanations which are genuinely insightful, giving clarity about the cause of a variance, are more useful to us as we analyse your accounts. We hope that by receiving meaningful explanations at this stage the number of queries arising from our review of the spreadsheet and accounts should be small.

Commentary sheet

13. A commentary sheet is provided for institutions that wish to bring to our attention any events or circumstances that had a significant impact on the institution's performance during the year.
14. Your commentary should include a description of how the general economic environment has impacted on the financial performance of the institution.

Summary sheet

15. This sheet summarises key performance indicators and does not require figures to be input. We have included one additional indicator this year: Non-SFC income as a percentage of total income.

Further information

16. If you have any questions about the guidance or the completion of the spreadsheet, please contact the relevant Financial Analyst for your institution. A list of the Financial Analysts and their portfolios of institutions is available on the SFC website at the following link:
[http://www.sfc.ac.uk/web/FILES/About the Council/Team portfolio alphabetical Current.pdf](http://www.sfc.ac.uk/web/FILES/About%20the%20Council/Team%20portfolio%20alphabetical%20Current.pdf).