

# Guidance for providers about the financial information required for registration

## Introduction

1. This regulatory advice sets out guidance about the financial data and information you need to submit with your application to register with us. It applies to you if you are applying to register with the OfS and are:
  - a. An English provider currently designated for student support by the Secretary of State and regulated by the Department for Education (DfE) in 2018-19 (sometimes referred to as an 'alternative provider').
  - b. An English provider designated for Disabled Students Allowance (DSA) by the Secretary of State and regulated by the DfE in 2018-19.
  - c. A provider that is applying to be registered with the OfS as a new provider – this includes providers that are applying to register with us for the purposes of Tier 4 eligibility.
2. Throughout this guidance we refer to providers described in b and c as 'new' providers.
3. The guidance is intended to help you to understand:
  - The financial information you need to submit to us when you apply for registration.
  - How to complete the financial and student numbers tables (if necessary).
  - How to produce the commentary that you need to explain your financial and student numbers tables.
4. You should read this guidance in conjunction with Regulatory Advice 2<sup>1</sup> (for current providers), or Regulatory Advice 3<sup>2</sup> (for new providers) which sets out in full what you need to do to apply to us to be registered.

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<sup>1</sup> [https://www.officeforstudents.org.uk/media/1049/ofs2018\\_04.pdf](https://www.officeforstudents.org.uk/media/1049/ofs2018_04.pdf)

<sup>2</sup> [https://www.officeforstudents.org.uk/media/1051/ofs2018\\_05.pdf](https://www.officeforstudents.org.uk/media/1051/ofs2018_05.pdf)

# What do I need to do?

## New providers and providers previously designated for DSA

5. The evidence that you need to provide will vary depending on how long you have been in operation.
  - If you have been in operation and delivering higher education for more than three years you will need to provide full audited financial statements for the last three years.
  - If you have been in operation and delivering higher education for fewer than three years you will need to provide audited financial statements for as many years as are available.
  - If you are an entirely new provider of higher education you should submit alternative evidence such as your business plan and information about your financial backing. We will consider evidence that provides us with a similar level of information about your financial viability and sustainability as we would find in audited financial statements if you had them.
6. You will also need to provide financial and student numbers forecasts for the current year and for four future years, and a commentary on these forecasts.
7. A financial and student numbers template is available alongside this document on the OfS website.

## Providers with specific course designation in 2018-19

8. If a new set of audited financial statements has become available since your last submission to HEFCE for the re-designation process for 2018-19, you will need to submit the financial information set out in paragraph 9. This will apply to you if your latest financial year ended or will end nine or more months before the date when you will apply for registration. For example:
  - if your most recently completed financial year ended on 30 June 2017 (or earlier), then you will need to submit your audited financial statements (and other financial information) if you are applying for registration on or after 1 April 2018.
  - if your most recently completed financial year ended on 31 August 2017, then you will need to submit your audited financial statements (and other financial information) if you are applying for registration on or after 1 June 2018.
9. You will need to submit:
  - Your audited financial statements.
  - Completed financial and student numbers tables including forecast data (you can find the template alongside this document on the OfS website).
  - A financial commentary that explains the data you have provided in the financial and student numbers tables.

10. If your latest financial year end is fewer than nine months before the date when you will apply for registration, we will use the data and information that we already hold to assess whether you satisfy the financial viability and sustainability initial condition of registration.
11. If you wish to submit more recent information (for example, if you have available more recent audited financial statements), you are able to do so. If you submit audited financial statements, you will also need to submit updated financial and student numbers tables and an accompanying commentary.
12. If you need to send us new financial information, the guidance set out in this document will help you to provide the information that you need to submit to us with your application.

# What evidence do I need to provide?

## Audited financial statements

13. You need to submit financial statements that have been audited by independent external auditors.

You must submit audited financial statements to us, regardless of whether this is a legal requirement for your business or whether you have exemption from filing audited accounts at Companies House or with the Charity Commission due to your size or legal form.

We require financial statements to be audited by an independent external auditor (see below) before submission to us so that we can have confidence in the information that you send us.

If you submit unaudited financial statements to us, then we will be unable to consider your application for registration.

14. Your audited financial statements for each year must be prepared on the basis of the Financial Reporting Standard 102 (FRS 102) and include all of the following<sup>3</sup>:

- A 'Statement of financial position' (balance sheet).
- Either a 'Statement of comprehensive income' incorporating profit or loss for the period and items of other comprehensive income; or a 'Statement of income and retained earnings'.
- A 'Statement of changes in equity'.
- A 'Statement of cash flows'.
- Notes to the financial statements.

Some businesses do not need to include all of the components set out above in their financial statements due to their size or legal form. However, your audited financial statements must contain all of the components set out above regardless of whether this is a legal requirement for your business or whether you have an exemption from including certain components (such as cash flow statements) in the accounts that you file with Companies House.

This is so that we have a full picture of your financial performance and position so that we can make an appropriate, fair and reasonable assessment of your financial viability and sustainability.

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<sup>3</sup> Depending on when your financial years fall relative to the introduction of financial reporting requirements, the components of your financial statements may have different names – you do not need to rename these as long as the names that you have used reflect the financial reporting requirements in place at the time.

If you submit financial statements to us that do not contain all of the components set out above, then we will be unable to consider your application for registration.

15. Your financial statements must be audited by independent external auditors. By 'independent' we mean independent of the provider and independent of the preparer of the accounts and the financial statements. Your external auditor must also be listed on the Register of Statutory Auditors<sup>4</sup>.
16. Your external auditor must provide a report giving an opinion to the governing body, or equivalent, on whether the financial statements provide a true and fair view of the financial results for the year. Your external auditors must report whether in all material respects:
  - The financial statements give a true and fair view of the state of your affairs, and of your income and expenditure, gains and losses, changes in reserves and cash flows for the year. They should take into account:
    - relevant statutory and other mandatory disclosures and accounting requirements as set out in company law or, if relevant, charity law
    - our requirements as set out in this guidance and
    - our requirements as set out in our accounts direction.
  - The financial statements have been properly prepared in accordance with the Financial Reporting Standard 102 (FRS 102) or International Financial Reporting Standards (IFRS), depending on what is appropriate for your size and type of organisation.
17. It may be the case that you provide a trial balance<sup>5</sup> to your external auditor and that your external auditor then places the financial data from your trial balance into a template to produce your financial statements. Provided you, and not your external auditor, approve any changes to the numbers in your financial statements that arise as a result of the external audit, then we will consider the external auditor to be independent of the preparation of your financial statements.
18. Your audited financial statements must be signed by your external auditor and by your chief executive.

Your audited financial statements must be signed by the external auditor and by your chief executive as a requirement of registration and you must submit the signed version to us that includes the external auditor's report.

The external auditor's report and opinion must cover all components of the audited financial statements and not be limited to a sub-set of the pages included in the audited financial statements. This is so that we can have confidence that the external auditor's opinion applies to all of the information and data in the financial statements (as set out in the external auditor's

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<sup>4</sup> <http://www.auditregister.org.uk/Forms/Default.aspx>

<sup>5</sup> The trial balance is a list of all the closing balances of the all of the accounts in your general ledger.

opinion) and that the external auditor has seen the final version of the financial statements that you are submitting to us.

If you submit financial statements to us that are not signed by the external auditor or for which the external auditor's opinion does not cover all of the pages in the financial statements, then we will be unable to consider your application for registration.

## Business plan

19. You can submit a business plan with your application for registration. You may wish to consider submitting your business plan if you are:
- a new provider without a track record of three years' audited financial statements and/or
  - a provider with a track record that will not be able to demonstrate that you are financially viable and sustainable using your audited financial statements.
20. If you submit a business plan as part of your application, we will consider this alongside your financial and student numbers tables and your commentary. Your business plan must include robust and well-evidenced assumptions that underpin the financial forecasts in the financial and student numbers tables. The forecasts must be credible and show:
- over what period you will become financially viable and sustainable and how you will achieve this
  - how you will manage your finances over the period before you are viable and sustainable (what are your sources of financial support during this period)
  - how you will use your resources over this period to deliver a high quality student experience
  - what contingency plans you have in place should unexpected financial challenges arise during this period.
21. You can submit your business plan in any format but it must include the information set out above. Where you are planning to rely on another organisation, company or individual's financial support over this period, you must submit evidence (e.g. a legally binding obligation of financial support and audited financial statements for the supporting entity) to demonstrate that the entity has committed to support in the way that you describe and is able to provide you with the level of financial support that you need. It is for you to determine the level of financial support you need.
22. We will have regard to the availability of financial facilities or legally binding obligations of financial support from third parties (which includes any entity that is not the provider itself). A legally binding obligation of financial support means an unqualified undertaking enforceable by court action to meet your financial obligations as they fall due, or to put you in funds so that you may itself meet those obligations, if you are unable to do so. In having such regard:
- a. We will consider the terms of any financial facilities and in particular whether they are repayable on demand or are term facilities, and if term facilities the date of expiry.

- b. Where facilities are on demand or will expire during the period in respect of which a judgement as to solvency is being made, the likelihood of the facilities being called in or renewed and if so on what terms.
  - c. Where a legally binding obligation of financial support is in place, the duration and other terms of that obligation and the overall financial strength of the counterparty, evidenced by audited financial statements of the counterparty and if necessary its ultimate parent company.
23. It will be for you to ensure that we are fully informed as to your financial facilities, and you will be expected to consent to us making direct enquiry of the finance provider if requested to do so. We may draw inferences from a failure to provide such consent.
24. We will not place weight on a legally binding obligation of financial support from third parties unless that obligation is:
- a. Governed by the laws of England and Wales.
  - b. Subject to the exclusive jurisdiction of the Courts of England and Wales.
  - c. Expressed to be directly enforceable by the OfS in addition to the provider.
25. We are unlikely to place significant weight on a legally binding obligations of financial support from third parties unless the third party is incorporated in the United Kingdom or in a state in which a judgement of the Courts of England and Wales may be directly enforced.
26. We will not have regard to non-legally binding expressions of financial support from third parties, including your parent company.

## **Financial and student numbers tables**

27. You must submit your audited financial data to us in the financial and student numbers tables. We have published the template for the tables alongside this document on the OfS website.
28. The tables ask you to provide historic and forecast information about your student numbers and about your financial performance and position. This enables us to assess your financial viability and sustainability and make a judgement about your financial risks. You will need to complete the tables in full.
29. The table below explains how you should complete the financial and student numbers tables.
30. The information is intended to help you to understand what you should include in each line. In completing the financial tables, you should refer to the Financial Reporting Standards (FRS102<sup>6</sup>) or International Financial Reporting Standards (IFRS<sup>7</sup>), depending on the convention used in your latest audited accounts, to ensure that you follow the correct technical accounting requirements.

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<sup>6</sup> <https://www.frc.org.uk/accountants/accounting-and-reporting-policy/uk-accounting-standards/standards-in-issue/frs-102-the-financial-reporting-standard-applicabl>

<sup>7</sup> <http://www.ifrs.org/issued-standards/list-of-standards/>

	What you need to do:	Notes to help you:
Provider	Type your name (the legal name of the provider)	This should be the name of the provider and not the name of the person completing the tables.  The name must be the legal name of the entity that is applying for registration. Where this is part of a corporate group structure, the name must be the name of the provider applying for registration and not a different company within the corporate structure.
UKPRN	Type your UKPRN	This should be the UKPRN of the provider and must be the same as the provider that is applying for registration.
Date of most recent financial year end (which you have audited accounts for)	Type in the year end for the audited financial statements that you are submitting with your registration application	The year end dates for the tables will automatically be filled in the tables after you enter the date into this cell.  If you have changed your financial year end or are planning to change your financial year end, type over the text in the cells that have automatically filled in incorrectly (your new text will be blue so that you and we can easily see where you have done this).

### Table 1 – Key contextual data

31. To complete Table 1, you must enter data about student and staff numbers on the correct rows for all rows and for all years:

- The heading on the row tells you which particular groups of students and staff you need to enter data about
- The heading on the column tells you which financial year you need to enter the data for.

32. For all data, enter the figures as full-time equivalent (FTE) and not as headcount.

#### How to calculate student FTE

For student data, the definition of full-time is where the student is normally required to attend the institution, or elsewhere, for periods amounting to at least 24 weeks within the year and, during that time, they are normally expected to undertake periods of study, tuition, learning in the workplace, or sandwich work-placement (that does not meet the criteria to be sandwich year-out), which amount to an average of 21 hours per week. This is 1 FTE.

The FTE for a part-time course should be calculated by comparison with an equivalent full-time course, where such a course exists. For example, if your students study an average of 11 hours per week for at least 24 weeks within the year then this would be 0.5 FTE – this is provided that during that time, they are normally expected to undertake periods of study, tuition, learning in the workplace, or sandwich work-placement (that does not meet the criteria to be sandwich year-out).

If an equivalent full-time course does not exist, a reasonable academic judgement should be made of the FTE relative to a full-time student.

Calculation of the FTE can be based on either:

- a. Duration of the course.
- b. Credit points studied.

Whether you use method a or b to calculate the FTE, the total FTE for a part-time course should equal the total FTE of the equivalent full-time course.

33. For student data, you should include (in the categories indicated for each row) the number of students enrolled or forecast to be enrolled during each financial year, expressed as FTE as defined above). You must include all of the students in each category, not just those on courses that are currently designated for student support purposes.
34. If you are not currently designated for student support purposes, you would only include students on these rows of the template for the period from 1 August 2019.
35. For staff data, you need to include all staff, including those that you contract on an hourly basis, expressed as full-time equivalent.

#### How to calculate staff FTE

For staff data, the definition of full-time is where a staff member is normally required to work for periods amounting 260 days within a year, 7 hours a day (this includes annual leave). The FTE for a part-time staff member should be calculated by comparison with an equivalent full-time staff member, or, if you do not employ any full-time staff, to the equivalent of the 7 hours per day for 260 days per year pattern.

36. You will need to explain in your commentary the differences in forecast data from year to year, so that we can understand the assumptions you have made in making decisions about your forecast figures. For example, you should explain why your numbers have changed between years 3, 4 and 5 of your forecasts. These explanations should be included in the commentary that accompanies the financial and student and staff numbers tables. Information about what we want you to tell us in your commentary are set out in the section on the commentary below.

	What you need to do:	Notes to help you:
1. Student numbers (FTE)	You do not need to enter any data into this row.	This is a section heading for the student numbers section of the table.
a. Home and EU students	You do not need to enter any data into this row.	<p>This is a section sub-heading for the Home and EU student numbers section of the table.</p> <p>Home and EU students are those students who have a permanent or home address that is inside the UK or EU.</p> <p>For each row (i to viii), you need to include the total number of students from the Home and EU that are studying or will be studying with you during the financial year.</p>
i. FT HE students on current and future courses designated for UG student support	You need to enter, for each financial year, the number (as FTE) of Home and EU undergraduate students who are studying on current and future designated courses (or courses designated for teach out if you are a 'teach out' provider). You must only enter the number (as FTE) of those students who are studying on full-time courses.	<p>You should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. If a course is newly designated, include students previously on this course in years 1, 2 and 3 where relevant. This information should take into account student number control (SNC) policy, where relevant, and so should be within any SNC recruitment limits that the Department has applied to you for the period up to 31 July 2019.</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access student support from the 2019-20 academic year (i.e., from 1 August 2019). In addition, you will not be subject to an SNC recruitment limit from 1 August 2019 unless we notify you of a limit when we register you.</p>

	What you need to do:	Notes to help you:
ii. FT HE students on current and future courses designated for PG masters loans	You need to enter, for each financial year, the number (as FTE) of Home and EU students who are studying on current and future courses that are designated for postgraduate masters loans (or courses designated for teach out if you are a 'teach out' provider). You must only enter the number (as FTE) of those students who are studying on full-time courses.	<p>You should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. If a course is newly designated, include students previously on this course in years 1, 2 and 3 where relevant.</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access PG masters loans from the 2019-20 academic year (i.e., from 1 August 2019).</p>
iii. FT HE students on current and future courses designated for DSA only	You need to enter, for each financial year, the number (as FTE) of Home and EU students who are studying on current and future courses that are designated for Disabled Student Allowance. You must only enter the number (as FTE) of those students who are studying on full-time courses.	<p>You should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. If a course is newly designated, include students previously on this course in years 1, 2 and 3 where relevant.</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access DSA from the 2019-20 academic year (i.e., from 1 August 2019).</p>

	What you need to do:	Notes to help you:
<p>iv. DLPT HE students on current and future courses designated for UG student support</p>	<p>You need to enter, for each financial year, the number (as FTE) of Home and EU undergraduate students who are studying on current and future designated courses (or courses designated for teach out if you are a 'teach out' provider). You must only enter the number (as FTE) of those students who are studying on distance learning and/or part-time courses.</p>	<p>You should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. If a course is newly designated, include students previously on this course in years 1, 2 and 3 where relevant. This information should take into account SNC policy.</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access student support from the 2019-20 academic year (i.e., from 1 August 2019). In addition, you will not be subject to an SNC recruitment limit from 1 August 2019 unless we notify you of a limit when we register you.</p>
<p>v. DLPT HE students on current and future courses designated for PG masters loans</p>	<p>You need to enter, for each financial year, the number (as FTE) of Home and EU students who are studying on current and future courses that are designated for postgraduate masters loans (or courses designated for teach out if you are a 'teach out' provider). You must only enter the number (as FTE) of those students who are studying on distance learning and/or part-time courses.</p>	<p>You should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. If a course is newly designated, include students previously on this course in years 1, 2 and 3 where relevant.</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access PG masters loans from the 2019-20 academic year (i.e., from 1 August 2019).</p>

	What you need to do:	Notes to help you:
vi. DLPT HE students on current and future courses designated for DSA only	You need to enter, for each financial year, the number (as FTE) of Home and EU students who are studying on current and future courses that are designated for Disabled Student Allowance. You must only enter the number (as FTE) of those students who are studying on distance learning and/or part-time courses.	<p>You should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. If a course is newly designated, include students previously on this course in years 1, 2 and 3 where relevant.</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access DSA from the 2019-20 academic year (i.e., from 1 August 2019).</p>
vii. HE students on undesignated courses	You need to enter, for each financial year, the number (as FTE) of Home and EU students who are studying on higher education courses that have not been designated for student support purposes.	<p>You will need to include students who are studying on higher education courses at any level for all courses that are not designated for student support in the period to 31 July 2019 (when specific course designation applies) and are not eligible for student support from 1 August 2019 (when our full regulatory framework applies).</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access student support from the 2019-20 academic year (i.e., from 1 August 2019).</p> <p>We use these data to provide context to the financial tables and to help us to understand you student numbers and fee income more generally.</p>

	What you need to do:	Notes to help you:
viii. Non-HE students on undesignated courses	You need to enter, for each financial year, the number (as FTE) of Home and EU students who are studying on courses that are not higher education courses and that have not been designated for student support purposes.	<p>You will need to include students who are studying on courses that are not higher education courses and so are not eligible for student support.</p> <p>We use these data to provide context to the financial tables and to help us to understand your student numbers and fee income more generally.</p>
b. Non-EU students	You do not need to enter any data into this row.	<p>This is a section sub-heading for the non-EU student numbers section of the table.</p> <p>Non-EU students are those students whose permanent or home address prior to entry is outside the UK and the EU that are or will study with you during the financial year.</p>
i. FT HE students on current and future designated courses	You need to enter, for each financial year, the number (as FTE) of non-EU students who are studying on current and future designated courses (or courses designated for teach out if you are a 'teach out' provider). You must only enter the number (as FTE) of those students who are studying on full-time courses.	<p>For designated courses, you should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. Should your registration be successful, all of your eligible HE courses will be designated from 1 August 2019. If a course is newly designated, include students previously on this course in years 1, 2 and 3 where relevant.</p> <p>The student numbers that you should enter in this row are for non-EU students on designated courses, even though the students themselves are not eligible for student support.</p>

	What you need to do:	Notes to help you:
ii. DLPT HE students on current and future designated courses	<p>You need to enter, for each financial year, the number (as FTE) of non-EU students who are studying on current and future designated courses (or courses designated for teach out if you are a 'teach out' provider). You must only enter the number (as FTE) of those students who are studying on distance learning and part-time courses.</p>	<p>For designated courses, you should include both courses with current designation and anticipated recruitment levels on courses that you anticipate being eligible in the future. Should your registration be successful, all of your eligible HE courses will be designated from 1 August 2019. If a course is newly designated, include students previously on this course in years 1, 2, 3 and beyond where relevant.</p> <p>The student numbers that you should enter in this row are for non-EU students on designated courses, even though the students themselves are not eligible for student support.</p>
iii. HE students on undesignated courses	<p>You need to enter, for each financial year, the number (as FTE) of non-EU students who are studying on higher education courses that have not been designated for student support purposes.</p>	<p>You will need to include non-EU students who are studying on higher education courses at any level for all courses that are not designated for student support in the period to 31 July 2019 (when specific course designation applies) and are not eligible for student support from 1 August 2019 (when our full regulatory framework applies).</p> <p>Should your application for registration be successful, all eligible students on eligible higher education courses will be able to access student support from the 2019-20 academic year (i.e., from 1 August 2019).</p> <p>We use these data to provide context to the financial tables and to help us to understand your student numbers and fee income more generally.</p>

	What you need to do:	Notes to help you:
iv. Non-HE students on undesignated courses	You need to enter, for each financial year, the number (as FTE) of non-EU students who are studying on courses that are not higher education courses and that have not been designated for student support purposes.	You will need to include non-EU students who are studying on courses that are not higher education courses.  We use these data to provide context to the financial tables and to help us to understand your student numbers and fee income more generally.
Total	You do not need to enter any data into this row.	The formula in the cells will automatically add up the data that you have entered in the individual student number lines for each year.
2. Staff numbers (FTE; including hourly paid/contractors)	You do not need to enter any data into this row.	This is a section sub-heading for the staff numbers section of the table.
a. Academic staff	You need to enter the number (as FTE) of academic staff in each financial year.	Academic staff are those that teach the students on the courses that you provide or carry out research or knowledge exchange activity.  This includes any staff contracted on full-time, part-time or hourly basis (but expressed as full-time equivalent).
b. Administrative and management staff	You need to enter the number (as FTE) of administrative and management staff in each financial year.	This includes any staff contracted on full-time, part-time or hourly basis (but expressed as full-time equivalent).  This includes any staff who you have not included in 2a above.
Total	You do not need to enter any data into this row.	The formula in the cells will automatically add up the data that you have entered in the individual staff number lines for each year.

## Table 2 – Income and expenditure table

37. To complete Table 2, you must enter data about income and expenditure on the correct rows for all rows and for all years:

- The heading on the row tells you which type of income and expenditure you need to enter data about.
- The heading on the column tells you which year you need to enter the data for:
  - for years in the past, these will be the actual numbers for each year
  - for the current year and years in the future, these will be forecast numbers for each year.

This applies to each of the tables that you need to complete.

38. For all data, enter the figures in pounds (£s) and not in thousands of pounds (£'000s).

39. You will need to explain in your commentary the differences in forecast data from year to year, so that we can understand the assumptions you have made in making decisions about your forecast figures. For example, you should explain why your numbers have changed between years 3, 4 and 5 of your forecasts. Information about what we want you to tell us in your commentary are set out in the section on the commentary below.

	What you need to do:	Notes to help you:
Financial year ending:	You do not need to enter any data here.	If you have changed, or plan to change, your year end, you will need to manually type in the correct year ends in this row.
1a. Public funders – Education and Skills Funding Agency	You need to include any income that you get from the Education and Skills Funding Agency (ESFA).	<p>You might receive funding from the ESFA if you:</p> <ul style="list-style-type: none"> <li>• deliver further education provision for which the ESFA gives you funding</li> <li>• deliver training contracts</li> <li>• deliver apprenticeships</li> <li>• have a subcontractual arrangement with another provider that receives ESFA funding that it passes to you.</li> </ul>

	What you need to do:	Notes to help you:
1b. Public funders - other	You need to include any public funding that you get from any source other than the ESFA and fee income from the Student Loans Company (SLC).	You might receive public funding from other public funders if you deliver: <ul style="list-style-type: none"> <li>• teacher training that is funded by the National College for Teaching and Leadership</li> <li>• medical or health training courses on which your students are funded by the Department of Health or by Health Education England.</li> </ul>
1c. Fee income from Home and EU students	You need to include course fee income for higher education courses for which: <ul style="list-style-type: none"> <li>• your students receive student loans from the SLC</li> <li>• your students pay the course fees themselves and have a permanent or home address that is inside the UK or EU.</li> </ul>	You will receive the fee income directly from the students if they are paying your tuition fees themselves, or you will receive the fee income via the SLC (on behalf of the students) if they are eligible for students loans from the SLC.  If your students receive maintenance loans from the SLC then you must not include this as it is paid directly to the student and is not therefore our income.
1d. Fee income from non-EU students	You need to include course fee income for higher education courses from students whose permanent or home address prior to studying with you is outside the UK or EU.	You may have students who you are sponsoring for a Tier 4 visa to enable them to study with you, the tuition fee income that they pay must be included here.  You may also have students from outside the UK or EU who do not need a Tier 4 visa; the fee income from these students must also be included here.  If you include tuition fee income on this line and you do not hold a current Tier 4 licence then you will need to explain in your commentary on what basis the non-EU student is studying with you.
1e. Other income	You need to include any other operating income that is not included in the other rows.	Operating income is income from your normal business activities (such as providing higher education or other activities related to your provision of higher education).

	What you need to do:	Notes to help you:
1f. Interest and endowment income	<p>You need to include income that you receive from your interest or dividend payments to you on your:</p> <ul style="list-style-type: none"> <li>• savings accounts</li> <li>• investments in bonds and equity (shares)</li> <li>• endowment investments</li> <li>• other investment income.</li> </ul> <p>This includes any interest receivable.</p>	<p>Interest and endowment income is any income you receive in relation to your savings, investments and endowments.</p> <p>Note: You can only have endowments if you are a charity.</p>
1. Total	<p>You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out any income in the individual rows above.</p>	<p>The formula in the cells will automatically add up the data that you have entered in the individual income lines for each year.</p>
2a. Staff costs	<p>You need to include all staff costs, including:</p> <ul style="list-style-type: none"> <li>• salaries</li> <li>• national insurance contributions</li> <li>• pensions</li> <li>• bonuses.</li> </ul> <p>You need to exclude director and trustee remuneration as you will need to include these separately on the line below.</p>	<p>This should include the full costs of paying staff including your contributions to national insurance and their pensions, where you provide payments into pension funds.</p> <p>This should also include bonus payments, which may be performance-related.</p>

	What you need to do:	Notes to help you:
<p>2b. Director/trustee remuneration</p>	<p>You need to include all of the costs of remunerating your directors and/or trustees, including:</p> <ul style="list-style-type: none"> <li>• salaries</li> <li>• national insurance contributions</li> <li>• pensions</li> <li>• bonuses.</li> </ul> <p>You need to exclude staff costs as you will need to include this separately on the line above.</p>	<p>This should include the full costs of paying directors and/or trustees including your contributions to national insurance and their pensions, where you provide payments into pension funds.</p> <p>This should also include bonus payments, which may be performance-related.</p>
<p>2c. Other operating costs</p>	<p>You need to include any other operating costs that are not included in the other rows.</p>	<p>Operating costs are expenditure for your normal business activities (such as providing higher education or other activities related to your provision of higher education).</p>

	What you need to do:	Notes to help you:
2d. Maintenance costs	You need to include all maintenance costs that you have to pay for the upkeep of your premises.	<p>This should include all expenditure incurred on the maintenance and upkeep of your premises, but should exclude the pay costs of the staff who do this work. The pay costs should be included in the staff costs row above.</p> <p>It should cover expenditure that you make to keep the premises in good condition and to repair, replace or maintain existing systems (such as heating, lighting, IT etc.)</p>
2e. Depreciation	You need to include the total of the depreciation and amortisation charges for each year as per your accounting policies.	<p>Depreciation is an accounting charge that reflects your use of tangible assets (assets and property that cannot easily be converted into cash, such as buildings and IT equipment) over their useful economic lives and so the decrease in their value each year (the 'depreciation charge') as a result of you using them.</p> <p>Amortisation is like depreciation but for intangible assets to reflect the decrease in their value each year (the 'amortisation charge') as a result of you using them.</p> <p>You will have accounting policies for different types of assets (such as buildings, fixtures and fittings, cars, IT equipment, goodwill) that set out proportion of the value that you will 'charge' each year.</p>
2f. Interest and other finance costs	You need to include the interest arising on any borrowing that you have and any other costs arising from financing of your business for each year.	This should include all the interest that you pay to people and organisations that have loaned you money or any other kind of financing. This may be loans and financing from directors and shareholders as well as from banks and other external sources.

	What you need to do:	Notes to help you:
2. Total	You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out any expenditure in the individual rows above.	The formula in the cells will automatically add up the data that you have entered in the individual expenditure lines for each year.
3. Surplus / (deficit)	You do not need to enter any data here.	The formula in the cells will automatically calculate the figure for each year.
4. Share of surplus / (deficit) from joint ventures or associates	If you have any joint ventures or associates, then you will need to include the proportion of the surplus or deficit from the joint venture or associates that belongs to you (e.g., if you have 35 per cent ownership or control, then you should include 35 per cent of its surplus or deficit).	<p>A joint venture is a commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. The parties usually have equal control of the joint venture's activities.</p> <p>An associate is a company in which you own 20-50 per cent of the shares; you do not have sole control of the company, but have significant influence over it due to your large shareholding.</p>
5. Taxation	You need to include the amount of corporation tax arising for the surplus that you are including for each year.	<p>This is the amount of tax arising for the surplus for the year, rather than the amount of cash you have actually paid to HMRC in year in relation to tax due.</p> <p>The cash amount of tax that you pay HMRC will depend on a number of factors including, but not limited to, losses made in previous years and capital allowances (these are sums of money that you can deduct from the overall corporate tax on your profits that derive from certain purchases or investments). This is why the 'taxation' figure in this table may differ from the amount of tax that you actually pay to HMRC.</p>

	What you need to do:	Notes to help you:
6. Minority interest	You need to include the amount of surplus or deficit that belongs to you from your provider's minority ownership of any companies (where this is not already included in the line above on joint ventures and associates) – this will apply to you if you own a significant number of shares (but fewer than 50 per cent) in another company.	The inclusion of minority interest enables us to see your full financial picture.
7. Exceptional items (to be detailed in commentary)	You need to include one-off income and expenditure here and tell us in your commentary what the exceptional items are.	Exceptional items include things like restructuring costs (if you have made redundancies), profits or losses on the sale of property etc.
8. Surplus / (deficit) to be transferred to reserves before dividends	You do not need to enter any data here.	The formula in the cells will automatically calculate the figure for each year.
9. Dividends	You need to include the amount of dividend that you have decided to pay to shareholders for each year.	This is not amount of the cash actually paid, but the amount that you have agreed (or expect to agree) will be payable to shareholders in respect of each financial year.

### Table 3 – Balance sheet

40. To complete Table 3, you must enter data about your balance sheet on the correct rows for all rows and for all years:

- The heading on the row tells you which type of assets, liabilities and reserves you need to enter data about
- The heading on the column tells you which year you need to enter the data for.

41. For all data, enter the figures in pounds (£s) and not in thousands of pounds (£'000s).

42. You will need to explain in your commentary the differences in forecast data from year to year, so that we can understand what assumptions you have made in making decision about your forecast figures. For example, you should explain why your numbers have changed between years 3, 4 and 5 of your forecasts. Information about what we want you to tell us in your commentary are set out in the section on the commentary below.

	What you need to do:	Notes to help you:
Financial year ending:	You do not need to enter any data here.	If you have changed, or plan to change, your year end, you will need to manually type in the correct year ends in this row.
1. Fixed assets	You do not need to enter any data into this row.	This is a section sub-heading for the fixed assets section of the table.
a. Intangible assets	You need to include the value of any intangible assets that you own – these include things like goodwill and intellectual property.	<p>An intangible asset is an asset that lacks physical substance. It includes goodwill, intellectual property, software and other intangible IT-based assets. They are fixed assets if you are not intending to sell them within 12 months after the previous financial year end.</p> <p>Goodwill – this arises when you buy another company and is the amount that you paid over and above the fair market value of the assets and liabilities of the acquired company.</p> <p>Intellectual property – this is the cost associated with any patents, trademarks, licences, and copyrights that you own; it arises when you do not include their costs as expenses when you incur them, but instead choose to include them on your balance sheet to reflect that the value will last for more than one financial year.</p>
b. Tangible assets	You need to include the value of any tangible assets that you own – these include things like buildings, equipment, and vehicles that you will use over a number of financial years and so have value to you over this time.	Tangible assets are assets and property that cannot easily be converted into cash. They are fixed assets if you are not intending to sell them within 12 months after the previous financial year end.

	What you need to do:	Notes to help you:
c. Investments	You need to include the value of long-term investments you hold, such as any real estate, bonds, savings etc. that you intend to retain for at least 12 months after the previous financial year end.	Investments include real estate, trust funds, money market funds, mutual funds, certificates of deposit, stocks and shares, stock options, bonds, other securities, etc. These things are fixed assets if you are not intending to sell them within 12 months after the previous financial year end.
1. Total	You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out any fixed assets in the individual rows above.	The formula in the cells will automatically add up the data that you have entered in the individual fixed asset lines for each year.
2. Endowments	You need to include the value of any endowments that you have – this is the balance of the amount of the endowments that you hold, rather than any income that you receive from these monthly or annually. You can only have endowments if you are a charity.	An endowment is a donation of money or property to a non-profit organisation, which uses the resulting investment income for a specific purpose.
3. Current assets	You do not need to enter any data into this row.	This is a section sub-heading for the current assets section of the table.
a. Stock	You need to include the value of any stock that you hold.	You stock might include textbooks or stationery that you sell to students or others attending courses or events at your premises or elsewhere.
b. Current debtors (excluding loans to directors)	You need to include the amounts owed to you by other companies, organisations, or people, including your students that are due for payment within 12 months of the financial year end.	This will include amounts owed to you for fees that you have invoiced to your students but which they have not yet paid. It would also include any other invoices that you have issued (e.g., to a company for training to you have provided, or will provide, to it) that are owed to you in the next 12 months but which had not been paid at the date of the financial year end.

	What you need to do:	Notes to help you:
c. Loans to directors	You need to include here the balance of the loans, including interest-free loans, made to the company directors which are due to be repaid to you by them within 12 months of the financial year end.	<p>A business may loan one or more of its directors a sum of money that will be paid back at a later date – the business may charge a director interest on this loan or it may be interest-free.</p> <p>This line of the financial tables shows the portion of the loan that is due to be repaid to you within 12 months of the financial year end.</p>
d. Short-term investments	You need to include here the value of investments you hold that you intend to sell/liquidate within 12 months of the financial year end. This includes any savings or gilts or bonds with a term of less than 12 months.	Short-term investments are any investments that you expect to convert into cash within 12 months of your financial year end.
e. Cash at bank and in hand	You need to include here the value of cash and cash-equivalents that you hold (see note in next column).	<p>The items that you need to include as cash and cash-equivalents are:</p> <ul style="list-style-type: none"> <li>• currency (notes and coins), including petty cash</li> <li>• cheques that you have received but have not yet deposited in your bank account</li> <li>• money that you hold in your (the provider's) current and savings accounts</li> <li>• money held in money market accounts</li> <li>• short-term, highly liquid investments with a maturity of three months or less at the time of purchase.</li> </ul> <p>If you have an overdraft, then you must <b>not</b> net off the value of your cash and cash equivalents with any overdraft you may have. The balance of any overdraft(s) must be included in row 4f (see below).</p>

	What you need to do:	Notes to help you:
3. Total	You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out any current assets in the individual rows above.	The formula in the cells will automatically add up the data that you have entered in the individual current asset lines for each year.
4. Liabilities falling due within one year	You do not need to enter any data into this row.	This is a section sub-heading for the liabilities falling due within one year section of the table.
a. Deferred fees	You need to include here the value of tuition fees you have received from students in the previous financial year (or earlier), but which relate to teaching that you will deliver to the students in the current or future financial year.	<p>Many providers collect fees before the beginning of the academic year (which is often the same as the financial year for a provider). This creates a 'deferred fees' creditor as you have received the cash from students for the course that you will teach them, but you have not delivered the teaching yet.</p> <p>This creates a debt to the students for the teaching that you owe them in return for the fee that they have already paid in the previous financial year.</p>
b. Other creditors	You need to include here the value of amounts that you owe to other companies, organisations, and individuals that you will need to pay within 12 months of your financial year end. This covers anything that is not captured in the other categories in this part of the table.	These include short term debts (that are not included in other lines in this section of the table), and bills that are due to suppliers (e.g., electricity, gas, telephone) and other people and companies you owe money to within 12 months of your financial year end.
c. Tax and social security costs	You need to include here the amount of tax and national insurance you owe to HMRC or other tax authorities and which are due for payment within 12 months after the financial year end. This includes VAT and corporation tax.	Various aspects of the business activities are in scope of the various tax charges. They include generating profit (in scope of corporation tax), collecting fees (in scope of VAT) from students, employing staff (in scope of income tax and national insurance). Depending on where the business operates it may be liable to pay taxes in a number of countries.

	What you need to do:	Notes to help you:
d. Current portion of long-term liability	<p>You need to include here the portion of the amount of any long-term debt that will be due within 12 months after the financial year end. This does not include the interest on long-term debt that will be due during this period.</p> <p>This should include finance leases.</p> <p>Loans from directors should not be included here, as they are included in the next row of the table.</p>	<p>Money borrowed for a long time period is usually repaid in a series of annual, semi-annual or monthly payments. The current portion of long-term liability is the amount that you have agreed with the lender to be repaid within 12 months of the financial year end.</p> <p>A finance lease is a type of lease in which a finance company is the legal owner of the asset for the duration of the lease, although you can use the asset during this period even though the finance company owns it. You have operating control over the asset, the nature of the finance lease agreement means that you also have a substantial share of the economic risks and returns from any change in the valuation of the underlying asset. For example, you might have a photocopier that you have leased from a company that owns it for a monthly or annual payment; if it is a finance lease then the lease lasts until the photocopier is expected not to work anymore, but you have to pay for the insurance, maintenance and repair costs throughout the period that you are leasing it.</p>
e. Loan from directors	<p>You need to include here the balance of the loans from your directors which are due for repayment within 12 months of the financial year end.</p>	<p>A loan is a sum of money that is expected to be paid back, usually, but not necessarily with interest.</p> <p>A director may lend the business a sum of money from their private estate and agree that it will be repaid at a later date – the director may charge interest to you while you owe them the money or may let you have the loan interest-free.</p>

	What you need to do:	Notes to help you:
f. Overdraft	You need to include here the balance of any overdrafts you have at year end.	An overdraft occurs when money is withdrawn from a bank account and the available balance goes below zero.  The amount that you owe to the bank in the overdraft must be included here and not deducted from the cash balance reported further up the tables.
4. Total	You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out any liabilities falling due within one year in the individual rows above.	The formula in the cells will automatically add up the data that you have entered in the individual liabilities falling due within one year lines for each year.
5. Net current assets/(liabilities)	You do not need to enter any data here.	The formula in the cells will automatically calculate the figure for each year.
6. Liabilities falling due after one year	You do not need to enter any data into this row.	This is a section sub-heading for the liabilities falling due after one year section of the table.
a. Borrowing	You need to include here the balance of any loans from external sources which are due for repayments more than 12 months after the previous financial year end.  This should include finance leases.  Loans from directors should not be included here, as they are recorded in the row below.	Money borrowed for long-term periods is usually repaid in a series of annual, semi-annual or monthly payments. Long-term liability is the amount that you have agreed with the lender to be repaid more than 12 months after the previous financial year end.  A finance lease is a type of lease in which a finance company is the legal owner of the asset for the duration of the lease, although you can use the asset during this period even though the finance company owns it. You have operating control over the asset, the nature of the finance lease agreement means that you also have a substantial share of the economic risks and returns from any change in the valuation of the underlying asset.

	What you need to do:	Notes to help you:
b. Loan from directors	You need to include here the balance of the loans from your company directors which are due for repayments more than 12 months after the financial year end.	<p>A loan is a sum of money that is expected to be paid back, usually, but not necessarily with interest.</p> <p>A director may lend the business a sum of money from their private estate and agree that it will be repaid at a later date – the director may charge interest to you while you owe them the money or may let you have the loan interest-free.</p>
c. Other liabilities	You need to include here the value of amounts that you owe to other companies, organisations, and individuals that you will need to pay more than 12 months after your financial year end. This covers anything that is not captured in the other categories in this part of the table.	<p>These may include deferred tax (the difference between the amount of corporate tax you owe based on the accounting rules and the amount that you owe to HMRC based on the tax rules), pension liabilities etc.</p> <p>They all relate to the amounts your business owes to other entities, companies and individuals which are due for repayment more than 12 months after the financial year end.</p>
6. Total	You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out any liabilities falling due after one year in the individual rows above.	The formula in the cells will automatically add up the data that you have entered in the individual liabilities falling due after one year lines for each year.

	What you need to do:	Notes to help you:
7. Provisions for liabilities and charges	You need to include here the total balance of any provisions regardless of when they fall due (i.e., whether it is within the next 12 months or after 12 months).	<p>A provision is an amount set aside for a probable, but uncertain, financial obligation arising from your business. For example, you might be in a dispute about an invoice that a company has issued to you because you think the invoice is for more than you owe the company; you would include a provision for the amount in your financial statements if you thought it was probable, but not certain, that you would need to pay the invoice.</p> <p>Including a provision in your accounts ensures that you recognise the costs in the period during which the event or activities that gave rise to the costs took place.</p>
8. Net total assets/(liabilities)	You do not need to enter any data here.	The formula in the cells will automatically calculate the figure for each year.
9. Endowments	You do not need to enter any data into this row.	This is a section sub-heading for the endowments section of the table.
a. Permanent endowments	You need to include here the total balance of permanent endowments you hold. You can only have endowments if you are a charity.	A permanent endowment is money or property that was originally meant to be held by a charity forever. You cannot spend the money in a permanent endowment or sell the asset or property that forms the endowment – you can only use income that the endowment generates (e.g., from investment or rent) on your activities. This is usually set out as a restriction in the charity's governing document. Permanent endowments can be: land, buildings, works of art, etc.

	What you need to do:	Notes to help you:
b. Expendable endowments	You need to include here the total balance of expendable endowments you hold. You can only have endowments if you are a charity.	A gift of expendable endowment provides your trustees with a power to convert all or part of the endowment into income. The charity must invest endowment funds to produce income which it must then spend on furthering its charitable purposes, but can spend all of the endowment if your trustees choose to do so.
6. Total	You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out endowments in the individual rows above.	The formula in the cells will automatically add up the data that you have entered in the endowment individual lines for each year.
10. Reserves	You do not need to enter any data into this row.	This is a section sub-heading for the reserves section of the table.
a. Share capital	You need to include here the total balance of funds from any issues of shares. This does line does not include the share premium amount, which should be included under 'Other reserves'.	This is amount of share capital that you have issued. For example, if you have issued 100 shares at £1 nominal value and shareholders paid £3 for each share, you would include £100 in the 'share capital' row and £200 in the 'other reserves' row to reflect the share premium.
b. Income and expenditure	You need to include here the total balance of funds by the end of the financial year that your business has accumulated from its surpluses/profits over the years that you have been operating. Generating surpluses/profits increases this balance; making deficits/losses decreases this balance.	<p>The income and expenditure reserve represents the funds that your business has accumulated from trading and making surpluses/profits.</p> <p>These funds may be held as cash but may also be held as other types of assets as shown in the rest of the balance sheet in the table.</p> <p>The reserve may be negative if your business has been incurring losses or has distributed more in dividends to shareholders than it has been making in profits over the years that you have been in operation.</p>

	What you need to do:	Notes to help you:
c. Other reserves	You need to include here the total balance of any other reserves. This will include, for example, revaluation reserves and share premium.	<p>Other reserves will include any reserves that are not share capital or income and expenditure reserves. The most common types of other reserves are revaluation reserves and share premium.</p> <p>A revaluation reserve arises when an asset's revaluation concludes that the value of the asset is higher than recorded by the business. This figure reduces if assets that led to the reserve are sold or if they are impaired (the revaluation concludes that the value of the asset has reduced).</p> <p>Share premium is the amount by which the amount received by a company for a share issue exceeds its face value – see the example given for share capital above.</p>
10. Total	You do not need to enter any data here. You should sense check the figures in this row to make sure you have not missed out reserves in the individual rows above.	The formula in the cells will automatically add up the data that you have entered in the reserves individual lines for each year.
11. Total funds	You do not need to enter any data here.	The formula in the cells will automatically calculate the figure for each year.

#### Table 4 – Cash flow

43. To complete Table 4, you must enter data about your cash flows on the correct rows for all rows and for all years:

- The heading on the row tells you which type of cash flow you need to enter data about
- The heading on the column tells you which year you need to enter the data for.

44. For all data, enter the figures in pounds (£s) and not in thousands of pounds (£'000s).

45. You will need to explain in your commentary the differences in forecast data from year to year, so that we can understand what the assumptions you have made in making decision about your forecast figures. For example, you should explain why your numbers have changed between

years 3, 4 and 5 of your forecasts. Information about what we want you to tell us in your commentary are set out in the section on the commentary below.

	<b>What you need to do:</b>	<b>Notes to help you:</b>
Financial year ending:	You do not need to enter any data here.	If you have changed, or plan to change, your year end, you will need to manually type in the correct year ends in this row.
1. Net cash inflow/(outflow) from operating activities	You need to record here the cash that your business generated or lost during the year as a result of its operating activities.	See Annex for how you can calculate this figure from the other figures in the financial tables.
2. Net cash inflow/(outflow) from returns on investment and servicing of finance	You need to record here the cash that your business generated or lost during the year as a result of receiving interest on your investments or savings accounts and/or paying interest costs on your overdraft(s) or loan(s).	Cash flow from returns on investments and servicing of finance will include any interest that you receive on your savings or other investments netted off with any interest you pay on bank loans or overdrafts that you have in place.
3. Taxation	You need to record here the cash that you paid in respect of taxes or received due to refunds from tax authorities during the year. This may be different from the amount of corporation tax calculated as being due based on the profit that you made. Instead, it reflects the cash payments made to HMRC during the year in relation to the various taxes that apply to you.	Various aspects of the business activities are in scope of the various tax charges. They include generating profit (in scope of corporation tax), collecting fees (in scope of VAT) from students, employing staff (in scope of income tax and national insurance). This line includes the cash you actually spent or the cash you actually received during the year in respect of tax.

	What you need to do:	Notes to help you:
4. Net cash inflow/(outflow) from capital expenditure and financial investment	<p>You need to record here the cash that your business gained or lost during the year as a result of making new investments or selling existing investments. These might be financial investment or could be investment in your estate and infrastructure, such as buying a new building or other property.</p> <p>This does not include interest received or paid (which is included in the 'net cash inflow/(outflow) from returns on investment and servicing of finance' row above.</p>	<p>Capital expenditure is money spent by a business on buying or maintaining fixed assets, such as land, buildings, and equipment.</p> <p>Financial investment is an asset that you put money into with the hope that it will increase in value, for example certificate of deposit or a bond.</p>
5. Management of liquid resources	<p>You need to record here the cash that your business gained or lost during the year as a result of buying and selling cash-like investment products such as short-term investments (e.g. three-month bonds).</p>	No further explanation.
6. Net cash inflow/(outflow) from financing	<p>You need to record here the cash that your business gained or lost during the year as a result of its efforts to raise funds, for example issuing shares, taking on new loans or repaying the existing loans.</p> <p>This does not include the repayment of any interest, which is included in another category.</p>	<p>Financing activities relate to raising new financing for the business or repaying existing loans. Raising new financing may include taking out loans, but can also include issuing shares in order to get an injection of cash into your business.</p>
7. Other (e.g., dividend paid)	<p>You need to record here the cash that you have received or that you have used to make any other payments that are not already included elsewhere in the cash flow statement (including the areas included in the Annex). This includes paying dividends to your shareholders.</p>	<p>This line will include any other cash that you have received or paid during the year, for example the cash that you used to pay dividends to shareholders.</p>

	What you need to do:	Notes to help you:
8. Net increase/(decrease) in cash in year	You do not need to enter any data here.	The formula in the cells will automatically calculate the figure for each year.

## Validation worksheet

46. The financial and student numbers tables include a worksheet that shows you if any of the figures you have entered may be the result of a possible error. We include this to help you to fill in the tables correctly and we amend the validation checks from time-to-time to ensure that they pick up and warn you about common errors that we find in the tables that providers submit to us.
47. Once you have completed the financial and student numbers tables in full, you need to check the validation worksheet to see if anything has been flagged as a possible error.
48. If the validation worksheet warns of a possible error you will need to check the data that you have entered in the table – the warning will tell you where to look in the tables:
- If the data in the tables are incorrect, then you will need to correct the figures.
  - If the data are correct, then you will need to write an explanation in the box next to the flagged validation check (at the bottom of the validation worksheet) to tell us why the data are correct and the validation check is wrong.
49. A common warning includes entering the figures in the tables in thousands of pounds (£'000s) rather than in pounds (£s) – to correct this error, you need to enter all of the figures in pounds (£s).
50. Although you can confirm that some validation warnings are not errors, if we find that there is an error in the tables that you send us, we will return the tables to you and ask you to correct the error(s).

## Commentary

If you need to submit audited financial statements, then you must also submit a commentary to accompany the financial and student numbers tables to help explain the data you have provided. This is to help us understand your current and forecast financial performance and position in the context of your business, so that we can form a fair and reasonable judgement about your financial viability and sustainability.

51. The commentary must include the following:
- Assumptions you have made in your financial tables about your forecast data – this should explain any changes in the numbers in the tables between the years to which they apply. This includes, but is not limited to:
    - whether you think your student numbers will increase, decrease or stay the same from year-to-year and why

- whether you are planning to change the fees that you are charging students and, if so, by how much
  - whether you have or are planning to take any loans from a bank, shareholders, directors or anyone else and, if so, some details about your current and/or planned borrowing (how much is it, when will you take it out, when will you pay it back, what will you use it for) and whether it will have an impact on your viability or sustainability
  - whether you are intending to change your business model to expand into or withdraw from specific markets (such as part-time or distance learning provision).
- Information on how you are managing any financial risks – this is information about any emerging risks (including changes to your forecasts) that may affect your current or future financial viability or sustainability or both. These may be risks that are specific to your own business or students or may be more generic that apply to a number of other providers as well as you.
  - Explanation of any significant movements (for example  $\pm 10$  per cent in any one year) on the income and expenditure account, and material changes on the balance sheet (including the detail on any material exceptional items; for example  $\pm 10$  per cent in any one year).
  - Any additional information that you think would be helpful to us in assessing the financial and student numbers information that you have provided in the tables.

## Who should I contact if I have any questions?

52. If you have any questions about what financial information to submit or how to fill in the financial and student numbers tables, then please contact us at [registration@officeforstudents.org.uk](mailto:registration@officeforstudents.org.uk) and one of our accountants will answer your question.

# Annex: Calculation of net cash inflow/(outflow) from operating activities

The table below sets out how you can calculate your cash inflow/(outflow) from operating activities, which is one line in the cash flow statement.

	Notes to help you:
<b>Profit for the financial year</b>	This is the profit for the year from Table 2 of your financial tables.
Adjustments for:	
Depreciation of property, plant and equipment	<p>You should add back the amount of depreciation as this is an accounting adjustment that does not reduce the amount of cash that you hold.</p> <p>Depreciation is an accounting charge that reflects your use of tangible assets (assets and property that cannot easily be converted into cash, such as buildings and IT equipment) over their useful economic lives and so the decrease in their value each year as a result of you using them.</p>
Amortisation of intangible assets	<p>You should add back the amount of amortisation as this is an accounting adjustment that does not reduce the amount of cash that you hold.</p> <p>Amortisation is like depreciation but for intangible assets to reflect the decrease in their value each year as a result of you using them.</p>
Profit on disposal of property, plant and equipment	You should deduct the profit from selling assets as this is not cash that you have generated from your operating activities.
Interest received	You should deduct the interest that you have received from the bank and other lenders as this is not cash that you have received as a result of your operating activities and you include this elsewhere on the cash flow statement.

	<b>Notes to help you:</b>
Decrease/(increase) in trade and other receivables	<p>This is an adjustment to reflect the impact on your operating cash that arises from changes in your debtors (receivables; people and companies that owe you money) relative to the prior year.</p> <p>If the amount of your current debtors has increased, then you should deduct the amount of the change. This is because you are holding less cash as people owe you more money than they did the previous year and there is more outstanding.</p> <p>If the amount of your current debtors has decreased, then you should add back the amount of the change. This is because you are holding more cash as people have paid you more than they did the previous year and there is less outstanding.</p>
Decrease/(increase) in inventories	<p>This is an adjustment to reflect the impact on your operating cash that arises from changes in your stock (inventories; goods that you hold for sale such as textbooks, stationery and other tangible/physical items that you sell) relative to the prior year.</p> <p>If the amount of your stock has increased, then you should deduct the amount of the change. This is because you are holding less cash as more of your money is tied up in stock than it was in the previous year.</p> <p>If the amount of your stock has decreased, then you should add back the amount of the change. This is because you are holding more cash as less of your money is tied up in stock than it was in the previous year.</p>
Increase/(decrease) in trade payables	<p>This is an adjustment to reflect the impact on your operating cash that arises from changes in your creditors (payables; people and companies that you owe money to) relative to the prior year.</p> <p>If the amount of your current creditors has increased, then you should add back the amount of the change. This is because you are holding more cash as you owe people more money than you did the previous year.</p> <p>If the amount of your current creditors has decreased, then you should deduct the amount of the change. This is because you are holding less cash as you have paid people more than you did the previous year.</p>
<b>Cash inflow/(outflow) from operating activities</b>	<p>Your 'Net cash inflow/(outflow) from operating activities' for the year is the value that you have calculated after you take the 'profit for the year' and make all of the adjustments set out above.</p>