

# Regulatory advice 14

## Guidance for providers for the Annual Financial Return 2025

**Reference** OfS 2025.30

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## Introduction

1. This regulatory advice sets out guidance about the information that a higher education provider is required to submit to the Office for Students (OfS) as part of its Annual Financial Return 2025. It applies to a provider that is registered with the OfS in either the Approved or Approved (fee cap) category of the OfS Register.<sup>1</sup>
2. Further education colleges or sixth form colleges that are regulated primarily by the Department for Education (DfE) do not need to submit this financial data to the OfS. For these providers, the OfS works closely with the DfE to ensure that it can monitor their financial viability and sustainability.
3. The guidance is intended to help providers to understand:
  - a. The information they must submit to the OfS about the OfS's condition of registration for financial viability and sustainability (condition D) and to demonstrate their compliance.
  - b. Where to find information about what a provider's financial statements must include and other related requirements.
  - c. Where to find the detailed guidance to support providers in completing the financial return workbook and commentary.
  - d. Whether a provider needs to submit any additional information to the OfS about its financial performance or position, or both.
  - e. What data will be published by the designated data body (DDB).<sup>2</sup>
4. The information about financial performance and position enables the OfS to:
  - a. Assess a provider's financial viability and sustainability and make a judgement about the regulatory risk for that provider. This also allows the OfS to assure other funding bodies in England about the financial sustainability of providers where appropriate.
  - b. Assess the patterns and trends in the financial performance and position of registered providers across the sector. This enables the OfS to fulfil its statutory duty under section 68 of Higher Education and Research Act 2017 (HERA).
  - c. Support evidence-based policy making through provision of OfS advice to government, e.g. DfE and HM Treasury.
  - d. Provide data relating to the last complete year and previous year (restated where applicable) to the DDB for publication as an official statistic, which supports financial transparency and allows providers and other interested parties to benchmark performance against others.

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<sup>1</sup> For more about categories of registration, see [Registration with the OfS](#).

<sup>2</sup> For more about the DDB, see [Designated Data Body for England](#).

5. Some of this financial data, specifically relating to the most recently completed year, is also required and used to support the activities of UK Research and Innovation and Research England.
6. In preparing audited financial statements, registered providers must refer to our guidance on preparing and publishing financial statements.<sup>3</sup> This guidance sets out 'disclosure requirements' for registered providers. A newly registered provider should comply with the disclosure requirements for financial years ending more than 12 months after the date of its first registration with the OfS. All other registered providers should submit audited financial statements regardless of their date of registration.
7. In preparing the audited financial statements and in completing the financial return workbooks, a provider must refer to the Financial Reporting Standards (FRS102),<sup>4</sup> or International Financial Reporting Standards (IFRS),<sup>5</sup> depending on the convention used in the provider's latest audited accounts, to ensure that it follows the correct technical accounting requirements.
8. This guidance should be read in conjunction with the OfS regulatory framework.<sup>6</sup>
9. From Annual Financial Return 2025, we are changing our approach to data verification, which will mean changes to the deadlines. We require a provider to submit and sign off its finalised Annual Financial Return 2025 within five months of its financial year end. We have issued the exact deadline to providers in an 'F3 notice' or a formal request for information under condition of registration, F3.<sup>7</sup>
10. Providers are responsible for submitting data that is accurate (i.e. where relevant, agrees with audited figures) and high quality. The OfS will carry out some verification checks on the submitted data, after it has been signed off by the accountable officer. We expect providers to respond to the OfS's queries that arise from these checks. If the OfS requires changes, the provider will need to resubmit and re-sign off its data promptly.
11. The OfS will provide a bespoke workbook through the OfS Portal that the provider needs to complete (this means that the workbook that an individual provider receives may not include every table referenced in this guidance).
12. Any general questions about this regulatory advice can be sent to [regulation@officeforstudents.org.uk](mailto:regulation@officeforstudents.org.uk).
13. Technical queries about the completion or submission of the files required for the Annual Financial Return 2025 can be emailed to [financedata@officeforstudents.org.uk](mailto:financedata@officeforstudents.org.uk).

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<sup>3</sup> See [Regulatory advice 9: Accounts direction](#).

<sup>4</sup> See the Financial Reporting Council, available at '[The Financial Reporting Standard applicable in the UK and Republic of Ireland](#)'.

<sup>5</sup> See the IFRS, available at '[IFRS Accounting Standards Navigator](#)'.

<sup>6</sup> See [Regulatory framework for higher education in England](#).

<sup>7</sup> For further details, see [Condition F3: Provision of information to the OfS](#).

# What evidence must a provider submit and when?

## Summary of evidence

14. A provider must submit the following information via the OfS Portal:<sup>8</sup>

Requirement	Applicable to	Further information from
<b>Audited full financial statements relating to a provider's Annual Financial Return for 2025</b>  Financial statements must be prepared on the basis set out in the OfS accounts direction.	Providers in the Approved or Approved (fee cap) category, excluding further education and sixth form colleges.	Regulatory advice 9: Accounts direction <sup>9</sup>
<b>Annual Financial Return 2025 workbook, using the template provided by the OfS</b>  In addition to the financial information included in the latest audited financial statements, a provider is required to return data relating to the current year, and four subsequent years of forecasts.	Providers in the Approved or Approved (fee cap) category, excluding further education and sixth form colleges.	This guidance document and 'Guidance on completing the Annual Financial Return workbook' <sup>10</sup>
<b>Commentary in relation to the Annual Financial Return 2025 workbook</b> , using the template provided by the OfS	Providers in the Approved or Approved (fee cap) category, excluding further education and sixth form colleges.	See relevant section of 'Guidance on completing the Annual Financial Return workbook'
<b>The management letter from the provider's external auditor</b>  External auditor's management letter is a report issued by the external auditor to those charged with governance, which records audit findings, including any significant control deficiencies identified during the audit.	Providers in the Approved or Approved (fee cap) category, excluding further education and sixth form colleges.	International Standards on Auditing 260 and 265

<sup>8</sup> Guidance on how to submit your information will be available in the OfS Portal which opens in September 2025.

<sup>9</sup> See [Regulatory advice 9: Accounts direction](#).

<sup>10</sup> Available at [Regulatory advice 14: Guidance for providers for the Annual Financial Return](#).

Requirement	Applicable to	Further information from
<b>Business plan</b>	Required in some circumstances (where a provider has a track record but is not able to demonstrate that it is financially viable and sustainable using its audited financial statements).  This is optional for other providers.	See paragraphs 37 to 39 of this guidance document
<b>Audited financial statements from the legal entity giving a legally binding obligation of financial support</b>	A provider that has a legally binding obligation of financial support in place.	See F3 Notice issued to providers on 12 June 2025 <sup>11</sup>

15. For some registered providers, the OfS may have imposed enhanced monitoring requirements or a specific condition of registration in relation to a provider's financial viability or sustainability. In these cases, a provider is likely to need to provide more information than is set out in the table in paragraph 14, or to update information previously submitted to the OfS.

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<sup>11</sup> See [Deadlines and requirements for Annual Financial Return 2024: Enclosing F3 Notice](#).

## Technical guidance accompanying this advice

16. The following technical guidance and supporting documentation is published alongside this advice:

Guidance	Description
Guidance on completing the Annual Financial Return 2025 workbook	Guidance on what providers should include in the Annual Financial Return workbook.
Annex A: Annual Financial Return 2025 additional guidance	Additional guidance on research income and cost centres.
Annex B: Glossary for Annual Financial Return 2025	Glossary of workbook accounting terms.
Annex C: Sample template – Annual Financial Return 2025 workbook	A sample template of the Annual Financial Return 2025 workbook. This should not be used for your submission as you will be provided a bespoke one through the OfS Portal.
Annex D: Sample template – Annual Financial Return 2025 commentary	A sample template of the Annual Financial Return 2025 commentary. This should not be used for your submission as you will be provided one through the OfS Portal.
Appendix 1: Annual Financial Return 2025 submission process guidance	Detailed information on submitting the Annual Financial Return 2025, covering all stages of the submission process. This will be published in September 2025 when the OfS Portal opens.
Frequently asked questions about research grants and contracts income	FAQs on returning research income in the Annual Financial Return.

## Timing of submissions and action required

17. The submission and sign off deadline ('the Annual Financial Return deadline') for the Annual Financial Return 2025 is five months after a provider's financial year end in the calendar year 2025.
18. The relevant deadline for a provider relates directly to the timing of the provider's financial year end.

Deadline	Timing	Requirements
<b>Annual Financial Return 2025 deadline</b>	Five months after financial year end	Submit finalised valid Annual Financial Return 2025 workbook Submit audited financial statements Submit all other required files for Annual Financial Return 2025 Accountable officer signs off submission as being complete and accurate

19. The Annual Financial Return 2025 workbook, audited financial statements and all other required files should be submitted and signed off by the Annual Financial Return deadline, five months after the provider's financial year end. Providers are responsible for making sure the information they submit is accurate and credible. The Annual Financial Return 2025 workbook contains validation checks (cells which highlight when errors/warnings are triggered by the data entered) to assist providers in completing the workbook accurately. These must be addressed for the workbook to be considered valid.
20. The OfS will verify key parts of the Annual Financial Return 2025 submission after a provider signs it off. If any queries are raised, then a provider must respond and sign off any subsequent resubmission promptly. The return of inaccurate information or failure to respond to verification queries in a timely manner may affect the OfS's judgement about a provider's ability to continue to comply with its conditions of registration.
21. A provider's Annual Financial Return financial forecasts and commentary (and business plan, if applicable) must be considered by its governing body before submission. The governing body must approve these documents or choose to delegate their approval to the accountable officer.
22. Each provider has been informed of its exact deadline in advance of the submission period. Adjustments have been made to the submission timeframe where the deadline falls in the Christmas or Easter holiday periods.

## Signing off the Annual Financial Return 2025

23. Upon submission of all required files, including a workbook with all validation checks addressed, the OfS Portal will allow a provider's accountable officer to sign off the submission. This must be completed by the Annual Financial Return deadline.
24. Once a provider's accountable officer has signed off the Annual Financial Return 2025 as correct, the OfS will consider the documents and workbook figures to be complete and accurate. We will conduct some verification checks to confirm that the submitted files meet the



requirements set out in this document. However, providers should not consider these checks a replacement for their own full and thorough checking of the submission before they sign it off.

25. If changes are required because of verification, then the accountable officer at a provider will be required to re-sign off the corrected submission.
26. When a provider's accountable officer signs off the Annual Financial Return 2025 as correct, the OfS will treat it as the final suite of documents to use.
27. Subsequent amendments to audited years (years 1 and 2) data within the Annual Financial Return workbook will be required to follow the OfS amendment process.<sup>12</sup>

## **Audited financial statements**

28. Paragraph 7 of the Regulatory advice 9: Accounts direction<sup>13</sup> states that a provider is required to comply with the accounts direction, when producing their audited financial statements, for financial years ending more than 12 months after the date of its first registration with the OfS. This means that a provider does not need to comply with the disclosures set out in the accounts direction where its financial year ends less than 12 months after the date of its first registration, unless it chooses to do so. However, all registered providers are required to provide audited financial statements as set out in the regulatory framework, regardless of the timing of their first registration.
29. A provider's audited financial statements for each year must be prepared on the basis of the Financial Reporting Standard 102 (FRS 102), or the International Reporting Standards (IFRS), if applicable. Where a provider has subsidiaries, it must prepare consolidated financial statements. The financial statements must include all the following:
  - 'Statement of financial position' (balance sheet)
  - 'Statement of comprehensive income' incorporating profit or loss for the period and items of other comprehensive income
  - 'Statement of changes in equity' or a 'Statement of income and retained earnings' or a 'Statement of changes in reserves'
  - 'Statement of cash flows'
  - 'Statement of principal of accounting policies'
  - notes to the financial statements.
30. For statutory purposes, under company law, some providers may not need to include all the statements set out above in their financial statements due to their size or legal form. However, the OfS requires that a provider's audited financial statements contain all the statements set out above, regardless of whether this is a legal requirement for its business or whether it has an exemption from including certain statements (such as cash flow statements) in the accounts that it files with Companies House. This is so that the OfS has a full picture of a provider's

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<sup>12</sup> See [Amendments to data - Office for Students](#).

<sup>13</sup> See [Regulatory advice 9: Accounts direction](#).

financial performance and position and can reliably assess its financial viability and sustainability.

31. Every registered provider must submit financial statements that have been audited by independent external auditors. By 'independent' the OfS means independent of the provider and independent of the preparer of the accounts and the financial statements. The external auditor must also be listed on the Register of Statutory Auditors. The OfS requires financial statements to be audited by an independent external auditor before submission so that the OfS can have confidence in the information that a provider submits.
32. The external auditor must provide a report giving an opinion to the provider's governing body. Requirements in relation to this report are set out in the OfS accounts direction.
33. It may be the case that a provider gives a trial balance<sup>14</sup> to its external auditor and the external auditor then places the financial data from the trial balance into a template to produce a provider's financial statements. As long as the provider, and not its external auditor, prepares the trial balance and approves any changes to the numbers in the financial statements that arise as a result of the external audit, the OfS will consider the external auditor to be independent of the preparation of a provider's financial statements.
34. The audited financial statements must be signed by the external auditor, by a provider's accountable officer, and by the chair of the governing body or one other member appointed by that body. A provider must submit the signed version to the OfS that includes the external auditor's report. The OfS will accept audited financial statement signatures that are digitally generated, typed directly, scanned or written on to the statements.
35. The external auditor's report and opinion must cover all components of the audited financial statements and not be limited to a subset of pages. This is so that:
  - the OfS can have confidence that the external auditor's opinion applies to all the information and data in the financial statements (as set out in the external auditor's opinion)
  - the external auditor has seen the final version of the financial statements that a provider is submitting to the OfS.
36. Where a provider has subsidiaries, it must prepare consolidated financial statements. For the avoidance of doubt, this includes all subsidiaries, whether or not their purpose is related to the provision of higher education.

## **Business plan**

37. A business plan that sets out a provider's plans for the same period as the financial return workbook:
  - a. Must be submitted where a provider has delivered higher education for fewer than three years (track record) before the date of its Annual Financial Return 2025.

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<sup>14</sup> The trial balance is a list of all the closing balances of all the accounts in the general ledger.

- b. May be submitted where a provider has a track record but wants to demonstrate further that it is financially viable and sustainable.

38. If a provider submits a business plan, the OfS will consider this alongside the financial return workbook and commentary. The business plan must include robust and well-evidenced assumptions that underpin the financial forecasts in the financial return workbook. The business plan underpinning the forecast must be credible and show:

- how a provider will ensure it is financially viable and sustainable over the period covered by the forecasts and the actions it will take to achieve this
- how a provider will manage its finances during the period to ensure it is viable and sustainable and give details of any sources of financial support during the period
- how a provider will use its resources over the period to deliver a high quality student experience
- the contingency plans a provider has in place should unexpected financial challenges arise during the period.

39. A provider can submit a business plan in any format if it includes the information set out above.

### **Annual Financial Return 2025 workbook**

40. The workbook requires historical and forecast information about a provider's financial performance and position, along with student number information. This enables the OfS to assess financial viability and sustainability and make a judgement about a provider's financial risks. The forecast data must reflect the provider's agreed strategy and the provider's best estimate of the financial expectations.

41. Providers must complete the workbook in full.

42. A provider must submit historical financial data consistent with its audited financial statements and forecasts to the OfS in the Annual Financial Return 2025 workbook. Where a provider's financial statements are consolidated this should also be reflected in the forecast years.

43. The OfS has published an example template workbook on its website together with detailed guidance explaining how to complete the tables.<sup>15</sup> The tables collected as part of the Annual Financial Return 2024 workbook are summarised below (see the 'Use and publication of financial data' section). A provider must download its bespoke workbook from the OfS Portal and upload it to the portal once completed.

44. The information in the Annual Financial Return 2025 workbook guidance is intended to help providers to understand what they should include in each row of the tables. In completing the workbook, a provider should refer to FRS102 or IFRS, depending on the convention used in its latest audited financial statements, to ensure that it follows the correct and consistent technical accounting requirements.

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<sup>13</sup> Available at [Regulatory advice 14: Guidance for providers for the Annual Financial Return](#).

45. The workbook has been designed to ensure that the OfS can collect consistent data from a diverse range of providers with differing levels of organisational complexity. This means that some elements of the workbook (for example those relating to research income and expenditure) will not be relevant to the specific activities of some providers. Where possible, the workbook has been adapted for different categories of providers, to show only relevant areas of the return.

## **Information accuracy and validation**

46. The accuracy of submitted information is the responsibility of each provider. The return of inaccurate information may affect the OfS's judgement about a provider's ability to continue to comply with its conditions of registration.

47. A provider must check that it has entered the data into the workbook tables correctly to ensure that it is returning accurate data. Most of the data in the workbook relating to the most recent completed year and year before (workbook years 1 and 2), will be published by JISC (HESA) as official statistics. Providers must carefully check that this data is consistent with the provider's audited financial statements.

48. The Annual Financial Return 2025 workbook contains a number of validation checks below each table to help identify obvious errors or discrepancies. A provider should review these validation checks once it has populated its workbook. All validation checks must be addressed before the workbook is submitted. A workbook with unexplained validation checks will not be considered valid. Further details of how to review errors and warnings are available in the submission process guidance.<sup>16</sup>

49. After a provider uploads all required files and signs off their Annual Financial Return 2025 submission, we will undertake some verification checks. This may involve sending queries to a provider and may require a provider to resubmit updated files or a corrected workbook. Providers should engage with this process in a timely manner.

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<sup>16</sup> Available at [Regulatory advice 14: Guidance for providers for the Annual Financial Return](#).

## Use and publication of financial data

50. The OfS collects and manages financial data from providers and will use it in accordance with purposes set out in the regulatory framework and HERA.
51. The OfS is committed to protecting personal information and being clear about the information it holds and the way it is used. The OfS has published a privacy notice describing this on its website.<sup>17</sup>
52. Specifically in relation to financial data, we collect and publish information relating to senior staff pay and severance payments to support our regulatory functions (see UK GDPR Article 6(1)(e)) and for statistical and research purposes (see GDPR Article 89).
53. The OfS also recognises that providers' financial forecast data, student number forecast data, financial assumptions and commentary information are commercially sensitive. Ordinarily, this data will not be published or shared outside the OfS at a provider level. However, under HERA, we may be required to share some information with the DfE to support their oversight of the resilience of the sector. This may require OfS to share detailed information about individual providers to enable that oversight, where an escalation in risk could have significant implications for students and the local/national economy.
54. The OfS may share appropriately aggregated data with other bodies, but it will ensure that it does not disclose the identity of individual providers. However, the OfS may need to share data in a way consistent with its legal powers and duties. The Freedom of Information Act (FOI Act) 2000 allows everyone the right to request access to all types of information held by public bodies, such as the OfS. If the OfS receives a freedom of information request relating to the data of an individual provider, we will, where possible, seek the views of a provider before deciding to disclose that information.
55. The functions of the DDB include the publication of appropriate higher education information (section 65 of HERA). The OfS has determined that some financial data is information the DDB should publish. This is consistent with the DDB's annual publication of financial data for education providers across the UK and other stakeholders as an official statistic.
56. The OfS will transfer some financial data from the Annual Financial Return 2025 relating to the audited financial years (years 1 and 2) to the DDB for the purpose of publication as official statistics and consolidation and comparison with other UK-wide financial data. Details of exactly which data will be transferred are set out in the table below.
57. The OfS's accounts direction requires a provider to publish (in its financial statements) certain information about the head of provider and the salary and benefits they received and any other information about highly paid staff and compensation or severance payments made for loss of office. The OfS collects this information and shares it with the DDB, which will publish it as open data, alongside other financial information about higher education providers. The DDB is responsible for setting out the legal basis for processing financial information about staff pay,

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<sup>17</sup> See [OfS privacy](#).

compensation and benefits. At the time of publication this was set out by the JISC (HESA) in its staff collection notice under purpose 6.<sup>18</sup>

58. Table 1 below sets out the data **for Years 1 and 2 only** that will be transferred to the DDB for publication as open data, at an individual provider level. (Note that no data relating to forecast Years 3 to 7 will be transferred.)

**Table 1: Data transferred to the designated data body (DDB) for publication**

Table number in the Annual Financial Return 2025 workbook	Table description	Which elements will be transferred to the DDB for publication as open data?
Assumptions	Assumptions and backlog maintenance	<b>Not transferred to the DDB.</b>
Table 1	Consolidated statement of comprehensive income and expenditure	All year 1 and 2 data transferred to the DDB for publication, <b>except for section 19.</b>
Table 2	Consolidated statement of financial position	All year 1 and 2 data transferred to the DDB for publication.
Table 3	Consolidated statement of cash flows	All year 1 and 2 data transferred to the DDB for publication, <b>except for sections 13 and 14.</b>
Table 4	Analysis of income	All year 1 and 2 data transferred to the DDB for publication.
Table 5	Analysis of income – Research grants and contracts – breakdown by source of income and cost centre	All data transferred to the DDB for publication.
Table 6	Analysis of income – Course fees and education contracts analysed by domicile, mode, level and source	All year 1 and 2 data transferred to the DDB for publication.
Table 7	Higher education student full-time equivalents (FTEs)	<b>Not transferred to the DDB.</b>
Table 7a	Higher education student full-time equivalents (FTEs) from non-UK domiciles	<b>Not transferred to the DDB</b>
Table 8	Analysis of expenditure – breakdown by activity and cost centre	All data transferred to the DDB for publication.

<sup>18</sup> Jisc (HESA), available at [Collection notices](#).

Table number in the Annual Financial Return 2025 workbook	Table description	Which elements will be transferred to the DDB for publication as open data?
Table 9	Analysis of expenditure – staff costs	All year 1 and 2 data transferred to the DDB for publication.
Table 10	Analysis of expenditure – severance payments	All numerical data transferred to the DDB for publication. <b>No textual data is transferred to the DDB.</b>
Table 11	Head of provider remuneration	All numerical data and dates transferred to the DDB for publication. <b>No textual data is transferred to the DDB.</b>
Table 12	Analysis of capital expenditure	All data transferred to the DDB for publication.
Table 13	Financial commitments	<b>Not transferred to the DDB.</b>
Table 14	Access and participation investment	All year 1 and 2 data transferred to the DDB for publication.

59. Where a provider has not returned individualised student data to the DDB or DfE, which is normally the case for newly registered providers, the data collected in Year 2 of Table 7 of the Annual Financial Return workbook may be used to determine initial OfS registration fees.



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