Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

Finance return

Guidance on completion

August 2026

Mae'r ddogfen hon hefyd ar gael yn y Gymraeg |
This document is also available in Welsh
www.medr.cymru

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Contents

Introduction

1. This guidance is intended to support providers in completion of the annual finance return workbook and commentary.

2. The workbook collects historical and forecast information about the provider's financial performance and position, together with student and learner number information.

3. Medr will use the data to assess and monitor financial viability, financial sustainability and risk. If needed, Medr will contact providers to understand the context of the data submitted.

4. Medr will also use the data to understand and report on wider sector trends and patterns.

5. This guidance should be considered in conjunction with Medr's conditions of financial sustainability and governance and management.

Scope

6. The finance return workbook and commentary are applicable for providers wishing to register with Medr and providers who receive direct funding from Medr, and are therefore subject to Medr's terms and conditions of funding and within scope[1] of Medr's conditions of financial sustainability and governance and management.

7. The following within scope provider groups are *not* required to complete this template:

   a) providers who are one of the pre-existing Welsh further education institutions or Welsh universities who already submit alternate returns to Medr. These providers should continue to complete their existing sector returns;

   b) providers requiring specific designation in Wales who are also required to submit an annual financial return (AFR) to the Office for Students (OfS). To reduce burden, Medr will accept submission of the most recently completed OfS workbook and finance return commentary as an alternative to this submission. Where the timing of the submission to Medr is some time after submission to OfS, Medr will expect updates to the provider's financial position;

   c) where funding from Medr is provided via a Welsh Local Authority.

8. Providers not submitting for initial registration and with a primary objective and main income source as further or higher education provision in Wales, should contact Medr prior to submission to agree which returns are required.

9. This guidance and attached templates remain in scope until a replacement is issued by Medr.

[1] Scope of regulatory conditions

10. Any queries on the return should be directed to assurance@medr.cymru.

Accuracy of data

11. The finance return workbook contains validation flags to help providers complete the workbook accurately. These flags must be addressed before submission of the workbook. If exceptional circumstances mean a validation flag cannot be cleared, the provider should explain why the flag remains.

12. Medr has included these validation checks on the data to help providers to identify errors. Data accuracy remains the responsibility of the provider. Providers should review the information before submission to ensure it is accurate and credible.

13. Providers will be expected to respond promptly to any verification queries raised by Medr and, if necessary, correct and resubmit the return.

14. The submission of inaccurate data will be taken into consideration in assessment of the financial management of the provider.

Information required

15. You must complete and submit the following documents:
    a) the finance return workbook (Annex B);
    b) the finance return commentary (Annex C). This supports the workbook data by providing context and explanation.
    c) a forecast of monthly cash payments and receipts to the end of forecast year one. This may be on your own internal template, but should include separate lines for main recurrent income and expenditure streams, capital or other investment expenditure (and any related grant income), and cash balances brought forward and carried forward each month. Where relevant, available drawdowns and headroom in bank facilities should be shown.

16. You must submit full[2] audited financial statements for the last three years. If three years audited financial statements are not available, you must discuss this with Medr. We will consider whether other information is available that would provide demonstration of financial viability and sustainability to a similar standard.

17. Financial statements must be prepared in accordance with UK generally accepted accounting standards and applicable statements of recommended practice (SORP). Medr's accounts directions, or other equivalent guidance should be applied where applicable.

18. If consolidated accounts are prepared, these should be submitted. If consolidated accounts are not prepared, then sufficient additional information should be provided for Medr to gain an understanding of the financial health of the whole wider group.

19. Financial statements must be provided within 10 months of the financial year-end.

[2] Abridged financial statements are not accepted.

20. The financial information submitted must agree with the finance return workbook.

Finance return workbook

21. The finance return workbook covers:
    a) historical financial performance;
    b) five-year forecasts, including updated expectations for the current year;
    c) scenario planning templates;
    d) financial indicators (automated).

22. The workbook contains five worksheets:
    a) Provider info and validation: to collect standing data, tailor the return and check that the return is complete and consistent;
    b) Financial indicators: an automated table provided to assist review;
    c) Financial tables: for historical and forecast financial data;
    d) Contextual data: further details required, such as learner and student[3] data, and bank arrangements;
    e) Scenario planning: for sensitivity modelling of your financial forecasts.

23. When completing the workbook, please ensure that you enter data across all years.

Timetable for submission

24. This workbook must be submitted within 10 months of the year-end date of the most recent audited financial statements. For example, an entity with a 31 July 202X financial year-end would need to submit this return to Medr by 31 May 202Y.

25. Where the finance return is required as part of other regulatory monitoring, for example specific designations or apprenticeships, the required returns should be submitted as part of that pack.

26. Where the return is required for annual financial sustainability monitoring for any other purpose, the required returns should be submitted to assurance@medr.cymru.

[3] The term 'learners' is generally used for FE and apprenticeships, and 'students' for HE. However in some cases either could be applicable and to that extent they should be read interchangeably.

Detailed guidance

27. We recommend that the workbook is completed in the following order:
    a) Provider info – this will tailor the return to your provider;
    b) Financial tables;
    c) Contextual data;
    d) Financial indicators – review these to check that they appear reasonable before progressing to scenario planning;
    e) Scenario planning;

28. The above order has been used in the layout of the detailed guidance below.

29. Validations are set out covering each table or section separately and should be reviewed and amendments made following completion of each.

30. We recommend that validation of all other areas is completed before completion of scenario planning.

Provider information and validation

Provider information

31. Input cells are highlighted yellow and will revert to white once completed. These include some drop-down cells.

32. The questions tailor the template, collect basic identifying information, and help to confirm that Medr's basic requirements are met.

33. The date of most recent financial year end should be the year end of the most recent set of financial statements being submitted with the return. This populates the year end dates on the tables.

34. If your year end changes during the period covered by the return, the year end dates can be overwritten on row 6 of the financial tables tab.

35. We ask whether all years have been audited so that, where this is not the case, you can confirm that you have discussed the position with us and agreed an approach. This also populates the tables, highlighting where unaudited financial statements are used.

36. We ask about the financial information for groups to ensure that the requirements of our conditions of registration are met.

37. We ask for your external auditor in order to ensure that this is an approved firm.

38. Validation tests will be either "Passed" (indicated in green) or "Failed" (indicated in red). "Failed" highlights that the return is not currently compliant with our

requirements and some action or correction is required. The question should make clear what action is needed.

39. We expect all validation failures to be corrected. A text box is available for explanation in the exceptional circumstance that this is not possible.

40. As noted above, validation should be reviewed and amendments made as appropriate as each table or section is completed.

Financial tables

Table 1: Income and expenditure

41. This table is required to be completed by all providers.

42. Input cells are identified by a white background with blue text. The rest of the worksheet is greyed out.

43. You must enter data for all years and in all relevant rows.

44. Figures should be entered in pounds sterling (£) or pounds thousands (£’000), as selected in the provider standing data.

45. Any year-on-year changes in data should be explained in the finance return commentary. This includes changes in the historical data (audited) and the forecast data. The finance return commentary template includes specific questions to help you to provide the required explanations.

Heading	Data entry	Notes
1a. Further education income	Public funding for further education.	This will normally be from Medr (or equivalent). As Medr income can be transferred between full and part time provision, income has not been split.
1b_i. Funded apprenticeship income	Apprenticeship contract income or funding in future years.	This will normally be from Medr (or equivalent).
1b_ii. Funded degree apprenticeship income	Degree apprenticeship income	This will normally be from Medr (or equivalent).
1b_iii. Supported apprenticeship income	Supported apprenticeship contract income or funding in future years.	This will normally be from Medr (or equivalent).

Heading	Data entry	Notes
1c_i. HE fee income from UK FTUG students	Enter tuition fee income from home (UK) domiciled [4] full-time undergraduate (UG) higher education students.	Include fees paid to you by the Student Loans Company and fees paid directly by students.
1c_ii. HE fee income from UK FTPG students	Enter tuition fee income from home (UK) domiciled full-time postgraduate students.	Include both postgraduate taught and research students.
1c_iii. HE fee income from UK PTUG students	Enter tuition fee income from home (UK) domiciled [5] part-time undergraduate (UG) higher education students.	Include fees paid to you by the Student Loans Company and fees paid directly by students.
1c_iv. HE fee income from UK PTPG students	Enter tuition fee income from home (UK) domiciled part-time postgraduate students.	Include both postgraduate taught and research students.
1d_i. HE fee income from non-UK FTUG students	Enter tuition fee income from non-home (non-UK) domiciled full-time undergraduate students.	Include fees paid to you from all non-UK domiciled students, whether or not they need a visa. Please explain in the commentary the basis on which students without student sponsor visas are studying at your provider, or if there are any concerns with visa BCA thresholds.
1d_ii. HE fee income from non-UK FTPG students	Enter tuition fee income from non-home (non-UK) domiciled full-time postgraduate students.	
1d_iii. HE fee income from non-UK PTUG students	Enter tuition fee income from non-home (non-UK) domiciled part-time undergraduate students.	Include fees paid to you from all non-UK domiciled students, whether or not they need a visa. Please explain in the commentary the basis on which students without student sponsor visas are studying at your provider, or if there are any concerns with visa BCA thresholds.
1d_iv. HE fee income from non-UK PTPG students	Enter tuition fee income from non-home (non-UK) domiciled part-time postgraduate students.	
1e. Other tuition income from non-funded students and learners	Enter income from learners studying on other non-funded courses, who are not included in 1a or 1b above.	Include income from all such learners registered with your provider. For example, modules leading to credit that can potentially be counted towards an HE qualification, foundation degrees, HNCs.

[4] Home domiciled includes those students domiciled in the UK, those domiciled in the EU who are eligible to be treated as home students, and those who are otherwise entitled to pay home fees.
[5] Home domiciled includes those students domiciled in the UK, those domiciled in the EU who are eligible to be treated as home students, and those who are otherwise entitled to pay home fees.

Heading	Data entry	Notes
1f. Transnational education (TNE) and partnership income.	Enter any income received from TNE activity and from provision delivered through partnerships.	In the commentary, please summarise the main countries or locations involved in TNE activity and the main partnership arrangements. Where there are several, please include the approximate value of the main arrangements.
1g. Other income from public funders	Enter any public funding received not accounted for above.	Please explain the main income streams in the commentary, including quantification.
1h. Other income	Enter any other operating income not included above.	Please explain the main income streams in the commentary, including quantification.
1i. Donation income	Enter any donation income other than endowments (charities only).	This line is normally relevant only to charities.
1j. Interest and endowment income	Enter income from investments, savings and endowments.	This will include interest, dividends and returns on investments. Only charities will have endowment income.
2a. Staff costs	No data entry required.	This data is collected from contextual data table 3.
2b. Directors / trustees remuneration	Enter total (gross) remuneration for directors / trustees.	This includes the full costs, including salaries, pensions, national insurance contributions and bonuses.
2c. Other operating expenses	Enter all other operating costs.	Operating costs are day-to-day costs related to delivery of services. You should exclude maintenance, depreciation and finance costs.
2d. Maintenance costs	Enter costs required to maintain your provider's premises.	Include repair and upkeep costs of facilities and systems, but exclude staff pay related to maintenance (included in 2a).
2e. Depreciation, amortisation and impairment	Enter depreciation and amortisation as per your provider's accounting policies. Include any asset impairment here.	Depreciation and amortisation are accounting charges reflecting the reduction in value of assets over time. Impairment reflects a decrease in useful value of an asset.
2f. Interest and other finance costs	Enter interest and financing expenses.	Include interest on loans and other financing arrangements from directors, shareholders, banks or other external sources.

Heading	Data entry	Notes
4. Gain / (loss) on assets and investments; share in operating surplus / (deficit) of joint ventures and associates	Enter any other pre-tax gains / (losses)	Include gains / (losses) on the sale of tangible or intangible assets and investments and on any share in the operating surplus / (deficit) of joint ventures or associates.
5. Taxation	Enter the amount of corporation tax (due) / refundable for the year.	This is the tax charge for the year. It may differ from actual tax paid.
7. Other comprehensive income / (expenditure)	Enter any other income or expenditure lines from your annual accounts.	Include gains / (losses) not included in surplus / (deficit) before tax. These items include gains or (losses) associated with pension plans, derivatives, investment revaluations or foreign currency translation adjustments.
9. Dividends	Enter the dividends declared. These should be entered as a negative number.	This is the amount agreed to be paid to shareholders in respect of the year, not necessarily the cash paid in the year.

Table 2: Balance sheet

46. This table is required to be completed by all providers.

47. Input cells are identified by a white background with blue text. The rest of the worksheet is greyed out.

48. You must enter data for all years and in all relevant rows.

49. Figures should be entered in pounds sterling (£) or pounds thousands (£’000), as selected in the provider standing data.

50. Any year-on-year changes in data should be explained in the finance return commentary. This includes changes in the historical data (audited) and the forecast data. The finance return commentary template includes specific questions to help you to provide the required explanations.

Heading	Data entry	Notes
1a. Intangible assets	Enter the net book value of any intangible assets owned.	Intangible assets lack physical substance. For example goodwill, intellectual property, software. They are fixed assets if there is no intention to sell them within 12 months of the year end.
1b. Tangible assets	Enter the net book value of any tangible assets owned.	These are assets and property not easily convertible into cash. For example, buildings, equipment and vehicles used over multiple years. They are fixed assets if there is no intention to sell them within 12 months of the year end.
1c. Investments	Enter the value of long-term investments.	Investments are assets not used in operations. For example real estate, stocks and shares, trust, money market or mutual funds. They are fixed assets if there is no intention to sell them within 12 months of the year end.
1d. Other	Enter the value of any other long-term assets.	This might include for example heritage assets or investments in joint ventures / associates. Please indicate the nature in the commentary.
2a. Stock	Enter the value of stock held.	This includes items held for resale, usage or consumables.
2b. Current debtors (excluding related parties)	Enter amounts owed to the provider.	Include unpaid invoices to learners and clients. Any amounts due from directors or other related individuals or entities should be excluded and included in 2c.
2c. Loans to directors / related parties	Enter amounts owed to the provider.	Include unpaid invoices to related entities and interest-free or interest-bearing loans made to directors of your provider or other related individuals or entities. Please include the nature and approximate value of each balance individually and any terms of repayment in the commentary.

Heading	Data entry	Notes
2d. Short-term investments	Enter the value of investments to be sold within 12 months of the financial year end.	Short-term investments are any investments that are expected to convert into cash within 12 months of the year end. To include savings, gilts or bonds with a term of less than 12 months and deposits with a term over three months.
2e. Cash at bank and in hand	Enter the value of cash and cash equivalents held.	Include cash in hand, undeposited cheques, monies in current, savings and money market accounts, and short-term liquid investments maturing in three months or less at time of purchase. Bank balances in overdraft should be included in 3a.
2f. Other	Enter the value of any other current assets held.	Include any other assets expected to be realised within 12 months of the financial year end.
3a. Bank overdrafts	Enter the balance of any bank overdrafts at the year end.	Bank balances in overdraft should be included here and should not be netted off against cash at bank and in hand.
3b. Current portion of bank loans and external borrowing (including finance leases)	Enter the amount of bank loans and external borrowing due for repayment within 12 months of the financial year end.	Include the current portion of bank loans, external borrowing, finance leases and similar arrangements. The element due after more than one year should be included in 7a.
3c. Loans from directors / related parties	Enter the amount of loans from directors or related parties due for repayment within 12 months of the financial year end.	Include loans from directors, trustees, shareholders, group entities or other related individuals or entities. Please include the nature and approximate value of each balance individually and any terms of repayment in the commentary.
3d. Deferred fees	Enter fees received in advance.	Deferred fees are amounts received before the related teaching or service has been delivered. This will occur when the financial and academic year end differ, and / or for courses starting mid-year.
3e. Tax and social security costs	Enter tax and social security amounts due within 12 months of the financial year end.	Include amounts owed for corporation tax, VAT, PAYE, national insurance and other relevant tax liabilities.

Heading	Data entry	Notes
3f. Other liabilities (excluding related parties)	Enter other liabilities due within 12 months of the financial year end.	Include trade creditors, accruals and other short-term liabilities not included above. Any amounts due to directors or other related individuals or entities should be excluded and included in 3c.
4. Share of net current assets / (liabilities) in associate	Enter the provider's share of net current assets or liabilities in associate, where applicable.	This should only be completed where the provider has an associate and this balance is included in the financial statements. Please explain the nature of the associate and the basis of the balance in the commentary.
7a. Bank loans and external borrowing (including finance leases)	Enter the amount of bank loans and external borrowing due after more than one year.	Include the long-term element of bank loans, external borrowing, finance leases and similar arrangements. The element due within one year should be included in 3b. Please explain material borrowing, security and covenant arrangements in the commentary.
7b. Loans from directors / related parties	Enter the amount of loans from directors or related parties due after more than one year.	Include loans from directors, trustees, shareholders, group entities or other related individuals or entities. Please include the nature and approximate value of each balance individually and any terms of repayment in the commentary.
7c. Other liabilities	Enter other liabilities due after more than one year.	Include long-term liabilities not included above, such as deferred tax, pension liabilities or other long-term obligations. Please explain material balances in the commentary.
8. Provisions for liabilities and charges	Enter the total balance of provisions for liabilities and charges.	A provision is an amount set aside for a probable but uncertain financial obligation. Please explain material provisions in the commentary.
9. Total net assets	No data entry required.	This row auto-calculates total net assets. This should agree to total reserves in 10z.
10a. Share capital	Enter the balance of share capital.	This will normally only apply to providers with issued share capital.

Heading	Data entry	Notes
10b. Income and expenditure reserve	Enter the income and expenditure reserve balance.	This represents accumulated surpluses or deficits over time.
10c. Restricted and endowment reserves	Enter the balance of restricted and endowment reserves.	This will normally be relevant to charities or providers with funds subject to restrictions. Please explain material restricted or endowment balances in the commentary.
10d. Other reserves	Enter the balance of any other reserves.	Include reserves not reported elsewhere, such as revaluation reserves or share premium.
10z. Total reserves	No data entry required.	This row auto-calculates total reserves. Total reserves should equal total net assets in 9.

Table 3: Cash flow statement

51. This table is not required for the initial registration of apprenticeship providers where a cash flow statement is not ordinarily prepared. This will be required for future years.

52. Input cells are identified by a white background with blue text and the rest of the worksheet is greyed out.

53. You must enter data for all years and in all relevant rows.

54. Figures should be entered in pounds sterling (£) or pounds thousands (£'000), as selected in the provider standing data.

55. The cash flow statement should reconcile to the cash at bank and in hand reported in the balance sheet, taking account of overdrafts where relevant.

56. Any year-on-year changes in cash flows should be explained in the finance return commentary, including significant movements in operating cash generation, capital expenditure, borrowing, repayment of loans or other financing activity.

57. Where drop-down menus are included, these are highlighted in yellow prior to completion, to aid visibility.

Heading	Data entry	Notes
2a–2e. Adjustment for non-cash items	Enter the relevant non-cash adjustments.	Include depreciation and amortisation, changes in working capital, movements in creditors and provisions, and other non-cash items. These lines convert the reported surplus / (deficit) into operating cash in / (out) flow.
3a–3e. Adjustment for investing or financing activities	Enter the relevant adjustments.	Include investment income, interest payable, gains or losses on asset disposals, capital grant income and other adjustments that need to be excluded from operating cash flow and shown in the appropriate investing or financing section.
4. Net cash in / (out) flow from operating activities	No data entry required.	This row auto-calculates the cash generated or used by core operating activity.
5a–5g. Cash flows from investing activities	Enter cash inflows and outflows from investing activity.	Include proceeds from asset sales, capital grant receipts, investment income, withdrawals of deposits, new deposits and payments to acquire assets.
6a–6f. Cash flows from financing activities	Enter cash inflows and outflows from financing activity.	Include interest paid, new loans, loan repayments, endowments, dividends paid and other financing cash flows.
8–9. Cash at bank and in hand at the beginning of the year	Enter opening cash at bank and in hand (including overdrafts) where required.	Formulae have been used for some cells. These cells should agree to the prior period cash at end of year.
9. Cash at bank and in hand at the end of the year	Review closing cash at bank and in hand (including overdrafts).	Closing cash should agree to cash at bank and in hand in the balance sheet, adjusted for overdrafts where applicable.
Table 3a_1a. Lowest cash position in year	Enter the lowest cash position and the month in which it occurs for forecast years.	This is used to understand in-year liquidity risk. Where the lowest cash position is materially different from the year-end balance, explain the reason in the commentary.
Table 3a_1b. Lowest cash position in year – month	Select the month of the lowest cash flow from the drop-down menu.	This is used to understand in-year liquidity risk.

Contextual data

58. These tables must be completed by all providers.

59. Input cells are identified by a white background with blue text. The rest of the worksheet is greyed out.

60. The contextual data worksheet collects student and learner numbers, staff numbers, staff cost analysis and details of bank arrangements and financial commitments.

61. You must complete all relevant rows for all years. Student and learner numbers should be entered as assumed completions and staff numbers should be entered as full-person equivalent (FPE), not headcount. See Annex A for guidance on calculating these numbers.

62. Include students and learners registered with your provider. Do not include students and learners registered with another provider unless they are included in your provider's financial forecasts and this treatment is explained in the commentary.

63. The contextual data should support and be consistent with the financial tables. For example, higher education fee income should be consistent with the higher education student numbers entered in this worksheet. Where income is reported but no student numbers are entered, or vice versa, validation checks may be triggered.

64. Material changes in student and learner numbers, staff numbers, staffing costs or bank arrangements should be explained in the commentary.

65. For details of the methodology of calculating student and learner numbers and staff FPE, please refer to Annex A.

66. Where drop-down menus are included, these are highlighted in yellow prior to completion, to aid visibility.

Student and learner numbers

67. For methodology see Annex A Student and learner number calculation.

Heading	Data entry	Notes
1a_i. Further education full-time learners 1a_i. Further education full time learners	Enter all FE full-time learner numbers as assumed completions. Enter all FE full time learner numbers as assumed completions.	This row provides context for further education income.
1a. Further education part-time learners	Enter all FE part-time learner numbers as assumed completions.	This row provides context for further education income.

Heading	Data entry	Notes
1b. Funded apprenticeship learners	Enter funded apprenticeship learner numbers as assumed completions.	This row provides context for apprenticeship income.
1b. Funded degree apprenticeship learners	Enter funded degree apprenticeship learner numbers as assumed completions.	This row provides context for apprenticeship income.
1b. Supported apprenticeship learners	Enter supported apprenticeship learner numbers for all levels as assumed completions.	This row provides context for apprenticeship income.
1c_i. Higher education UK FTUG students	Enter home domiciled (UK) full-time undergraduate (FTUG) higher education student numbers as assumed completions. Enter home domiciled [6] (UK) full-time undergraduate (FTUG) higher education student numbers as assumed completions.	Undergraduate degree students includes degree courses with an integrated Master's year or an integrated foundation year, whether publicly funded by the Student Loans Company (SLC) or not.
1c_ii. Higher education UK FTPG students	Enter home domiciled [2] (UK) full-time postgraduate (FTPG) higher education student numbers as assumed completions.	Postgraduate courses are those which require as a normal condition of entry that entrants be already qualified at degree level.
1c_iii. Higher education UK PTUG students	Enter home domiciled (UK) part-time undergraduate (PTUG) higher education student numbers as assumed completions. Enter home domiciled [7] (UK) part-time undergraduate (PTUG) higher education student numbers as assumed completions.	Undergraduate degree students includes degree courses with an integrated Master's year or an integrated foundation year, whether publicly funded by the Student Loans Company (SLC) or not.

[6] Home domiciled includes those students domiciled in the UK, those domiciled in the EU who are eligible to be treated as home students, and those who are otherwise entitled to pay home fees.
[7] Home domiciled includes those students domiciled in the UK, those domiciled in the EU who are eligible to be treated as home students, and those who are otherwise entitled to pay home fees.

Heading	Data entry	Notes
1c_iv. Higher education UK PTPG students	Enter home domiciled [2] (UK) part-time postgraduate (PTPG) higher education student numbers as assumed completions.	Postgraduate courses are those which require as a normal condition of entry that entrants be already qualified at degree level.
1d_i. Higher education non-UK FTUG students	Enter non-home domiciled (non-UK) full-time undergraduate higher education student numbers as assumed completions. Enter non-home domiciled [8] (non-UK) full time undergraduate higher education student numbers as assumed completions.	Include non-UK students falling under the definition of undergraduate in 1c_i above.
1d_ii. Higher education non-UK FTPG students	Enter non-home domiciled [3] (non-UK) full-time postgraduate higher education student numbers as assumed completions.	Include non-UK students falling under the definition of postgraduate in 1c_ii above.
1d_iii. Higher education non-UK PTUG students	Enter non-home domiciled (non-UK) part-time undergraduate higher education student numbers as assumed completions. Enter non-home domiciled [9] (non-UK) part time undergraduate higher education student numbers as assumed completions.	Include non-UK students falling under the definition of undergraduate in 1c_i above.
1d_iv. Higher education non-UK PTPG students	Enter non-home domiciled [3] (non-UK) part-time postgraduate higher education student numbers as assumed completions.	Include non-UK students falling under the definition of postgraduate in 1c_ii above.

[8] Students domiciled outside the UK or EU, or students domiciled in the EU who are not eligible to pay home fees.
[9] Students domiciled outside the UK or EU, or students domiciled in the EU who are not eligible to pay home fees.

Heading	Data entry	Notes
1e. Other tuition income from non-funded learners	Enter students or learners who are studying on other courses that are not eligible for public funding, and are not included in 1a to 1d above as assumed completions.	Include all such students registered with your provider.

Staff full person equivalent (FPE)

68. For methodology see Annex A Staff FPE calculation.

69. **Academic** staff, including contracted staff, are defined as professionals responsible for planning, directing and undertaking academic teaching and / or research. Examples beyond teaching staff include vice-chancellors / principals, medical practitioners, dentists, veterinarians and other health care professionals who undertake lecturing or research activities.

70. **Other** staff, including contracted staff, are defined as members of staff who are not holders of an academic contract, including managers, non-academic professionals, learner welfare workers, secretaries, caretakers and cleaners.

Heading	Data entry	Notes
2a. Academic staff	Enter academic staff numbers as FPE.	Include all relevant staff, including part-time, hourly paid and contracted staff where these are included in the provider's staffing model.
2b. Other staff	Enter non-academic staff numbers as FPE.	Include all relevant staff, including part-time, hourly paid and contracted staff where these are included in the provider's staffing model.

Staff costs

71. These should exclude any costs relating to directors / trustees remuneration. Such costs should be included in table 1_2b.

Heading	Data entry	Notes
3a. Wages and salaries	Enter gross wages and salaries cost.	This should include bonuses, commissions, overtime, allowances and holiday / sick pay. It should be gross of any deductions such as salary sacrifice, income tax, employees' pension / national insurance contributions and health insurance premiums.
3b. Social security	Enter employer's national insurance contributions.	Include all employer's national insurance contributions.
3c. Pensions	Enter pension costs.	This should be the actual cost of employer pension contributions for the financial period.
3d. Non-cash pension adjustments	Enter any non-cash pension adjustments.	Includes any adjustment required to reflect the valuation of defined benefit employer schemes, such as a Local Government Pension Scheme.
3e. Cost of restructuring	Enter any costs incurred when undertaking re-organisation.	Includes employee redundancy settlements and other costs deemed outside the normal course of business. Please include explanation in the finance return commentary.

Bank arrangements and financial commitments

Heading	Data entry	Notes
4a. Undrawn bank facilities	Enter committed facilities not drawn at the year end.	Include facilities that are available to the provider to draw down to support operating cash headroom, subject to normal terms. Exclude facilities that are not committed or where access is dependent on future lender approval. Please include detail of terms (length, cost, any covenants and the headroom on these) in the commentary.
4b_i. Capital repayments in the year	*Only required where a cash flow statement has not been requested.* Enter all capital repayments on borrowings.	This should be all monies paid, or forecast to be paid, to reduce the capital amount due on any loans, finance leases or other borrowings held by the provider. This should include directors and other related party loans.

Heading	Data entry	Notes
4b_ii. Interest repayments in the year	*Only required where a cash flow statement has not been requested.* Enter all interest repayments on borrowings.	This should be interest paid, or forecast to be paid, to service any loans, finance leases and other borrowings. This should include directors and other related party loans.
Table 4c_i. Lowest cash position in year	*Only required where a cash flow statement has not been requested.* Enter the lowest cash position and the month in which it occurs for forecast years.	This is used to understand intra-year liquidity risk. Where the lowest cash position is materially different from the year-end balance, explain the reason in the commentary.
4c_ii. Lowest cash position in year - month	*Only required where a cash flow statement has not been requested.* Select the month of the lowest cash flow from the drop-down menu.	This is used to understand intra-year liquidity risk.
4d. Loans held		
4d_i. Type	Select the appropriate loan type from the drop-down menu.	Where 'other' is selected, further detail is requested.
4d_ii. £	Enter the amount of each loan separately.	Loans should include: - undrawn and drawn amounts of facilities (as 4a. above) - loans from directors or other related parties
4d_iii. Secured / unsecured	Select appropriate from the drop-down menu.	Secured loans are those where the lender has been offered an asset or guarantee by a borrower if the loan is not repaid.
4d_iv Date of repayment	Enter when the loan terminates.	Include details of the method of repayment (where this is not a term loan) in the commentary. For example bullet or balloon, which both include a large final sum, or on demand.
4d_v. Interest type	Select appropriate from the drop-down menu.	Fixed rates are set for an agreed period. Variable rates are usually linked to a benchmark or base rate, so repayments fluctuate.

Heading	Data entry	Notes
4d_vi. Interest rate	Enter the rate on which interest is calculated.	This may be a margin above SONIA or a fixed rate.

Financial indicators

72. The financial indicators worksheet is automated. It is provided to help providers review the information entered elsewhere in the workbook.

73. No data entry is required on this worksheet.

74. Providers should review the indicators before submitting the workbook. If the indicators do not appear to reflect the provider's expected financial position, check that the underlying workbook entries are complete and accurate.

75. The indicators are provided for indicative assessment and to assist review. They should not be interpreted as Medr requirements or thresholds. Medr will assess financial performance and risk using the provider's financial information, commentary and relevant context.

76. Where indicators show a significant deterioration, volatility or an unusual movement, the underlying reason should be explained in the finance return commentary.

Scenario planning

77. These tables must be completed by all providers.

78. Input cells are identified by a white background with blue text. The rest of the worksheet is greyed out.

79. Scenario planning is used to understand how the provider's financial forecasts would change under common downside assumptions.

80. The scenario planning worksheet should be completed after the financial tables, contextual data and financial indicators have been reviewed.

81. The workbook includes three scenarios:

    a) Scenario 1 and 2 are combined in one table. They are broadly automated downside scenarios and model forecast year 1 only.

        i. Scenario 1 assumes nil growth from the current (estimate) year for all tuition student and learner new intake and income across all levels and domiciles. Expenditure is assumed to be unchanged from forecast 1.

        ii. Scenario 2 assumes standard downsides in new intake and / or student and learner fee income. Expenditure is assumed to be unchanged from forecast 1. The standard scenarios are:

- FE – 5% funding reduction;
- Apprenticeships, degree apprenticeships and supported apprenticeships – 5% reduction in new intake;
- HE home full-time undergraduates – 5% reduction in new intake;
- HE overseas full-time postgraduates – 10% reduction in new intake;
- Other tuition streams – lowest enrolments and income 2025/26 onwards.

Mitigations - there is an option to note the level of expenditure mitigation required for each scenario. This is identified as pay or non-pay, to return a surplus / reduced deficit, or deferral of investment (including capital expenditure) to preserve liquid assets. The impact on surplus / (deficit) and liquid assets of the mitigations are included in the models.

b) Scenario 3 recognises the diversity within the sector and requires completion of your own realistic downside scenario. The learner number, income and expenditure, and liquid assets rows should be completed for all forecast years.

82. The commentary should explain the assumptions used, the impact on financial performance and liquidity, and any mitigations that the provider would expect to implement if the scenario arose.

83. Mitigations should be realistic and deliverable. Where mitigations depend on third party approval, changes to staffing, reductions in planned expenditure, additional funding or changes to course delivery, this should be stated clearly.

84. Where the scenarios indicate pressure on cash, liquidity, loan covenants or financial sustainability, this should be explained in the commentary together with the provider's planned response.

Scenario 1 and 2 – standard downsides

Heading	Data entry	Notes
1. Student and learner numbers	Largely automated – enter average course length.	Scenario 2 – enter average course length in column K where indicated (1b_i, 1b_ii, 1b_iii, 1c_i, 1d_ii) to allow calculation of average new intake.
1.1 Income	Automated.	Calculations for scenario 2 tuition income taken from learner numbers. Other income assumed unchanged from forecast 1.
1.2 Expenditure	Automated.	Taken from main forecast 1 (table 1_2z).

2.2 Liquid assets	Enter cash at bank and in hand and short-term investments.	Liquid assets should reflect the scenario forecast and should be consistent with the expected cash impact of the revised income and expenditure assumptions.
6. Mitigations	Enter the mitigations that would be required in response to each scenario	Pay and non-pay mitigations will impact surplus / (deficit). All mitigations will impact liquid assets.

Scenario 3 – own downside

Heading	Data entry	Notes
1. Student and learner numbers	Enter learner numbers (assumed completions)	Apply the scenario assumption to new enrolments and reflect the resulting total learner numbers by category. Explain any judgement applied in the commentary.
1.1 Income	Enter the revised income forecast.	Reflect the impact of changed learner numbers and fee income and any consequential changes to costs.
1.2 Expenditure	Enter the revised expenditure forecast.	Reflect any consequential changes to costs from the impact of changed learner numbers and fee income. Do not assume cost reductions unless they are realistic and explained.
2.2 Liquid assets	Enter cash at bank and in hand and short-term investments.	Liquid assets should reflect the scenario forecast and should be consistent with the expected cash impact of the revised income and expenditure assumptions.

Validation and pre-submission review

85. These tables must be completed by all providers.

86. Once all worksheets have been completed, return to the provider information and validation worksheet.

87. Where a validation check has failed, review the relevant table and correct the underlying entry where the data is wrong.

88. Where the data is correct but the validation check still fails, provide a clear explanation in the validation worksheet. The explanation should be specific and

sufficient for Medr to understand why the validation failure does not indicate an error.

89. Before submission, providers should check that the workbook is complete, internally consistent and aligned to the financial statements, forecasts and commentary being submitted.

90. Medr may raise follow-up queries where the workbook, commentary or supporting information requires clarification.

Annex A – Methodological detail

Student and learner numbers calculation

Student and learner numbers should be entered as ‘assumed completions’ that complete the year of study and not as headcount.

‘Assumed completions’ are calculated as the number of student and learner registrations less an adjustment for students and learners that do not complete their year of study. This may be actual, or for forecast periods, the estimation of the student and learner non-completion based on historic trend data.

For student and learner data, the definition of full-time is where the student or learner 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).

For a student to be classified as having a sandwich year out, their course should fit the definition of a sandwich course provided in Schedule 1 6(1) of The Education (Student Support) (Wales) Regulations 2018 (SI 2018 No. 191), or they should be full-time on a study or placement year abroad.

Part-time: any student or learner not classified as full-time or full-time sandwich year out should be classified as part-time. Student and learner numbers for a part-time course should represent registrations expected to **complete the year of study**, after allowing for anticipated non-completions.

Staff FPE calculation

Staff numbers should be entered as full-person equivalent (FPE), and not as headcount.

The methodology should be consistent with disclosure in the provider financial statements. This is normally based on contracted hours as a proportion of full-time hours, applied consistently throughout the year to produce average staff numbers for the year.

The FPE for a part-time staff member should be calculated by comparison with an equivalent full-time staff member.

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