

Student Awards Agency for Scotland

An agency of the Scottish Government

SAAS

Annual report and accounts 2006-2007

Presented to the Scottish Parliament under Section 22(5) of the
Public Finance and Accountability (Scotland) Act 2000.

Laid before the Scottish Parliament by Scottish Ministers
in February 2008

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Chief Executive's Report

Our annual report and accounts show what we have achieved in the period from 1 April 2006 to 31 March 2007. Our corporate plan shows what we aim to achieve between 2007 and 2010.

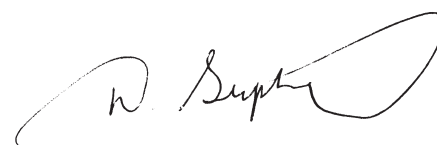
There was some evidence to suggest that in 2006–2007, students across the UK as a whole were sending in their applications for support later than in previous years. SAAS attempted to encourage people to get their applications in by texting reminder messages to around 50,000 students but nevertheless experienced a relatively slow start to the processing season. Despite this, SAAS was for the second year running able to deal with virtually all applications by around the end of November.

We improved the speed at which we can deal with applications by carrying out a “Kaizen blitz” in our Electronic Document Management section. This produced an improved flow of work and enabled the section to scan all applications received into our main operating system within 24 hours of receipt even during our busiest periods.

2006 was the first full year of operation of the Graduate Endowment (GE) scheme. In consultation with solicitors, we adapted and clarified the terms of the letters sent to those liable to pay the GE fee. We also reassigned some of the work associated with collection of the fee. Due to these measures we ended up achieving a collection rate of 97% - much higher than originally anticipated.

As well as driving forward our core business, we continued to make progress on a number of fronts. For example, in partnership with Health Department colleagues, we introduced a new bursary scheme for dentistry students. On environmental policy, we continued to make progress towards meeting our targets for reducing energy consumption and installed new, more efficient boilers in our building. We assisted the National Audit Office by participating in their National Fraud Initiative. We prepared for the change in 2007-2008 from paying student support in three equal termly instalments to a system of monthly payments. We worked with Universities Scotland on an improved system for notifying students attendance on their courses.

The results we achieved over the year as a whole demonstrate our commitment to continuous improvement and the principles of Best Value. The Agency remains well placed to cope with change and to continue to refine and improve the range of services we provide to the Scottish public.



David Stephen
Chief Executive

Our management board

| | |
|-------------------|--|
| David Stephen | Chief Executive |
| Graham Gunn | Head of Information Systems and Operational Policy |
| Audrey Heatlie | Customer Services Manager |
| Audrey Shimmons | Finance Team Leader (from March 2007) |
| Stephen Blyth | Agency Accountant |
| Martin Lowe | Non-executive Board member |
| Eileen Marshall | Non-executive Board member |
| Margaret Munckton | Non-executive Board member |
| Bruce Nelson | Non-executive Board member |

Our non-executive board members have a wide range of experience of university and financial administration. They are Martin Lowe (retired Secretary of Edinburgh University), Eileen Marshall (Finance Director, Glasgow College of Nautical Studies), Margaret Munckton (Director of Strategy and Financial Planning, Perth College) and Bruce Nelson (Academic Registrar and Deputy Secretary, University of Edinburgh).

Part 1

Who we are and what we do

Who we are

We are an Agency of the Scottish Government based in Edinburgh's South Gyle business park. We pay grants and bursaries to Scottish students in higher education. We have 145 staff, handle over 130,000 applications every year and control budgets totalling £507 million.

What we do

We help Scottish students in higher education by:

- assessing and paying financial support for living costs and tuition fees;
- dealing with the Students' Allowances Scheme, the Postgraduate Students' Allowances Scheme (PSAS), the Nursing and Midwifery Students Bursary Scheme (NMSB) and applications for student loans;
- collecting the Graduate Endowment;
- providing resources and data to the Student Loans Company for the payment of student loans;
- distributing Hardship Funds and Childcare Funds to Scottish universities and colleges;
- maintaining a register of charities that offer educational endowments;
- helping learners through the Individual Learning Accounts Scotland (ILAS) scheme, which we run with Learndirect Scotland; and
- working with the Health Department to develop and deliver NHS Bursaries targeted at specific groups (eg Dentistry students).

Almost all of the services we provide are available to the public electronically at www.saas.gov.uk. Scottish higher-education students have been able to apply for support on-line since 2002.

We have included a glossary at the end of this document which explains terms we have used that you may not be familiar with.

Part 2

Our aim, vision and values

Our aim is to be an outstanding provider of learner funding for students.

Our vision is to excel at what we do. We aim to:

- provide high-quality services to the Scottish public that are easy to use;
- continuously improve the speed and efficiency of our work; and
- value the people who work here and the customers they deal with.

We value:

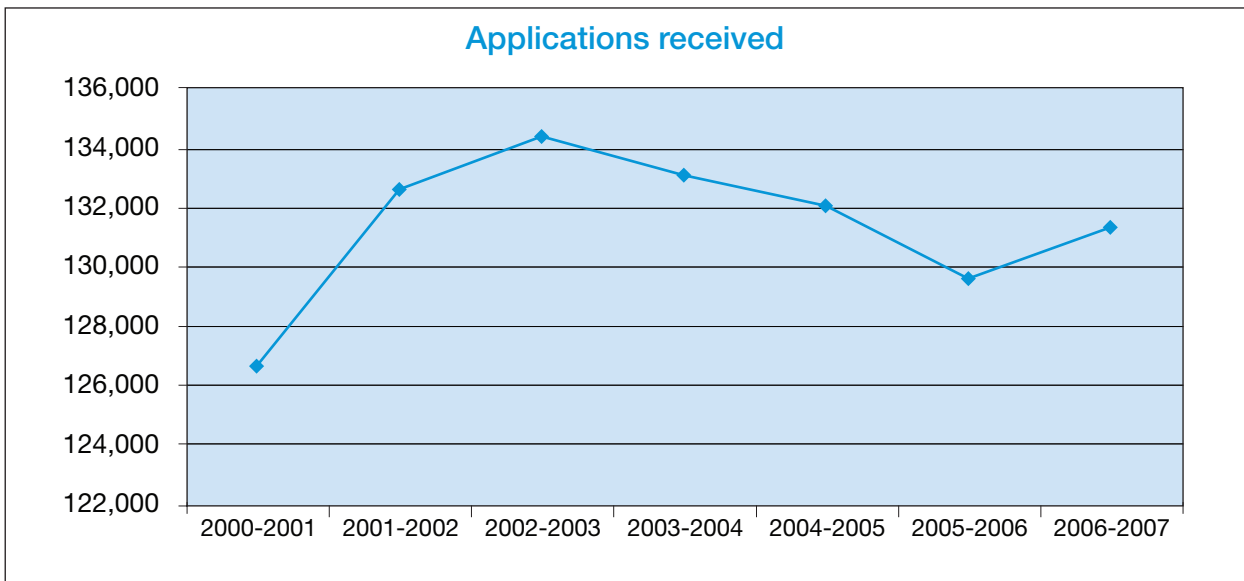
- putting the needs of our customers first;
- taking responsibility for what we do and the targets we need to achieve;
- working together as a team;
- working with partners to achieve Ministerial aims;
- being professional and committed to quality;
- communicating clearly and openly;
- maintaining a well-trained and motivated workforce; and
- using modern technology.

Part 3

Service Delivery

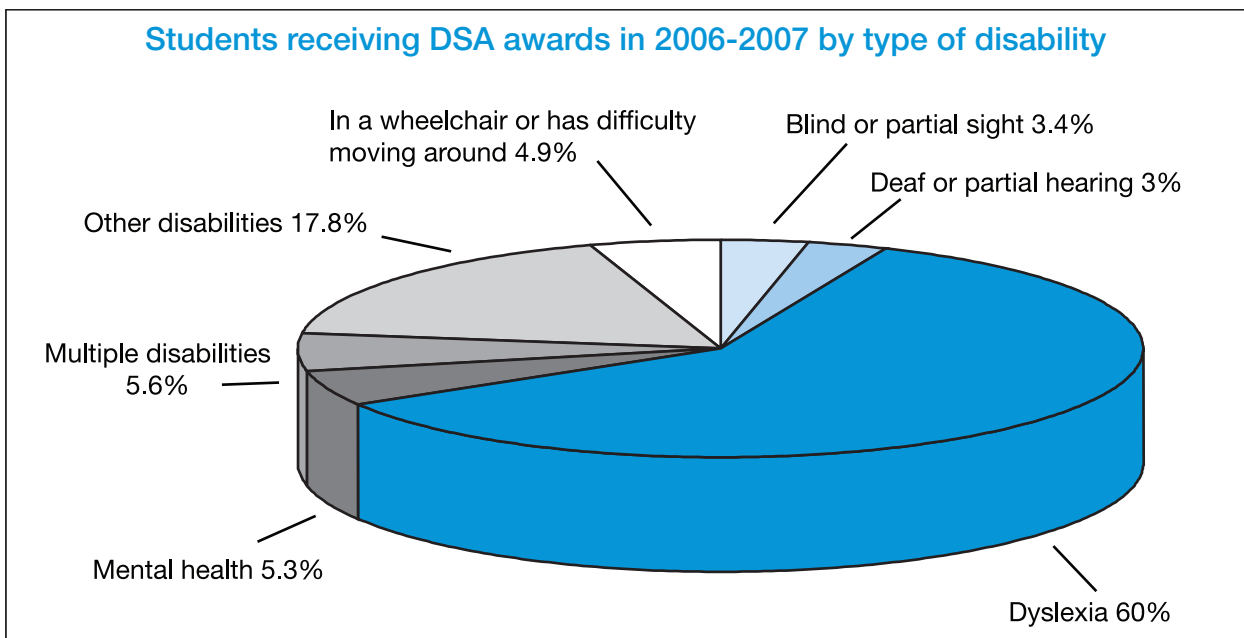
Applications for support

We dealt with 131,292 applications (119,487 from undergraduates, 2,807 postgraduates, and 8,998 nursing and midwifery students). The table below shows the numbers of applications we have dealt with in each year since 2000.



Disabled Student Allowance (DSA)

Applications for DSA rose to 3,591 in 2006-2007 (3,371 in 2005-2006). The following chart provides a breakdown of the claims by type of disability.



Replying to queries

The Customer Services Unit deals with most of the calls we receive and our telephony system has been upgraded to help us handle volumes more effectively. Work to integrate telephony with other systems is continuing and accurate call statistics for the year are not available.

Internet services

Our website received 7 million hits, an increase from 4.8 million hits in 2005-2006. Around 52% of students who made an application to us applied for their support on-line (increased from 24% last year) and 30,000 students who had applied on-line last session received our new shortened application forms.

Endowments

We searched the Register of Educational Endowments on behalf of 1,755 students during the year.

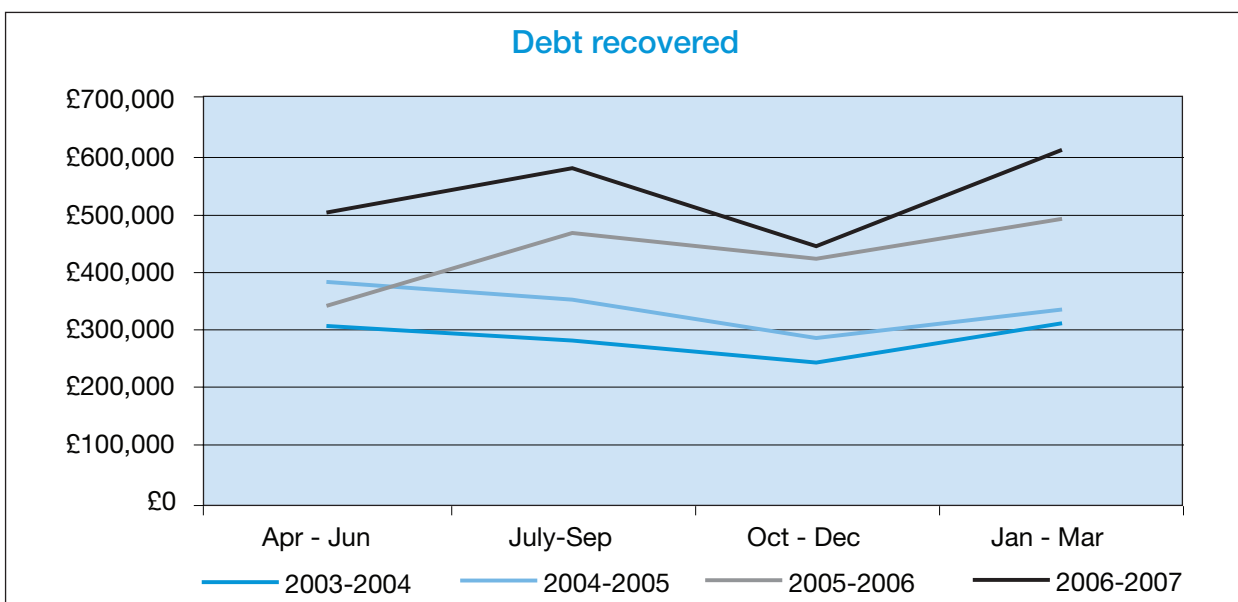
Individual Learning Accounts Scotland

During 2006-2007 we processed 31,819 applications and 7,060 income reassessments. We opened 30,751 accounts and 20,760 applicants made at least one booking.

Debt recovery

The table below shows the amount of debt we recovered from 2003-2004 to 2006-2007.

| | April to June | July to September | October to December | January to March | Total |
|-----------|---------------|-------------------|---------------------|------------------|------------|
| 2003-2004 | £304,218 | £279,107 | £240,597 | £309,402 | £1,133,324 |
| 2004-2005 | £381,037 | £350,906 | £283,508 | £332,709 | £1,348,160 |
| 2005-2006 | £340,643 | £467,120 | £422,074 | £490,729 | £1,720,566 |
| 2006-2007 | £502,915 | £579,204 | £443,213 | £610,675 | £2,136,007 |



At the end of March 2007, outstanding debt totalled £7,131,512.

Graduate Endowment

We wrote to 24,340 students telling them how much Graduate Endowment they would be liable to pay after they graduate. We have arrangements with the Student Loans Company for loans to be made to those who cannot or do not want to pay the endowment out of their own resources. In 2006-2007, we successfully recovered 97% of the money due from liable students.

Information and advice

In 2006, we distributed over 100,000 copies of our application forms and guidance notes to higher education institutions. We also sent out over 5,000 copies of our 'Guide to student support'. We design our forms and notes to Plain English Campaign standards.

We visited 96 institutions, schools and careers events to speak to future students and their families to let them know what our role is and to give them information about student support.

We also produced a video, DVD and CD-ROM giving information about government support and how to apply for it. We circulated the CD-ROMs to all further and higher education institutions in Scotland, secondary schools and main libraries. In 2007, we once again reduced the number of printed guidance documents and we produced and issued 100,000 CD-ROMs to encourage students to apply for support on-line. Satisfaction ratings for the video, DVD and CD-ROM are shown in the following table.

| Statement | Satisfaction rating |
|--|---------------------|
| The video/DVD is easy to follow and understand. | 100% |
| The CD-ROM is easy to use. | 88% |
| The level of information provided is suitable for most students. | 94% |
| The video/DVD is the right length. | 95% |
| The video/DVD and CD-ROM clearly show who to contact for more information. | 100% |
| The video/DVD should be updated and re-issued each year. | 89% |
| The CD-ROM should be updated and re-issued each year. | 82% |

Freedom of information

We produced a publication scheme, as needed under the Freedom of Information Act which is available at www.saas.gov.uk. During 2006-2007, we received 5 requests for information under the Act. We also dealt with one review and an appeal was made to the Scottish Information Commissioner (SIC). The SIC found that the Agency had complied with the Act.

Complaints and appeals

We publish our complaints and appeals procedure on our website (www.saas.gov.uk) and in our yearly 'Guide to student support' and CD-ROM. We provide guidance and training to all staff dealing with complaints. The Chief Executive's office monitors complaints and produces reports every three months for the Management Board. These provide details of complaints received and action taken to address them. The Board look at whether there are any patterns or trends in complaints that might need us to change any of our procedures. During 2006-2007 we received 97 complaints, 95% of which were answered within 14 working days.

Customer surveys

We carry out regular customer surveys and analyse the results to identify where we can improve our services. In 2006, we sent forms and e-mails (where students had applied on-line) to a random sample of 12,000 customers to ask them for comments on the services we provide. The following table shows the satisfaction ratings for each of the last three years.

| Statement | Satisfaction rating | | |
|---|---------------------|------|------|
| | 2004 | 2005 | 2006 |
| Knowledge and helpfulness of staff | 84% | 88% | 83% |
| How easy it was to understand our guidance documents | 82% | 85% | 84% |
| How easy it was to fill in our printed application forms | 75% | 80% | 79% |
| How easy it was to fill in our on-line application form | 71% | 77% | 77% |
| How easy it was to fill in our new shortened application form for continuing students | 89% | 91% | 91% |
| Availability of printed application forms | 88% | 88% | 81% |
| Time taken to issue an award notice | 75% | 86% | 78% |
| How quickly phone enquiries were dealt with | 77% | 82% | 63% |
| How quickly written correspondence was dealt with (see Note 1) | 72% | 82% | 70% |
| How quickly bursaries and supplementary grants were paid | 82% | 89% | 82% |
| Our website | 85% | 91% | 84% |
| Where we are based | 91% | 92% | 89% |
| How bursaries and grants were paid | 88% | 93% | 93% |

Note 1: The number of e-mails received has significantly grown over the years from 582 in 2000-2001 to over 91,000 in 2006-2007.

The 2006 customer survey results highlighted a number of issues which the Agency are working to address:

Our website – Working with students and advisers, we have reviewed the content and presentation of our website. The new website was launched in July 2007.

Application process – Our on-line services continue to be very well used including the facility to apply on-line. The number of applications made in this way during 2006-2007 rose to around 52%. We are looking at what we can do to simplify the application process yet further and minimise the amount of information we have to collect. We also intend to improve on-line help facilities. We will continue to seek feedback to check that what we are doing is actually improving students' experience of dealing with us by making the application process easier, faster and more convenient.

Our telephony system – We had a number of teething problems last year with our new telephony system but have ironed the vast majority of these out. One issue was that callers were getting the engaged tone during our busiest period because all of our phone circuits were in use for either incoming or outgoing calls. Students were therefore not able to get to the automated system to check progress or request duplicate letters of award. From July 2007, 30 extra phone lines were put in place but we continue to review the situation.

Personnel

In January 2007 we carried out an Agency specific Band A recruitment campaign. The recruitment complied with the Civil Service Commissioners' Recruitment Code ensuring it was on the basis of fair and open competition and merit.

Of the 15 candidates appointed, 8 were female and 7 were male. None of the appointees declared a disability. No appointee was from an ethnic minority. SAAS made no exceptions to the Civil Service Commissioners' Recruitment Code.

As at 31 March 2007 the Agency employed 145 staff, including a fixed term appointment (Student Work Placement).

Staff by pay band and gender at 31 March 2007

| | Males | | Females | | Total | |
|----------------------|-----------|-----------|-----------|-----------|------------|------------|
| | No | % | No | % | No | % |
| Senior Civil Service | 1 | 1 | 0 | 0 | 1 | 1 |
| Band C | 2 | 1 | 1 | 1 | 3 | 2 |
| Band B | 13 | 9 | 17 | 12 | 30 | 21 |
| Band A | 57 | 39 | 54 | 37 | 111 | 76 |
| Total | 73 | 50 | 72 | 50 | 145 | 100 |

Health and Safety

Our health and safety policy recognises that the Agency, as an employer, has to ensure the health and safety of our staff but that they also have a duty of care for themselves. As in everything else we do, co-operation is the key to success and we all need to work together to achieve the aims of the policy. We have a Health and Safety Committee who meet quarterly to consider health and safety inspections of Gyleview House. The Agency's Management Board receive minutes of these meetings which are also available on our website.

Part 4

Our performance against our targets

| Targets | Performance 2003-2004 | Performance 2004-2005 | Performance 2005-2006 | Performance 2006-2007 |
|---|--|--|--|--|
| To process 50% of applications within 12 days of receiving them, 75% within 14 days, and 100% within 21 days. | 21% within 12 days 25% within 14 days 43% within 21 days | 62% within 12 days 72% within 14 days 90% within 21 days | 63% within 12 days 69% within 14 days 83% within 21 days | 46% within 12 days 52% within 14 days 82% within 21 days |
| Average number of calendar days taken to process an application. | n/a | n/a | 10 days | 11 days |
| To reply to 90% of written enquiries within 14 days of receiving them, and 100% within 21 days. | 92% within 14 days 97% within 21 days | 95% within 14 days 98% within 21 days | 78% within 14 days 91% within 21 days | 75% within 14 days 88% within 21 days |
| Total number of complaints received. | 94 (21 for policy issues) | 82 | 81 | 97 |
| To answer all complaints within 14 days of receiving them. | 85% | 94% | 94% | 95% |
| To reach an average unit cost of £34 to process each application based on full costs. (This target was £32 until 2005). | £33.32 (see note 1 below) | £35.39 (see note 2 below) | £36 (see note 2 below) | £37 |
| To respond to enquiries sent by e-mail within five days of receiving them. | 83% | 92% | 93% | 76% |
| To answer 85% of calls to our customer services unit within 25 seconds, and 100% within three minutes. | 76% within 25 seconds 99% within three minutes | Not available – see note 3 | Not available – see note 3 | Not available – see note 3 |
| To make sure that the average delay for incoming calls to our customer services unit is no longer than 12 seconds in quarters one, two and four, and 20 seconds in quarter three. | Over the year the average delay was 27 seconds. | Not available – see note 3 | Not available – see note 3 | Not available – see note 3 |

- (1) – This figure does not include information technology development costs.
- (2) – The average unit cost to process applications was high as we did not receive as many applications as expected.
- (3) – Statistics not available due to ongoing problems with telephony reporting system.

The revised targets introduced in 2003 were intended to be stretching and have had some measure of success as we are now able to process just under half of all applications received within 12 days of receipt. However, experience has shown that targets based on achieving 100% performance within a specified timescale are in practice often unachievable. For example, over the summer we may receive incomplete applications from students who have gone abroad and cannot be contacted for several weeks. In dealing with correspondence, we may have to request information from third parties (including other Government Departments) but not receive this in time to meet our 14 or 21 day targets.

We have therefore begun a project to review our targets with the aim of finding measures that will more realistically demonstrate Agency performance. We are doing this in line with the 'balanced scorecard' approach which should ensure not only better key performance indicators but a wider set of targets to reflect the support systems that underpin delivery of our core business (e.g. our ICT and HR systems).

Part 5

Management board report 2006-2007

Accounts Direction

The accounts have been prepared in accordance with a direction given by the Scottish Ministers in accordance with Article 19(4) of the Public Finance and Accountability (Scotland) Act 2000.

History and statutory background

We were established as an Executive Agency on 5 April 1994 as part of the Government's Next Steps initiative. Our operating framework, including financial delegations, is established in the Agency's Framework Document. As Chief Executive I am the Agency's Accountable Officer, responsible to the Executive's Principal Accountable Officer and Scottish Ministers.

Principal activities

We provide financial support to full-time students in higher education by administering the Students' Allowances Scheme; the Postgraduate Students' Allowances Scheme; the Nursing and Midwifery Student Bursaries Scheme; the NHS Dental Bursary Scheme and collection of the Graduate Endowment. We also distribute Hardship Funds and Childcare Funds to Scottish further and higher education institutions and provide resources to the Student Loans Company Limited for both loan funding and administration costs. We also administer the Individual Learning Accounts Scotland Scheme.

Management board composition 2006-2007

| | |
|-------------------|--|
| David Stephen | Chief Executive |
| Graham Gunn | Head of Information Systems and Operational Policy |
| Audrey Heatlie | Customer Services Manager |
| Stephen Blyth | Agency Accountant |
| Pauline Weetman | Non-Executive Board Member (retired 2 April 2006) |
| Martin Lowe | Non-Executive Board Member |
| Margaret Munckton | Non-Executive Board Member |
| Eileen Marshall | Non-Executive Board Member |
| Bruce Nelson | Non-Executive Board Member (from 27 February 2007) |

Information on salary and pension entitlement can be found in the Remuneration Report and Note 2 in the Notes to the Accounts.

Equal opportunity

We are an agency of the Scottish Executive. We can recruit staff up to Band C1 in line with Scottish Executive equal opportunity policy and the Civil Service Recruitment Code. We do not regard sex, marital status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working patterns, employment status, gender identity (transgender), caring responsibility or trade union membership as a bar to employment, training or advancement. We recruit staff entirely on their ability to do the job.

Consulting with employees

We recognise that the importance of good industrial relations and consulting fully with staff. The Management Team holds both formal and informal meetings, and regularly communicates with all staff and their representatives.

Paying of invoices

We are committed to paying invoices promptly for supplying goods and services, and we aim to meet the Confederation of British Industry's prompt payment code at all times. We process invoices on the Scottish Executive's Accounting System and pay them within 30 days of receipt of the invoice or delivery of the goods or services, whichever is later. In the year, we paid 99.5% of invoices on time.

Charitable donations

We made no charitable donations in 2006-2007.

Auditors

Our accounts are audited by auditors appointed by the Auditor General for Scotland. Further details on audit remuneration can be found in Note 3 to the Accounts.

Disclosure of relevant audit information

As Accountable officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I myself am aware of any relevant audit information and to establish that the auditors are also aware of this information.

Management Commentary

Review of the business

We received 131,292 applications this session and dealt with 46% of them in 12 days or less (target 50%). Around 52% of students who made an application to us applied using our on-line services and our website received 7 million hits. A new telephony system was installed during the year to improve our customer services. Full details of our business activities during 2006-07 can be found in our annual report.

Financial review

Our budget is approved by the Scottish Parliament. The Agency net running costs budget including depreciation and interest charges was £8,555,000. This does not include provision for Central Scottish Executive charges where actual expenditure amounted to £300,000. Comparison to actual outturn shows a net underspend of £41,000. Parliamentary provision for capital expenditure was £1,523,000. Comparison to actual outturn shows an underspend of £86,000.

Total operating costs in the financial year were £8,814,000. This represents an increase of 14% compared to expenditure in the previous year. Of this increase, 46% is due to additional depreciation and the impairment of fixed asset software development. There was also a significant increase in the cost of administering the Graduate Endowment scheme as we met the costs of Solicitor debt recovery expenses which were previously paid from the student support budget.

The purpose of these accounts is to show how we use our administration budget. However, we also issue the following amounts in relation to student support which are accounted for within the Scottish Executive Enterprise, Transport and Lifelong Learning Department accounts.

| | Operating Budget £000 | Capital Budget £000 |
|--|--------------------------|------------------------|
| Fees, Grants and Bursaries | 261,594 | - |
| Repayment of Awards | (1,700) | - |
| Graduate Endowment Income | (16,581) | - |
| Widening Access Funds | 14,032 | - |
| Student Loans Company Administration | 4,615 | - |
| Student Loans Net New Lending | - | 148,000 |
| Student Loan Interest Subsidy to Banks | 6,000 | - |

We also have an operating budget of £81 million to cover accounting charges such as capital charges and interest, inflation and charges to other provisions relating to student loans.

Future business developments

We intend developing a new awards processing system during 2007-08. This will process awards for new students and will run in parallel with our existing processing system for continuing students until such time as it becomes redundant.

Research and development

The agency introduced a pilot text messaging service to inform students of important information more cost effectively.

We also successfully streamlined batch payments for students as they are now paid through the Scottish Executive Central Accounts Branch BAC's systems directly. This results in a more effective and reliable service.

Risk and control

Management and the control of risk is a key task performed within SAAS. A risk register is maintained which identifies all internal and external risks to the organisation and the action required to reduce the threat of these risks occurring.

The risk register is regularly updated and reviewed by the Management Board.

Key Performance indicators

Full details of SAAS targets and performance can be found in Part 4 of the Annual Report.

Environmental matters and social and community issues

The Agency has an environmental policy to ensure that continuous environmental improvement is made by reducing the impact of our operations on the environment. We review our Environmental Policy every two years and set targets and energy savings in our Corporate Plan.

We have set up an EMS (Environmental Management System) and included in it are targets for reducing energy usage year on year. To help reduce energy usage we have high definition light fittings that use energy saving light bulbs. We have also fitted light movement sensors in all corridors, toilets and stairwell areas.

We are working to reduce the amount of waste we produce and minimise the use of landfill sites by recycling paper, plastic and cans and other items such as toner cartridges and mobile phones etc. Our staff have welcomed these measures and are taking part in an ongoing "switch off" campaign to reduce our use of energy.

We encourage staff to use public transport to attend meetings wherever possible. We also try to reduce travel by use of our video conferencing equipment.

The Agency joined the Scotland's Health at Work Scheme (SHAW) in 2003 to promote physical activity and healthy eating. We work with staff to offer a range of activities such as golf, walking and horse riding. We also arrange health checks, site visits for massages and a chiropodist as well as other health related seminars and events throughout the year to promote a healthy lifestyle. Each year, we use the afternoon of our Awayday as an opportunity for staff to try out new physical activities.

As a result of our work with SHAW, Agency staff have taken part in a wide number of charity fundraising activities each year such as the Great Scottish Walk, Jog Scotland and other events.

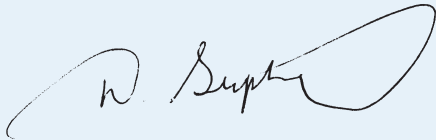
Staff are also entitled to 1 day special leave each year to volunteer and we are currently looking at volunteering opportunities which we can use to develop staff team building.

Audit Committee

SAAS has an audit committee which supports me as Accountable Officer in monitoring and reviewing corporate governance, risk and control systems within the Agency. The committee meets twice a year. Membership includes executive SAAS board members and is chaired by Martin Lowe a non executive board member. Representatives of Audit Scotland and Scottish Executive Internal Audit attend as interested parties.

Significant changes in fixed assets

We have summarised the changes in fixed assets in the notes to the financial statements. The most significant change is to our assets under construction. This relates to the development of our software to allow us to make monthly, rather than termly, payments to students for academic year 2007-08. We disposed of obsolete file racking and printers during the year. We also wrote off the costs of a software development project undertaken as a part of a project for SAAS, to take over the payment of loans to Scottish Students from the Student Loans Company. This project was abandoned due to increases in cost which did not make it viable in terms of value for money.



D. Stephen
Chief Executive
9 July 2007

Student Awards Agency for Scotland Remuneration Report

Salary and pension entitlements

Senior Management Salaries

The salary, pension entitlements and benefits in kind of the SAAS Management Board were as follows:

| Senior management | 2006-07 | | 2005-06 | |
|--|----------------|---------------------------------------|----------------|---------------------------------------|
| | Salary £000 | Benefits in kind (to nearest £100) | Salary £000 | Benefits in kind (to nearest £100) |
| David Stephen <i>Chief Executive</i> | 70-75 | nil | 60-65 | nil |
| Graham Gunn <i>Head of Information Systems and Operational Policy</i> | 40-45 | nil | 40-45 | nil |
| Audrey Heatlie <i>Customer Services Manager</i> | 30-35 | nil | 25-30 | nil |
| Stephen Blyth <i>Agency Accountant</i> | 35-40 | nil | 35-40 | nil |

Our 4 non-executive board members receive no remuneration.

Salary

‘Salary’ includes gross salary; any performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. None of our senior managers received any such benefit during the 2006-07 financial year.

Pension entitlements

| | Accrued pension (and lump sum) at age 60 as at 31/03/07 £'000 | Real increase in pension (and lump sum) at age 60 £'000 | CETV at 31/03/07 £'000 | CETV at 31/3/06 £'000 | Real increase in CETV £'000 |
|--|--|--|---------------------------|--------------------------|--------------------------------|
| David Stephen <i>Chief Executive</i> | 25-30 (85-90) | 0-2.5 (2.5-5) | 700 | 654 | 20 |
| Graham Gunn <i>Head of Information Systems and Operational Policy</i> | 20-25 (60-65) | 0-2.5 (2.5-5) | 443 | 409 | 21 |
| Audrey Heatlie <i>Customer Services Manager</i> | 10-15 (30-35) | 0-2.5 (0-2.5) | 180 | 166 | 12 |
| Stephen Blyth <i>Agency Accountant</i> | 10-15 (40-45) | 0-2.5 (0-2.5) | 210 | 202 | 6 |

Details of pensions and Cash Equivalent Transfer Values are disclosed based on information supplied by the Department for Work and Pensions.

Pension

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based “final salary” defined benefit schemes (*classic*, *premium* and *classic plus*). New entrants after 1 October 2002 may choose between membership of *premium* or joining a good quality “money purchase” stakeholder based arrangement with a significant employer contribution (*partnership pension account*).

(a) Classic Scheme

Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse’s pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

(b) Premium Scheme

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80th of final pensionable earnings for each year of service or 2.25 times

pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8th the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

(c) Classic Plus Scheme

This is essentially a variation of *premium*, but with benefits in respect of service before 1 October 2002 calculated broadly as per *classic*.

Pensions payable under *classic*, *premium* and *classic plus* are increased in line with the Retail Prices Index.

(d) Partnership Pension Account

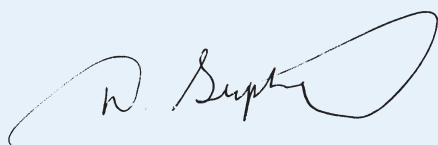
This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up 25% of the fund as a lump sum.

The cash equivalent transfer value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. *It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current appointment.* CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the senior manager (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



D. Stephen
Chief Executive
9 July 2007

Statement of Agency's and Chief Executive /Accountable Officer Responsibilities

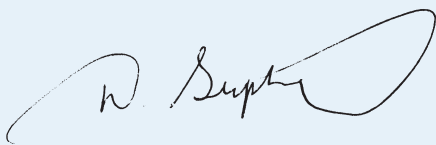
In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, the Scottish Ministers have directed the Student Awards Agency for Scotland to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SAAS at the year end and of its operating costs, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Agency is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis.

The Principal Accountable Officer of The Scottish Executive has appointed the Chief Executive of the Student Awards Agency for Scotland as the Accountable Officer for the Agency. His relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Scottish Ministers.



D. Stephen
Chief Executive
9 July 2007

Statement of Internal Control

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of my organisation's aims and objectives as agreed by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am accountable for the proper, efficient use of resources provided to my Agency (including Budget provision funding). I am also responsible for ensuring that the relevant guidance and requirements of advice issued by Scottish Executive Finance are met and for putting into effect any recommendations accepted by Ministers or the Scottish Parliament. The Chief Executive's accountability is subject to the respective overall responsibilities of the Permanent Secretary of the Scottish Executive as the Principal Accountable Officer, and the Head of Enterprise Transport and Lifelong Learning Department and the Chief Executive of the National Health Service in Scotland as Accountable Officers.

Purpose of the System of Internal Control

The system of internal control is designed to manage rather than eliminate the risks of failure to achieve my organisation's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of my organisation's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Executive and other relevant bodies on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote value for money and high standards of propriety, and secure effective accountability and good systems of internal control. The process within my organisation accords with the SPFM and has been in place for the year ended 31 March 2007 and up to date of approval of the annual report and accounts and accords with guidance from the Scottish Ministers.

Risk and Control Framework

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

The management of risk is a key task within SAAS. My Agency maintains a risk register which records internal and external risks we are exposed to and identifies the mitigating actions required to reduce the threat of these risks occurring. The risk register is regularly updated and reviewed by our Management Board. Each risk is allocated an owner, category, type and description and its likelihood of happening and impact on our operations is evaluated. Remedial actions to minimise risks are recorded as action points along with details of who will carry them out and when. Each risk is then allocated a status and a date for future review.

As well as the main risk register, individual risk registers are used for specific projects as a management control tool to ensure successful outcomes. These provide a mechanism to report risks to the project management board for assessment and to escalate high level/high impact risks to project sponsors or senior Agency management to take preventative action.

More generally, my organisation is committed to a process of continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice in this area. In particular, in the period covering the year to 31 March and up to the signing of the accounts my organisation has achieved the following:

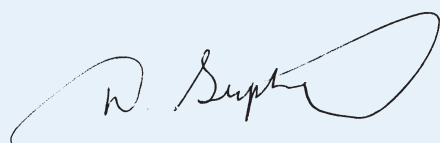
- implemented an on-line processing system for shortened applications to make applying for support simpler for a greater number of continuing students;
- introduced a pilot text messaging service to communicate important dates and information to students in a cost effective way;
- rerouted payment batches so that they now access Scottish Executive Central Accounts Branch BACs systems directly resulting in a more effective and reliable payment process.

Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- formal assurances from Agency managers who have responsibility for the development and maintenance of our internal control framework;
- the work of our internal auditors, who make regular reports to my organisation's Audit Committee which present the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of my organisation's systems of internal control together with any recommendations for improvement;
- comments made by our external auditors in management letters and other reports;
- my management board which meets quarterly to consider the plans and strategic direction of my organisation. The board comprises the senior members of my organisation and three external independent members;
- quarterly meetings with our Fraser Figure for which a report on all my organisation's activities and achievement of key targets is prepared. This meeting is attended by all senior members of my organisation;
- minutes of the meetings of my organisation's Audit, Finance, Information Systems, Fraud and Health and Safety committees which are tabled at board meetings by their respective chair persons;
- regular reports on managing risks on key projects; and
- the risk register in place for all critical elements of our operation. This is reviewed by the management board at least twice a year.

Appropriate action is in place to address any weakness identified and to ensure the continuous improvement of the system.



D. Stephen
Chief Executive
9 July 2007

Independent auditor's report to the Student Awards Agency for Scotland, the Auditor General for Scotland and the Scottish Parliament

I have audited the financial statements of the Student Awards Agency for Scotland for the year ended 31 March 2007 under the Public Finance and Accountability (Scotland) Act 2000. These comprise the Operating Cost Statement, Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Agency, Accountable Officer and auditor

The Agency and Accountable Officer are responsible for preparing the annual report and the financial statements in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made there under by the Scottish Ministers. The Accountable Officer is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Agency Accountable Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. I also report whether in all material respects;

- the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

I also report if, in my opinion, the Management Board Report and Commentary is not consistent with the financial statements, if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with Scottish Executive's guidance. I report if, in my opinion, it does not comply with the guidance or if it is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the annual accounts and consider whether it is consistent with the audited financial statements. This other information comprises only the Management Board Report and Commentary and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Agency and Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

Financial statements

In my opinion

- the financial statements give a true and fair view, in accordance with Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers, of the state of affairs of the Student Awards Agency for Scotland as at 31 March 2007 and of the net operating cost, recognised gains and losses and cash flows for the year then ended; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Regularity

In my opinion in all material respects

- the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.



Lorna Meahan
Assistant Director of Audit
Audit Scotland
7th Floor
Plaza Tower
G74 1LW

11 July 2007

Student Awards Agency for Scotland

Operating Costs Statement for the year ended 31 March 2007

| | Note | 2006-07 £'000 | 2005-06 £'000 |
|-----------------------------|------|------------------|------------------|
| Administration Costs | | | |
| Staff costs | 2 | 3,246 | 3,223 |
| Other administration costs | 3 | 5,568 | 4,533 |
| Net operating cost | | <u>8,814</u> | <u>7,756</u> |

The above results relate to continuing activities

STATEMENT OF RECOGNISED GAINS AND LOSSES for the year ended 31 March 2007

| | 2006-07 £'000 | 2005-06 £'000 |
|--|------------------|------------------|
| Net surplus/(deficit) on revaluation of tangible fixed assets | 2 | 1 |
| Gains and losses since last reported | <u>2</u> | <u>1</u> |

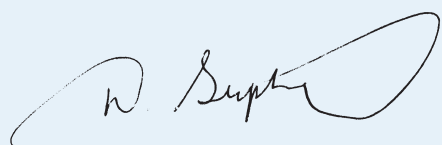
The notes on pages 30 to 36 form part of these accounts

Student Awards Agency for Scotland

BALANCE SHEET As at 31 March 2007

| | Note | 31 March 2007 | | 31 March 2006 | |
|---|------|---------------|--------------|---------------|--------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Tangible assets | 4a | 5,621 | | 6,651 | |
| Intangible assets | 4b | <u>114</u> | | <u>179</u> | |
| | | | 5,735 | | 6,830 |
| Current assets | | | | | |
| Debtors | 5 | 272 | | 240 | |
| Creditors: (due within one year) | 6 | <u>401</u> | | <u>274</u> | |
| Net Current Assets | | | (129) | | (34) |
| Total Assets less Current Liabilities | | | <u>5,606</u> | | <u>6,796</u> |
| Provisions for liabilities and Charges | | | | | |
| Early departure costs | 7 | | <u>(117)</u> | | <u>(148)</u> |
| | | | <u>5,489</u> | | <u>6,648</u> |
| Taxpayers' Equity | | | | | |
| General fund | 9 | | 5,470 | | 6,631 |
| Revaluation reserve | 10 | | 19 | | 17 |
| | | | <u>5,489</u> | | <u>6,648</u> |

The notes on pages 30 to 36 form part of these accounts



D. Stephen
Chief Executive
9 July 2007

Student Awards Agency for Scotland

CASH FLOW STATEMENT

For the year ended 31 March 2007

| | 2006-07 | | 2005-06 | |
|---|-----------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Net Cash outflow from Operating Activities (note i) | | 5,735 | | 4,924 |
| Capital Expenditure and Financial Investment (note ii) | | 1,399 | | 1,456 |
| Net Financing (note iii) | | (7,134) | | (6,380) |
| Increase or (decrease) in cash | | <u>-</u> | | <u>-</u> |
| Note i: RECONCILIATION OF OPERATING COST TO OPERATING CASH FLOWS | | | | |
| Net Operating cost | | 8,814 | | 7,756 |
| Adjustments for items not involving cash | | | | |
| Depreciation and impairment of asset | 2,505 | | 2,095 | |
| Notional interest charged | 217 | | 249 | |
| Other notional charges | 330 | | 283 | |
| Loss on Revaluation of Fixed Assets | <u>1</u> | | <u>1</u> | |
| | | (3,053) | | (2,628) |
| Adjustments for movement in working capital | | | | |
| (Increase)\Decrease in creditors | (89) | | (109) | |
| (Decrease)\Increase in debtors | 32 | | 31 | |
| Provision for early retirement costs | <u>31</u> | | <u>(126)</u> | |
| | | (26) | | (204) |
| Net cash outflows from operating activities | | <u>5,735</u> | | <u>4,924</u> |

| | 2006-07 | | 2005-06 | |
|---|---------|----------------|---------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Note ii: ANALYSIS OF CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | | | |
| Payment made to acquire tangible fixed assets | | 1,399 | | 1,260 |
| Payment made to acquire intangible fixed assets | | 0 | | 196 |
| Net cash outflow from capital expenditure | | <u>1,399</u> | | <u>1,456</u> |
| Note iii: ANALYSIS OF FINANCING AND RECONCILIATION TO THE NET CASH REQUIREMENT | | | | |
| Net Financing | | <u>(7,134)</u> | | <u>(6,380)</u> |

The notes on pages 30 to 36 form part of these accounts

NOTES TO THE ACCOUNTS

For year ended 31 March 2007

1 Statement of accounting policies

In accordance with the accounts direction issued by The Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, these accounts have been prepared in compliance with the Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

The particular accounting policies adopted by the Agency are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by referring to their current costs.

1.2 Fixed assets

Fixed assets comprise computer equipment, computer software, plant and machinery and assets under construction. They are capitalised at their cost of acquisition and installation. Plant and machinery is revalued each year using Business Producer Price Indices to take account of specific price changes. Computer equipment and computer software are not revalued. Furniture and fittings purchased prior to financial year 2004-05 are also capitalised and revalued each year. However, following a decision by our parent department from financial year 2004-05 all purchases of furniture and fittings are treated as current expenditure and will no longer be capitalised.

The threshold for capitalising tangible fixed assets is £1,000. Computer equipment includes individual assets whose costs fall below the threshold, but as they are of a similar nature they are grouped together and capitalised.

Expenditure on software development is capitalised if it meets the criteria specified in the Government Financial Reporting Manual which are adapted from SSAP 13 to take account of the not-for-profit context. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

The Agency does not own any land or buildings. A charge for the rental of accommodation is included in the expenditure account.

1.3 Depreciation

Depreciation is provided on all tangible and intangible fixed assets at rates calculated to write off the revalued cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

| | |
|---|----------|
| Furniture and fittings | 10 years |
| Information technology (including software) | 5 years |
| Plant and machinery | 5 years |
| Purchased software licences | 3 years |

From financial year 2004-05 all purchases of furniture and fittings are treated as current expenditure and are no longer to be capitalised. Therefore furniture and fittings depreciation relates only to historic purchases.

1.4 Capital charge

A charge reflecting the cost of capital utilised by the Agency is included in operating costs. The charge is calculated at the standard rate of 3.5% in real terms on all assets less liabilities.

1.5 Creditors

Creditors are for goods or services received by the Agency. All outstanding invoices are paid within 30 days of receipt of the invoice or delivery of the goods or services, whichever is later.

1.6 Leases

All leases are operating leases and the rentals are charged to the operating cost statement on a straight line basis over the term of the lease.

1.7 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in Note 2. The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis.

2 Staff numbers and costs

The average number of full-time equivalent people employed during the year was as follows.

| | 2006-07 | 2005-06 |
|-----------------------|----------------|----------------|
| Senior management | 4 | 5 |
| Other permanent staff | 141 | 128 |
| Agency staff | <u>9.5</u> | <u>13</u> |
| | <u>154.5</u> | <u>146</u> |

Our full-time equivalent people are employed in the following areas of the organisation.

| | Customer Services | Finance | Information Systems and Operational Policy | Chief Executive's Office | Personnel and Central staff |
|-----------------------|------------------------------|----------------|---|---|--|
| Senior Management | 1 | 1 | 1 | 1 | 0 |
| Other Permanent Staff | 66 | 13 | 48 | 6 | 8 |
| Agency Staff | <u>6</u> | <u>1.5</u> | <u>2</u> | <u>0</u> | <u>0</u> |
| | <u>73</u> | <u>15.5</u> | <u>51</u> | <u>7</u> | <u>8</u> |

The total payroll costs of these people were as follows.

| | 2006-07 | 2005-06 |
|--|----------------|----------------|
| | £000 | £000 |
| Salaries and wages | 2,661 | 2,700 |
| Social Security costs | 181 | 170 |
| Other pension costs | 466 | 414 |
| Agency Staff | 118 | 131 |
| | <u>3,426</u> | <u>3,415</u> |
| Less : capitalised within Fixed Assets | (180) | (192) |
| Charged to Operating Costs Statement | <u>3,246</u> | <u>3,223</u> |

The PCSPS is an unfunded multi-employer defined benefit scheme. The Student Awards Agency for Scotland is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2003. Details can be found in the separate scheme statement for the PCSPS (Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk)).

For 2006-07, normal employer contributions of £466,194.71 were payable to PCSPS (2005-06: £414,435.32) at one of four rates in the range 16.2 to 24.6 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2005-06 and will remain unchanged until 2008-09. The contribution rates reflect the benefits as they are accrued, not when the costs are actually incurred; and they reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No one from the Agency opted to join this scheme.

3 Other administration costs

3.1 Non-cash costs

| | 2006-07 | | 2005-06 | |
|--------------------------------------|----------------|-------------|----------------|-------------|
| | £000 | £000 | £000 | £000 |
| Cost of capital charge | 217 | | 249 | |
| Audit fee | 21 | | 20 | |
| Notional personnel management charge | 112 | | 100 | |
| Notional personnel services charge | 19 | | 17 | |
| Notional staff management charge | 27 | | 25 | |
| Notional computer services charge | 121 | | 121 | |
| Loss on disposal of fixed assets | <u>30</u> | <u>547</u> | <u>-</u> | <u>532</u> |
| Loss on revaluation of fixed assets | | 1 | | 1 |
| Depreciation inc impairment of asset | <u>2,591</u> | | <u>2,095</u> | |
| Total non-cash costs (note 3.1) | <u>3,139</u> | | <u>2,628</u> | |

The notional charges are for services provided by the Scottish Executive.

Audit Scotland, who audit our accounts, did not receive any remuneration for non-audit work.

3.2 Other spending

3.2.1 Accommodation

| | 2006-07 | 2005-06 |
|---------------------------|----------------|----------------|
| | £000 | £000 |
| Rent | 429 | 429 |
| Rates | 174 | 177 |
| Utilities and other costs | 297 | 244 |
| | <u>900</u> | <u>850</u> |

3.2.2 General administration expenses

| | 2006-07 | 2005-06 |
|---|----------------|----------------|
| | £000 | £000 |
| Travel and subsistence | 25 | 20 |
| Stationery | 34 | 51 |
| Printing | 37 | 47 |
| Telecom charges | 111 | 128 |
| Computer running costs | 582 | 464 |
| Minor equipment | 3 | 7 |
| Postal charges | 149 | 135 |
| Miscellaneous | 84 | 56 |
| Graduate Endowment administration costs | 371 | 37 |
| Scheme publicity | 133 | 110 |
| | <u>1,529</u> | <u>1,055</u> |

| | 2006-07 | 2005-06 |
|---|----------------|----------------|
| | £000 | £000 |
| Total other expenditure (note 3.2) | <u>2,429</u> | <u>1,905</u> |
| Total other administration costs (note 3) | <u>5,568</u> | <u>4,533</u> |

4a Tangible fixed assets

| | Furniture and fittings £000 | Information Technology £000 | Computer Software £000 | Plant and Machinery £000 | Asset in the course of construction £000 | Total £000 |
|--------------------------|--|--|---------------------------------------|---|---|-----------------------|
| Cost or valuation | | | | | | |
| As at 1 April 2006 | 359 | 1,790 | 13,598 | 198 | 307 | 16,252 |
| Additions | - | 88 | 448 | 30 | 872 | 1,438 |
| Transfers | - | - | 22 | - | 22 | - |
| Impairments | - | - | - | - | 210 | 210 |
| Disposals | 74 | 87 | - | - | - | 161 |
| Revaluation | 6 | - | - | 3 | - | 3 |
| At 31 March 2007 | <u>291</u> | <u>1,791</u> | <u>14,068</u> | <u>225</u> | <u>947</u> | <u>17,322</u> |
| Depreciation | | | | | | |
| As at 1 April 2006 | 177 | 893 | 8,386 | 145 | - | 9,601 |
| Charge for year | 36 | 287 | 1,893 | 14 | - | 2,230 |
| Disposals | 45 | 87 | - | - | - | 131 |
| Revaluation | 4 | - | - | 2 | - | 2 |
| At 31 March 2007 | <u>172</u> | <u>1,093</u> | <u>10,279</u> | <u>157</u> | <u>-</u> | <u>11,701</u> |
| Net Book Value | | | | | | |
| At 1 April 2006 | 182 | 897 | 5,212 | 53 | 307 | 6,651 |
| At 31 March 2007 | 119 | 698 | 3,789 | 68 | 942 | 5,621 |

4b Intangible Fixed Assets

| Cost or valuation | Purchased software licences £000 |
|---------------------------|---|
| As at 1 April 2006 | 196 |
| Additions | - |
| Transfers | - |
| Disposals | - |
| Revaluation | - |
| At 31 March 2007 | <u>196</u> |
| Depreciation | |
| As at 1 April 2006 | 17 |
| Charge for year | 65 |
| Disposals | - |
| Revaluation | - |
| At 31 March 2007 | <u>82</u> |
| Net Book Value | |
| At 1 April 2006 | <u>179</u> |
| At 31 March 2007 | <u>114</u> |

5 Debtors

Debtors are made up of £88,000 prepayments and £184,000 VAT (2005-06: prepayments £79,000 and VAT £161,000). There is no provision for bad debts.

6 Creditors: amounts falling due within one year

All our creditors are trade creditors. This means that they are for goods or services received. They are due for payment within 30 days of receipt of invoice or delivery of goods or services, whichever is later. The large increase in closing creditors, compared to last year's figure, is due to a high value of capital equipment purchases in 2006-07 which fell due as creditors.

7 Provisions for liabilities and charges

A provision was created in 2002-03 for the early retirement of a member of staff. This is based on the annual value of payments incurred by SAAS and the time remaining until retirement age. The provision was increased in 2005-06 to take account of the severance cost of the previous Head of Finance and Personnel.

| | Early Retirement Costs (£000) |
|----------------------------------|--|
| Opening balance at 1 April 2006 | 148 |
| Released during the year | (31) |
| Closing balance at 31 March 2007 | <u>117</u> |

8 Lease commitment

Annual commitment as at 31 March 2007 under non-cancellable lease is as follows:-

| | |
|----------------------------|------------|
| Within one year | £428,622 |
| between two and five years | £2,143,110 |
| over five years | £214,311 |

This operating lease refers to the premises occupied by the Student Awards Agency at Gyleview House. The lease runs until November 2014 and will be reviewed in 2008.

9 Movement in general fund

| | |
|---|----------------|
| | £000 |
| Balance as at 1 April 2006 | 6,631 |
| Departmental funding (see note 15) | 7,134 |
| Non-cash funding: operating expenditure | 519 |
| Net cost of operations | <u>(8,814)</u> |
| Balance at 31 March 2007 | <u>5,470</u> |

10 Movement in revaluation reserve

| | |
|--|-------------|
| | £000 |
| Balance at 1 April 2006 | 17 |
| Arising on revaluation during the year (net) | 4 |
| Backlog depreciation adjustment | <u>(2)</u> |
| Balance at 31 March 2007 | <u>19</u> |

11 Contingent liabilities

There were no contingent liabilities at 31 March 2007.

12 Capital commitments

Capital commitments at 31 March 2007 were £60,000 (at 31 March 2006 they were £27,000). This covers an upgrade to computer servers to Windows 2003.

13 Post balance sheet events

A Ministerial decision has been taken to abandon the Graduate Endowment Scheme during 2007-08. If passed as an act by the Scottish Parliament it will result in the impairment of endowment processing software which has an estimated value of £225,000. Other administrative costs may be involved but they are not deemed material.

14 Related party transactions

SAAS is an Executive Agency of the Scottish Executive (SE). The SE is regarded as a related party. During the year SAAS had various material transactions with the SE along with other Government Departments.

During the year, no members of the Senior Management Board, key members of staff or related parties have undertaken any material transactions with the Agency.

15 Reconciliation to draft Departmental Account

The Agency expenditure forms part of the Scottish Executive Enterprise, Transport and Lifelong Learning Department account, but it is not separately identified. The financing of £7,134,000 as recorded in the Agency's Cash Flow Statement, has been agreed with the Department.

16 Intra-government balances

| | Debtors: amounts falling due within one year | Debtors: amounts falling due within one year | Creditors: amounts falling due within one year | Creditors: amounts falling due within one year |
|--|---|---|---|---|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| | £000 | £000 | £000 | £000 |
| Balances with other central government bodies | 194 | 161 | 3 | 4 |

Student Awards Agency For Scotland

**Corporate plan
2007 to 2010**

1 Introduction

This plan explains how we will continue to improve our performance over the next three years. Our aim is to provide high-quality services to our customers that meet their needs but are also cost-effective.

2 Background

As an Agency of the Scottish Government, we implement policies which contribute towards achieving the strategic objective of creating a Smarter Scotland. These include funding learners, widening access to higher education, modernising government and delivering public services electronically.

3 Environment

We live in a climate of change and continuously need to improve the way we work and the levels of service we can offer to our customers. Summarised below are some things that affect what we are, and will be, doing.

- **Outcome of the latest spending review** – the tightness of the settlement for the next three years means that our running costs will be constrained and that the accuracy of budget setting and monitoring will be of paramount importance.
- **Policy changes** – abolition of the Graduate Endowment fee (subject to the present Bill becoming law), extension of support for part time students and other policy changes that may be brought forward will require us to redeploy staff and change some systems of working.
- **The Student Loans Company (SLC)** is engaged in a phased programme of taking over responsibility for student support in England and Wales starting in 2009 (pilots are already being run). Future arrangements for SLC's corporate governance remain under review. These factors may have a bearing on our relationship with the Company over time.
- **Technology** – opportunities from advances in technology are allowing us to cost effectively replace our current processing application GRASS which has been in existence for over ten years and is now uneconomical to support or develop further. Phase I of our new system (StEPS) is scheduled to come into operation in April 2008. Later phases may include building electronic links with a number of other organisations to reduce the amount of information we have to collect from students and their families.
- **A larger European Union** – with 27 countries now in the European Union, we are dealing with more European students coming to Scotland to study. Following a decision by the European Court, some of these students are entitled to support with living costs that they would not have had in the past.
- **Higher customer expectations** – we know from the customer surveys that we carry out each year that the public increasingly expects faster and better services from us. The objectives and targets we work to will accordingly have to be reviewed.

4 Our aims and what we will do to achieve them

Develop and maintain high-quality customer service in all areas of our business

We will:

- continue to simplify our forms and guidance using electronic media wherever possible;
- consult the HE sector in 2007-08 on measures to increase the numbers of students applying on-line from 2009 onwards to as close to 100% as can realistically be achieved;
- provide programmes of staff training in information and communications technology, customer care and plain English;
- continue to reduce processing times and improve our performance on e-mail handling and telephone enquiries;
- review our present mechanistic performance targets with the aim of moving to an outcome based approach; and
- continue to test customer satisfaction with our services and measure our performance against other organisations.

Pay students monthly/pay loans for fees

We will:

- reduce further the number of payments we make using payable orders;
- liaise with the SLC on loans for fees and other matters affecting Scottish students on courses in the rest of the UK; and
- work with the SLC to co-ordinate the payment of support on a monthly basis and improve attendance confirmation procedures.

Successfully deliver Individual Learning Accounts Scotland (ILAS)

We will:

- jointly develop an improvement strategy to enhance management control of electronic transfer of data between SAAS and Learndirect Scotland (LDS);
- agree better working practices between SAAS and LDS to improve overall customer communications and highlight system difficulties at an earlier stage; and
- deliver a revised suite of ILA products starting in 2008 with the introduction of an HE fee grant for part-time students; and
- work with LDS to streamline the administration of the joint system and contribute to the review of options to develop a more efficient and cost effective system.

Improve and simplify communication

We will:

- continue to operate to the standards of Plain English Campaign's Crystal Mark;
- continue to improve navigation and usage of our website and CD – ROMs;
- develop a joint communications strategy with policy colleagues, Skills Development Scotland Ltd, (the new Skills body), SQA and devolved UK administrations to ensure that student support messages are targeted on the right audience;
- develop closer working relationships with key stakeholders on data control, particularly around attendance confirmation and withdrawal; and
- develop a strategy for managing the continuing increase in numbers of visits to educational institutions to give advice.

Maintain effective energy and waste-management policies

We will:

- continue to review our environmental policy every two years;
- reduce further the use and storage of paper;
- aim to reduce the amount of energy we use for heating, hot water and lighting by 1% each year between now and 2009; and
- reduce travel (particularly to Glasgow) by using our video-conferencing equipment as much as possible.

Attract new business

We will:

- ensure that our equipment and systems of working are flexible and powerful enough for us to expand our business if and when opportunities arise; and
- make sure that information technology systems are user-friendly and that new staff or staff from other organisations can quickly learn how to work with them effectively.

Work with partners to deliver the Government's Smarter Scotland Strategy

We will:

- continue to work with Health Directorate colleagues to develop and deliver NHS Bursaries targeted at specific groups; and
- work closely with colleagues in HELS on the development and implementation of new learner support policies.

5 Achieving our aims from the 2006-2009 corporate plan

Progress and achievements

Develop and maintain high-quality customer service in all areas of our business

- continue to simplify our forms and guidance;

We have produced new information leaflets to summarise guidance for specific student types (for example, EU students). A major review of our website content and layout has simplified navigation and use. The website has become our main information forum, and will help us achieve our aim of using plain English in all our communication products.
- encourage as many students as possible to apply to us using our website instead of paper forms;

On-line applications increased from 24% to 52% between 2005/06 and 2006/07. We have extended the shortened application process to those previously registered to use on-line services so as to increase on-line take up further. When our operational policy team attend external events/visits, they now distribute our CD-Rom and not our printed Guide. This means that the emphasis is on using the on-line application service rather than making paper forms readily available. We also give applying on-line as the first option in all calls, letters and on our website. We have also extended this to personal callers to the building who can use their own or a loan laptop to apply on-line, or continue an application, from within reception in our building.
- provide programmes of staff training in information and communications technology, customer care and plain English;

We undertake a range of staff training. Apart from standard student support training, we are an accredited ECDL centre and encourage staff to complete this recognised ICT qualification. We have developed a new customer care programme focusing on call handling (using a dedicated training course developed by SAAS). We participated in the 'phone rage working group' along with the Scottish Government, Scottish Trades Union Congress and other public bodies, set up to identify and promote good practice in the workplace in protecting staff from physical and verbal abuse.

Progress and achievements

- continue to test customer satisfaction with our services and measure our performance against other organisations. We continued to act on feedback from the customer survey. SAAS scores positively against comparator organisations. We introduced on-line applications in 2002 - three years ahead of the rest of the UK with take up now over 50% in 2006 (66% in 2007), compared to around 37% in the rest of the UK (RUK). Our EDM system has helped reduce the time we take to deal with an application from 28 days to an average of 10 (target in RUK is 6 weeks). Over 77% of customers are satisfied or very satisfied with our on-line services and this rises to 84% for our website.

Pay students monthly/pay loans for fees

- develop a system to make payments directly using BACS instead of using the Scottish Government's accounting system (SEAS); Implemented and fully functional as at March 2007 to make payments directly through BACS, with accounting through SEAS.
- reduce to a minimum the number of payments we make using payable orders; Since July 2006 we have reduced the number of institutions receiving tuition fees by payable order from 200 to 20. We continue to work with the remaining 20 institutions with a view to making all fee payments using BACS by March 2008. We have introduced software to check that students correctly enter their bank account details on-line. We have begun a project to look at paying DSA nominees and others by BACS where possible.
- work with SLC to co-ordinate the payment of support on a monthly basis; We have worked closely with SLC to introduce a system for paying most student support on a monthly rather than a termly basis as from 2007. The SAAS website contains information on payments, and SLC have confirmed they will provide copies of their communication products to ensure users of the SAAS website have access to all the information they will need on the move to monthly payments.
- Work with SLC to pay loans for fees. System developed, tested and in place.

Progress and achievements

Strengthen systems for collecting the Graduate Endowment (GE)

(NB This section relates to progress achieved in 2006-2007. Since then the Scottish Government has announced its intention to abolish the GE as from 1 April 2008.)

- improve the way we identify students who are liable to pay the GE;
- redesign the letters we send to students telling them they are liable to pay;
- simplify the process so that students can tell us on-line how they would like to pay the endowment;
- reduce the time it takes to begin debt recovery action against those who are unwilling to pay.

Collection rate of 97% achieved.

We reviewed the letters and forms for each phase of GE collection in line with plain English standards.

Students able to tell us on-line how they would like to pay and also make payment on-line.

We improved procedures to ensure that the debt recovery team commence action against students validated by their educational institutions as being liable. This additional validation reduced the cases being considered for debt recovery action by 60% from the previous year.

Successfully deliver Individual Learning Accounts Scotland (ILAS)

- jointly develop an improvement strategy to enhance management control of electronic transfer of data between SAAS and Learndirect Scotland (LDS);
- agree better working practices between SAAS and LDS to improve overall customer communications and highlight system difficulties at an earlier stage;
- join with scheme partners to review the scheme's success towards the end of 2006.

We introduced fortnightly technical forum telephone conferences (or weekly as necessary) and monthly face to face meetings with SUFI (the other delivery partner) and HELS (policy lead). This has been helpful in resolving issues that might previously have 'snow-balled' by addressing them as and when they occur.

We have led on discussions at a technical level, to ensure that changes within the two delivery organisations do not affect information flows. We have also arranged a sequence of meetings, in different formats, to help maintain communication at a level below the Operational Management Team. These measures have led to a better understanding of how our systems work together and allowed a joint view to be presented to HELS around service improvements.

The evaluation of the scheme is being undertaken over a 12 month period. However, initial and interim findings show that the scheme has met the key performance indicator's originally set out and there are no issues around service delivery from the SAAS side.

Progress and achievements

Improve and simplify communication

- complete the process of getting all our forms, guidance and other publications up to the standards of Plain English Campaign's Crystal Mark by 2007;

We have worked hard to get our communication products to a set standard. This includes Plain English Campaign's Crystal mark. However, the timescales for getting documents returned from PEC have meant the main guides (SAS4/8) do not as yet have the mark. We are looking to move towards a web based guidance system, and will include the guide in that, which will mean we can again work with PEC to secure the mark for all our documents.
- between now and 2008, stop sending large numbers of paper copies of forms and guides to universities and colleges to give to students (instead, we will issue CD-ROMS which contain everything in the guide as well as the video we currently send to schools);

Since 2005, we have halved the number of paper applications we issue. CD-Roms are sent to institutions in place of paper applications and this has helped the marked increase in on-line applications.
- develop a joint communications strategy with policy colleagues and other devolved administrations to ensure that student support messages are targeted on the right audience;

SAAS sits on an Information and Guidance group with Universities Scotland and HELS. We also attend a User Advisory Group for the National Information service, hosted by Learndirect Scotland. We have links with the Student Loans Company and the Department for Education and Skills (DfES), which allow us to see (and comment on) wider UK communication products, to identify dedicated Scottish requirements. We are looking to open up discussions with the Association of Scottish Colleges (ASC), to formulate a strategy to provide information and guidance to students moving from FE to HE.
- develop closer working relationships with key stakeholders on data control, particularly around attendance confirmation and withdrawal;

SAAS has discussed the options around attendance data collection for 'fees only' students with Universities Scotland and some individual institutions. We are looking to set up further discussion about an improved system of notification and a project is underway to look at how institutions and SAAS can communicate better.
- develop a strategy for managing the continuing increase in numbers of visits to educational institutions to give advice.

Operational Policy Team has additional resources to accommodate the programme of increased visits which has also included giving presentations at a number of events in Europe in partnership with the British Council and some universities. The team roles are split between Training and Communications and we are recruiting an officer who will be dedicated to visits and managing the programme.

Progress and achievements

Maintain effective energy and waste-management policies

- continue to review our environmental policy every two years;

The next policy review is scheduled for December 2007.
- reduce further the use and storage of paper;

We have set all our printers to automatically print double sided. Our requirement for external printing services has reduced as 100,000 application forms (SAS3) were printed for distribution in 2007 compared to 150,000 in 2006. Our annual report and corporate plan are now available through our website rather than distributing hard copies.
- aim to reduce the amount of energy we use for heating, hot water and lighting by 1% each year between now and 2009;

The Agency has collaborated with the SG to purchase electricity from renewable sources. Our “switch off” campaign has been very successful and installation of new energy efficient boilers, new light fittings and window refurbishment provided energy savings of 11% and a 14% reduction in CO₂ emissions between 2005/06 and 2006/07.
- reduce travel (particularly to Glasgow) by using our video-conferencing equipment as much as possible.

We used our video conferencing facilities 5 times in 2006/07. We provide staff attending meetings with bus/ train tickets for public transport when travel cannot be avoided.

Attract new business

- ensure that our equipment and systems of working are flexible and powerful enough for us to expand our business if and when opportunities arise;

Hardware refresh of servers completed in April 2007 gives greatly increased capacity and resilience.
- make sure that information technology systems are user-friendly and that new staff or staff from other organisations can quickly learn how to work with them effectively.

We are designing a replacement system for GRASS to make clear for each work item what action is expected when and where human intervention is required. We will design the new system so that ordinary business users can see how any changes will affect processing and targets. The new system will provide a dedicated off-line training environment for staff.

Progress and achievements

Work with partners to deliver Ministerial aims

- continue to work with Health Department colleagues to develop and deliver a programme of NHS Bursaries targeted at specific groups, e.g. Dentistry students;

We delivered the existing NHS bursary programme for Dentists on time, within budget and it is working well. HD are reviewing the need to expand the bursary programme for other student groups and SAAS have identified ways to incorporate these into the existing programme if required.
 - Work with SLC to deliver fee loans to Scottish students on courses elsewhere in the UK;

We have modified our existing interfaces with SLC to ensure that fee loan data is passed effectively. We need to do more work around identifying data requirements for the HEI bursary (which SLC administer for all UK students) and this is in progress.
 - Learn lessons from the circumstances which led to the project to enable SAAS to pay loans to Scottish students having to be abandoned.

SAAS, HELS and SLC have studied the report prepared by Logica and have subsequently worked successfully together to deliver the monthly payments project.
-

Our targets for 2007-2008 (under review)

Service

- To process 50% of applications within 12 days of receiving them, 75% within 14 days and 100% within 21 days.
- To reply to 90% of written enquiries within 14 days of receiving them, and 100% within 21 days.
- To answer all complaints within 14 days of receiving them.
- To carry out a yearly survey of customers' opinions on the levels of service we provide, and publish the results in our annual report.
- To answer 85% of calls to our customer services unit within 25 seconds and 100% within three minutes.
- To make sure that the average delay for incoming calls to our customer services unit is no longer than 12 seconds in quarters 1, 2 and 4 (January to March, April to June, October to December), and 20 seconds in quarter 3 (July to September).

Agency management

- To reach an average unit cost of £34 to process each application (based on full relevant costs).
- To achieve a team target of £2,000,000 for recovering overpayments in the Debt Recovery Team.

Contact Information

Our offices are staffed and open for business between 8.30am and 5pm, Monday to Thursday, and 8.30am to 4.30pm on Fridays. We are not open during public holidays or during the period between Christmas and the New Year. You can contact us by letter, phone, fax, e-mail or in person.

Student Awards Agency for Scotland
Gyleview House
3 Redheughs Rigg
EDINBURGH
EH12 9HH

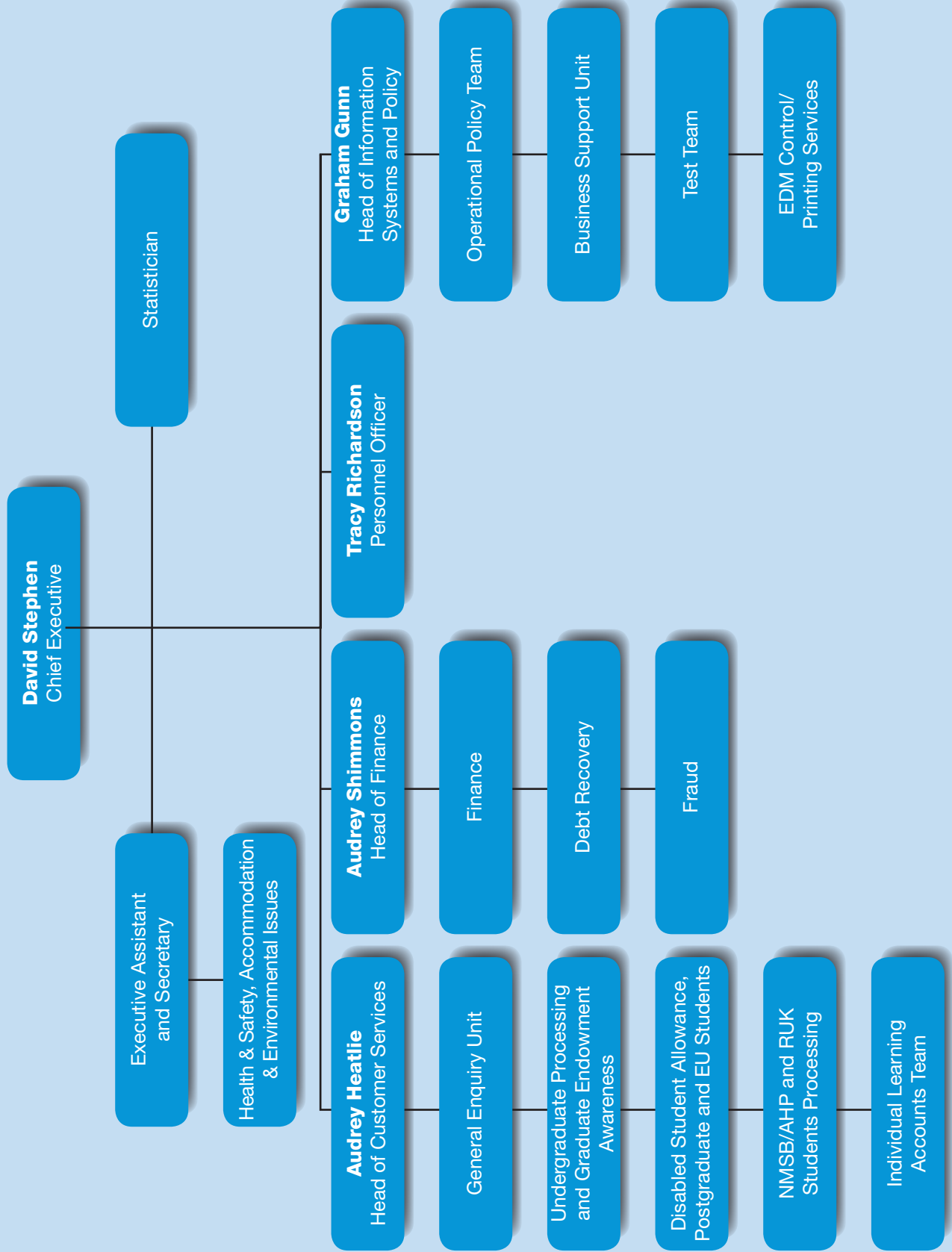
Automated telephone answering service: 0845 111 1711

Fax no: 0131 244 5887

E-mail: www.saas.gov.uk/contact.htm

Website: www.saas.gov.uk

SAAS Organisation Chart



Glossary

Accrual accounting systems – systems that let us include figures in the accounts for the accounting year in which we have bought goods or services, even if paid for in a different year.

AHP – The allied health professions are those clinical healthcare professions distinct from the medical and nursing professions. Allied health professionals have to register with the Health Professions Council.

Capitalised – when we treat items as assets instead of expenses.

Cash flow statement – the statement which shows changes in our cash and bank balances since last year's accounts. It also shows changes in our liabilities, assets and other accounts.

Depreciation – the drop in value of an asset through wear and tear, age and going out of date (obsolescence).

EDM – Electronic Document Management.

Fixed assets – assets we intend to keep for more than one year.

General fund – the surpluses on our activities are transferred into the general fund to be used in the future.

Gross – a gross amount is the figure before deductions.

Gross spending – the total cost of providing our services.

HELS – Higher Education and Learners Support Division which deals with policy and legislation affecting student support.

Historical cost convention – a way of valuing assets in a set of accounts based on their original cost price (rather than what they would cost at the date of the accounts).

ILAS – Individual Learning Accounts Scotland.

Loan sale subsidy – the discount we give the organisation which buys the loans owed to us.

Net – a net amount is the figure after deductions.

Net book value – the cost of an item as recorded in the accounts, less the depreciation taken off.

Net spending – the cost of providing a service after we have taken into account income from it.

NMSB – Nursing and Midwifery Student Bursary.

Notional charges – non-cash charges agreed by senior management to show the full cost of providing a service.

Post balance-sheet events – if something happens after the date of the balance sheet and by the time the accounts are prepared which could affect the true view of the accounts, it is a post balance sheet event.

Postgraduate – A postgraduate is a student who continues their studies after graduation. We only support certain postgraduate courses.

Prepayment – something which has been paid out which covers a period after the end of the accounting period.

Reclassification – moving assets from one category to another.

Recognised gains and losses – our surpluses (profits) or deficits (losses).

Reconciliation – checking that one set of figures agrees with another.

Residual value – an estimate of what an asset would be worth if we sold it on a particular date in the future.

Revaluation reserve – if an asset is re-valued, the surplus on the revaluation is transferred to the revaluation reserve.

Revalued cost – what an asset is worth at a revaluation date.

RUK – Rest of the UK – Scottish students studying in a UK institution outside Scotland.

Sale of debt – selling students' debts to another organisation to collect.

Scottish-domiciled students – students who meet the residence conditions to make them eligible to apply to us for support for tuition fees and living costs.

SLC – Student Loans Company Limited.

SUFI – Scottish University for Industry.

Supplementary grants – These are grants to help towards the costs students have to pay due to personal circumstances, such as a Dependents' Grant. You do not have to pay these back unless they lose entitlement to them.

Tangible assets – assets that can be physically touched, for example, pieces of furniture.

Tuition fees – Tuition fees cover the cost of studies and vary depending on the type of course you are taking and which institution a student is studying at. Eligible students must apply to us each year to have their tuition fees paid.

Undergraduate – A university student who has not yet received a first degree.

Young Students' Bursary (YSB) – Young Scottish students, from low income families, may qualify for a bursary instead of part of the loan for living costs. This bursary is income assessed and does not need to be repaid.

