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Cylchlythyr

Circular

Analysis of the financial position of the HE sector 2009/10

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This circular informs institutions of financial health performance indicators for the higher education sector in Wales, as shown by the audited financial statements for 2009/10.

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Introduction

1. This circular informs institutions of financial health performance indicators for the higher education sector in Wales as shown by the audited financial statements for 2009/10.
2. Key financial ratios and figures which give an indication of each institution's financial position are provided in Tables 1 to 12. These are based on the audited financial statements returned by institutions. Each table includes brief notes on coverage and the data sources. All relevant prior year adjustments made by institutions to their 2008/09 accounts have been made in the tables. These adjustments more fairly reflect changes to accounting policies and the Statement of Recommended Accounting Practice (SORP), such as revaluation of land & buildings and accounting for heritage assets. Notes on the definitions used are provided in Annex A.
3. The sector's income and expenditure account, balance sheet and cash flow statement are provided in Tables 13 to 15 respectively.

Income and expenditure account

4. In 2009/10 there were 12 higher education institutions in Wales with a total income of £1,235m (2008/09 £1,170m) of which 36.76% (2008/09 – 37.63%) came from Funding Council grants, as shown in Table 4. 57.36% (2008/09 – 58.54%) of total income (Table 5) was expended on staff costs.
5. The sector reported an operating surplus of £36.1m (2008/09 surplus £22.0m) as shown in Table 2. One institution reported an operating deficit, as compared with two institutions for 2008/09. The historical cost surplus for the sector as shown in Table 3 was £37.8m, an increase of £5.6m from 2008/09 at £32.2m. The increase was due mainly to higher operating surpluses (approximately £14m) and realisation of property gains (£2.7m) offset by unfavourable variances on disposal of assets (£7.5m), and exceptional losses for staff re-structuring (£3.6m). One institution reported an historical cost deficit in 2009/10, as compared with three institutions in the previous year.

Balance sheet

6. Table 8 shows net assets increasing by approximately £89m from the prior year to £972m. Excluding pension liabilities, net assets increased by 5.6% from £1,160m to £1,225m; the pension scheme liabilities fell by 8.6% in the year to £253m; this decrease is due mainly to actuarial adjustments and the change in pension legislation which requires scheme liabilities to be indexed against the Consumer Price Index (CPI) instead of the Retail Price Index (RPI). As shown in Tables 9 and 10, net liquid assets rose by £60m to give the equivalent of 115 days' expenditure, a significant increase from 100 days

in 2008/09. Table 11 demonstrates a current ratio for the sector of 2.02, compared with 2008/09 at 2.12. Total long-term debt (external borrowing), as shown in Table 12, increased significantly in the year to £148m (increase of 21%), largely to fund the continuing programme of major capital schemes at several institutions, although it should be noted that in the light of current economic conditions, a number of them are currently reviewing their forecast spend.

Cash flow statement

7. Table 15 shows that the sector reported an overall inflow of cash of £14.1m in 2009/10, compared to £8.7m in 2008/09. Cash flow from operating activities almost doubled from 2008/09 to £115.8m, payments to acquire fixed assets were £122.2m (2008/09 £80.6m), and new secured loans amounted to £35.0m (2008/09 £24.1m). Deferred capital grants increased by £13.9m to £38.7m. Cash placed on short-term deposit was £48.5m (2008/09 £19.5m), which improved the overall net liquid asset position.

Financial sustainability

8. The 2009/10 position shows a significant improvement over the previous year, with increased operating surpluses and higher funds (due in part to a reduction in pensions' deficits, and an increase in general reserves). When commenting on their financial position against prior year and the current forecasts, most institutions reported significant future pressures on funding from HEFCW, on salary costs and pension costs, and several institutions have part- or fully completed programmes for voluntary severance. In December 2010 all institutions were advised of Council funding cuts of 4% 'in-year' (subject to approval of the final budget from WAG on 8 February 2011) and to anticipate a further funding reduction for 2011-12. Most institutions are in the process of revising their budgets to accommodate funding and other changes.

The figures for 2009/10 when adjusted to take account of the full economic cost adjustments for the cost of capital and infrastructure show that the sector's position is an aggregate deficit of £62m, compared with a deficit of £68m in 2008/09. This represents the degree to which the sector is not in a position to provide for a fully sustainable future. The financial position of the sector in the current and future years is also likely to be adversely affected by the economic downturn and the pressure on income streams which this will bring.

Further information

9. Further information about the published tables may be obtained from: Neil Hempstead, Senior Finance Assurance Manager (Tel 029 2068 2286; Email neil.hempstead@hefcw.ac.uk).

HE Finance data definitions

1 Sources of income

Funding Council grants

Council Grants includes funding for higher education from HEFCW and for further education from DCELLS.

Tuition fees and support grants

This category includes all income received in respect of fees for students on courses for which fees are charged.

Research grants and contracts

This category contains all income in respect of externally sponsored research carried out by the institution for which directly related expenditure has been incurred. It includes income from:

- OST research councils;
- UK based charities;
- UK government bodies, health and hospital authorities;
- UK industry, commerce and public corporations;
- EU sources
- other overseas sources;
- other sources.

Other operating income

This category contains all income in respect of services rendered to outside bodies, including the supply of goods and consultancies. It includes income from other services rendered:

- course validation fees;
- teaching companies;
- UK government bodies, health and hospital authorities;
- UK industry, commerce and public corporations;
- EU sources;
- other overseas sources;
- other sources; and other general operating income:
- residences and catering operations;
- grants from local authorities;
- released from deferred capital grants;
- income from intellectual property rights;
- other general income.

Endowment income and interest receivable

Permanent endowments includes the appropriate amount of the income from the investment of permanent endowments necessary to match the expenditure incurred on the purpose for which the permanent endowment was provided.

Expendable endowments includes the full amount of the income from the investment of expendable endowments (including the income earned from the capital of the endowment whether arising from the interest or dividends on investments, bank interest or rents from real property).

Interest receivable includes interest receivable on, and the net surplus or deficit from the realisation or revaluation of, short term investments

2 Categories of expenditure

Staff costs:

Academic staff includes costs in respect of academic staff, defined as staff whose primary function is teaching and/or research, paid from within the budgets of academic departments and allocated to the appropriate cost centre.

Other staff includes costs in respect of all other staff paid from within the budgets of academic departments and allocated to the appropriate cost centre.

Other costs:

Depreciation includes depreciation costs on equipment capitalised according to where the assets being depreciated are located.

Other operating expenses includes costs in respect of payments to non-contracted staff or individuals, all other non-staff costs, equipment which has not been depreciated, expenditure on maintenance contracts and telephone costs (calls, rental and non-capitalised equipment) if not charged to departments.

Interest payable includes costs in respect of interest payable on premises, residences and catering operations and other expenditure.

3 Expenditure activities

Academic departments

This section contains all expenditure directly incurred by or on behalf of academic departments which is not reimbursable by Research Councils or other bodies in respect of work carried out on their behalf.

Academic services

This section includes expenditure incurred on centralised academic services such as the library, Learning Resource Centres, Central Computers, etc. There

are three academic services cost centres to which this expenditure can be attributed. They are:

- Central libraries and information services ;
- Central computer and computer networks;
- Other academic services.

Administration and central services

This section includes expenditure incurred on central administration, general expenditure and staff and student facilities and amenities. It includes expenditure on:

- Central administration and services;
- General education;
- Staff and student facilities.

Premises

This section includes all expenditure incurred on the maintenance of premises and on roads and grounds (except residences and catering).

Residences and catering operations

This section includes expenditure incurred in providing the residence, catering and any conference operations, including the cost of maintenance of residential and catering premises, salaries and any other identifiable costs relating to these operations.

Research grants and contracts

This section includes the total of the direct costs attributed to research grants and contracts as detailed for research grants and contracts income.

4 Finance ratios

Table 1: Total income

Numerator: Total income for year.

Table 2 (top): Surplus/(deficit) on continuing operations (after depreciation and before profit / (loss) on disposal of fixed assets and tax)

Numerator: Surplus/(deficit) on continuing operations after depreciation of assets and before profit / (loss) on disposal of fixed assets and tax.

Table 2 (bottom): Surplus/(deficit) on continuing operations (after depreciation and before profit / (loss) on disposal of fixed assets and tax) excluding effects of FRS 17

Numerator: Surplus/(deficit) on continuing operations after depreciation of assets and before profit / (loss) on disposal of fixed assets and tax, excluding effects of FRS 17 (current service costs, contributions and financing, as disclosed in note to accounts on pension scheme movements in year).

Table 3 (top): Historical cost surplus/(deficit)

Numerator: Historical cost surplus/(deficit) after tax.

Table 3 (bottom): Historical cost surplus/(deficit) excluding effects of FRS 17

Numerator: Historical cost surplus/(deficit) after tax excluding effects of FRS 17 (current service costs, contributions and financing, as disclosed in note to accounts on pension scheme movements in year).

Table 4: Funding Council grant as a percentage of total income

Numerator: Funding Council grants are taken as grants from HEFCW and DCELLS for HE and FE provision, which includes recurrent grants for research, other recurrent grants, grants for special initiatives, capital grants for buildings and capital grants for equipment.

Denominator: Total income.

Table 5: Staff costs as a percentage of total income

Numerator: Total staff costs expenditure.

Denominator: Total income.

Table 6 (top): Premises expenditure (staff costs & other operating costs) & premises capital additions

Numerator: Premises staff operational costs, premises other operating expenses and expenditure on land and buildings and assets in the course of construction in the year.

Table 6 (bottom): Premises expenditure (as above) & premises additions as a percentage of total income

Numerator: Premises staff operational costs, premises other operating expenses and expenditure on land and buildings' and assets in the course of construction in the year.

Denominator: Total income

Table 7: Interest payable (net of pension interest)

Numerator: Interest payable includes costs in respect of interest payable on premises, residences and catering operations and other expenditure, but excludes all pension interest/finance costs.

Table 8 (top): Net assets

Numerator: Net assets after deducting pension liabilities.

Table 8 (bottom): Net assets (excluding pension liability)

Numerator: Net assets before deducting pension liabilities.

Table 9: Net liquid assets

Numerator: Investments plus cash at bank and in hand minus bank overdrafts and loan repayments due in one year.

Table 10: (top) Viability ratio

Expendable net assets to long term debt

Table 10: (bottom) Liquidity ratio (days of expenditure)

Net liquid assets / (total expenditure less depreciation) *365

Table 11: Current ratio

Numerator: Total current assets, including; stocks and stores in hand, debtors, investments and cash at bank and in hand.

Denominator: Current liabilities are taken as creditors: amounts falling due within one year.

Table 12 (top): Long term debt

Numerator: Long term debt is taken as long term external borrowings, excluding other creditors.

Table 12 (bottom): Long term debt as % of income

Numerator: Long term external borrowings, excluding other creditors.

Table 1**Total Income**

	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	131,301	139,055	143,723
Aberystwyth University	95,276	110,054	120,763
Bangor University	107,151	115,941	125,610
Cardiff University	393,545	414,359	429,230
University of Wales, Lampeter	15,897	16,105	15,739
Swansea University	143,445	150,269	158,918
University of Wales Institute, Cardiff	70,597	78,280	80,557
University of Wales, Newport	42,746	46,769	47,812
Glyndŵr University	33,969	38,673	43,508
Swansea Metropolitan University	31,398	33,574	37,071
Trinity University College Carmarthen	**14,092	15,492	16,332
University of Wales Registry	10,611	11,853	15,411
Sector Total	1,090,028	1,170,424	1,234,674

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

** includes prior year adjustments

Table 2

Surplus/(deficit) on continuing operations (after depreciation and before profit/(loss) on disposal of fixed assets and tax)

	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	2,115	1,050	538
Aberystwyth University	46	(2,621)	(126)
Bangor University	4,217	1,772	4,213
Cardiff University	13,660	14,000	10,680
University of Wales, Lampeter	**1,125	656	1,481
Swansea University	1,829	2,450	7,686
University of Wales Institute, Cardiff	976	1,165	2,364
University of Wales, Newport	592	282	1,464
Glyndŵr University	861	(842)	1,166
Swansea Metropolitan University	3,121	3,096	5,998
Trinity University College Carmarthen	(12)	66	534
University of Wales Registry	**1,458	958	121
Sector Total	29,988	22,032	36,119

Surplus/(deficit) on continuing operations (after depreciation and before profit/(loss) on disposal of fixed assets and tax) as % of total income

	2007/08	2008/09	2009/10
	%	%	%
University of Glamorgan	1.61	0.75	0.37
Aberystwyth University	0.05	(2.38)	(0.10)
Bangor University	3.94	1.53	3.35
Cardiff University	3.47	3.38	2.49
University of Wales, Lampeter	**7.08	4.07	9.41
Swansea University	1.28	1.63	4.84
University of Wales Institute, Cardiff	1.38	1.49	2.93
University of Wales, Newport	1.38	0.60	3.06
Glyndŵr University	2.53	(2.18)	2.68
Swansea Metropolitan University	9.94	9.22	16.18
Trinity University College Carmarthen	** (0.08)	0.43	3.27
University of Wales Registry	**13.74	8.08	0.79
Sector Total	2.75	1.88	2.93

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

** Includes prior year adjustment to UW Lampeter and UW Registry for treatment of staff re-structuring costs as exceptional.

Table 3

Historical cost surplus/(deficit)

	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	2,414	(1,125)	(1,895)
Aberystwyth University	6,152	(632)	1,910
Bangor University	4,053	2,327	1,116
Cardiff University	17,030	17,371	14,050
University of Wales, Lampeter	541	151	1,182
Swansea University	1,829	8,950	7,686
University of Wales Institute, Cardiff	1,670	869	2,026
University of Wales, Newport	1,116	806	1,988
Glyndŵr University	1,322	(381)	1,612
Swansea Metropolitan University	3,322	3,341	6,419
Trinity University College Carmarthen	2,488	66	1,564
University of Wales Registry	1,385	430	121
Sector Total	43,322	32,173	37,779

Historical cost surplus/(deficit) as % of total income

	2007/08	2008/09	2008/09
	%	%	%
University of Glamorgan	1.84	(0.81)	(1.32)
Aberystwyth University	6.46	(0.57)	1.58
Bangor University	3.74	2.01	0.89
Cardiff University	4.33	4.19	3.27
University of Wales, Lampeter	3.40	0.93	7.51
Swansea University	1.28	**6.00	4.84
University of Wales Institute, Cardiff	2.37	1.11	2.51
University of Wales, Newport	2.61	1.72	4.16
Glyndŵr University	3.89	(1.00)	3.71
Swansea Metropolitan University	10.58	9.95	17.32
Trinity University College Carmarthen	17.49	***0.43	9.58
University of Wales Registry	13.05	3.63	0.79
Sector Total	3.97	2.75	3.06

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

** Swansea University benefited from exceptional gain due to change in pension scheme rules in 2008/09

*** Trinity University College received benefit of land and buildings sale on 2007/08, which although forecast to be repeated in 2008/09, did not take place.

Table 4**Funding Council grant as a percentage of total income**

	2007/08	2008/09	2009/10
	%	%	%
University of Glamorgan	50.18	49.98	48.58
Aberystwyth University	40.71	37.75	40.38
Bangor University	38.42	39.12	36.39
Cardiff University	32.01	31.26	30.68
University of Wales, Lampeter	46.76	46.33	40.64
Swansea University	32.11	32.30	32.25
University of Wales Institute, Cardiff	41.80	39.62	39.71
University of Wales, Newport	52.09	51.03	50.08
Glyndŵr University	52.34	47.02	41.67
Swansea Metropolitan University	53.29	51.88	48.40
Trinity University College Carmarthen	**49.10	47.68	46.42
University of Wales Registry	6.57	4.91	4.57
Sector average	38.46	37.63	36.76

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

** includes prior year adjustment

Table 5**Staff costs as a percentage of total income**

	2007/08	2008/09	2009/10
	%	%	%
University of Glamorgan	60.73	61.51	60.08
Aberystwyth University	55.86	57.34	54.45
Bangor University	56.65	58.07	56.14
Cardiff University	57.00	57.00	56.78
University of Wales, Lampeter	**57.63	60.24	54.88
Swansea University	59.47	60.70	58.65
University of Wales Institute, Cardiff	62.19	62.21	61.50
University of Wales, Newport	60.54	61.86	61.92
Glyndŵr University	60.73	57.79	58.38
Swansea Metropolitan University	54.92	54.22	51.43
Trinity University College Carmarthen	61.77	62.80	60.45
University of Wales Registry	**33.02	35.08	38.85
Sector average	58.01	58.54	57.36

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

** prior year adjustment due to change in treatment of re-structuring costs as exceptionals

Table 6

Premises expenditure (staff costs & other operating costs) & premises additions

	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	21,607	22,276	24,546
Aberystwyth University	12,658	12,740	17,393
Bangor University	15,721	14,742	17,946
Cardiff University	32,385	33,527	30,530
University of Wales, Lampeter	1,400	1,992	1,152
Swansea University	14,613	15,922	23,229
University of Wales Institute, Cardiff	9,423	15,957	22,862
University of Wales, Newport	8,900	14,422	25,983
Glyndŵr University	3,526	8,690	6,946
Swansea Metropolitan University	3,724	3,784	3,821
Trinity University College Carmarthen	2,046	1,337	2,196
University of Wales Registry	237	136	251
Sector total	126,240	145,995	176,855

Premises expenditure (as above) & premises additions as a percentage of total income

	2007/08	2008/09	2009/10
	%	%	%
University of Glamorgan	16.46	16.36	17.08
Aberystwyth University	13.29	11.58	14.40
Bangor University	14.67	12.72	14.29
Cardiff University	8.23	8.09	7.11
University of Wales, Lampeter	8.81	12.37	7.32
Swansea University	10.19	10.60	14.62
University of Wales Institute, Cardiff	13.35	20.38	28.38
University of Wales, Newport	20.82	30.84	54.34
Glyndŵr University	10.38	22.47	15.96
Swansea Metropolitan University	11.86	11.27	10.31
Trinity University College Carmarthen	14.38	8.63	13.45
University of Wales Registry	2.23	1.15	1.63
Sector average	11.58	12.47	14.32

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10

NB No staff costs by premises activity are disclosed in the financial statements of the University of Wales Registry. This information has been provided separately.

Table 7**Interest payable (excluding pension interest)**

	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	1,225	1,827	1,423
Aberystwyth University	0	0	0
Bangor University	877	858	745
Cardiff University	2,345	1,760	1,458
University of Wales, Lampeter	37	13	3
Swansea University	478	195	65
University of Wales Institute, Cardiff	444	838	1,278
University of Wales, Newport	247	246	241
Glyndŵr University	0	12	0
Swansea Metropolitan University	47	20	0
Trinity University College Carmarthen	117	49	17
University of Wales Registry	0	0	0
Sector Total	5,817	5,818	5,230

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

Table 8

Net assets	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	70,145	47,600	68,452
Aberystwyth University	149,270	142,866	146,344
Bangor University	107,991	99,006	103,059
Cardiff University	353,204	343,989	358,662
University of Wales, Lampeter**	21,167	19,186	21,434
Swansea University**	44,911	38,697	50,889
University of Wales Institute, Cardiff**	56,456	45,926	54,465
University of Wales, Newport	20,163	21,960	25,471
Glyndŵr University	28,122	31,648	37,452
Swansea Metropolitan University	45,062	57,981	65,373
Trinity University College Carmarthen	6,999	6,713	10,210
University of Wales Registry	29,590	27,937	30,273
Sector Total	933,080	883,509	972,084

Net assets Excluding pension liability	2007/8	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	105,565	108,090	112,662
Aberystwyth University	168,343	165,480	169,437
Bangor University	109,983	109,527	109,751
Cardiff University	393,604	406,389	421,362
University of Wales, Lampeter**	22,667	22,438	25,005
Swansea University**	71,511	71,397	87,089
University of Wales Institute, Cardiff **	81,826	84,116	88,395
University of Wales, Newport	39,976	41,875	44,743
Glyndŵr University	38,793	43,351	47,827
Swansea Metropolitan University	51,022	66,981	72,943
Trinity University College Carmarthen	11,140	11,675	14,812
University of Wales Registry	30,206	29,170	31,281
Sector Total	1,124,636	1,160,489	1,225,307

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

** In its statutory accounts for year ended 31 July 2008, UWIC revised its accounting policy on asset valuations back to the 1992 basis (in line with other institutions) and revalued its land and buildings and also restated those assets for the previous year. Swansea University and University of Wales, Lampeter introduced revalued heritage assets in their balance sheets in accordance with the SORP requirements.

Table 9**Net liquid assets**

	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	34,510	37,685	29,897
Aberystwyth University	18,196	15,195	12,757
Bangor University	16,217	20,761	28,252
Cardiff University	101,140	124,799	155,873
University of Wales, Lampeter	5,657	4,896	5,750
Swansea University	23,572	23,771	40,343
University of Wales Institute, Cardiff	20,900	21,159	21,228
University of Wales, Newport	14,174	16,802	16,120
Glyndŵr University	11,408	7,725	7,810
Swansea Metropolitan University	17,407	20,440	27,224
Trinity University College Carmarthen	1,869	2,226	11,147
University of Wales Registry	6,059	5,493	5,293
Sector Total	271,109	300,952	361,694

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

Table 10

Viability ratio

	2007/08	2008/09	2009/10
University of Glamorgan	1.20	1.10	0.76
Aberystwyth University	0.82	0.67	0.51
Bangor University	1.05	1.45	1.84
Cardiff University	1.83	2.26	2.66
University of Wales, Lampeter	14.00	19.43	47.13
Swansea University	3.76	4.83	11.38
University of Wales Institute, Cardiff	1.55	0.95	0.69
University of Wales, Newport	1.70	1.04	0.48
Glyndŵr University	n/a	6.24	7.37
Swansea Metropolitan University	25.34	n/a	n/a
Trinity University College Carmarthen	1.21	1.84	12.45
University of Wales Registry	n/a	n/a	n/a
Sector Total	1.78	1.74	1.74

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2008/09.

Liquidity ratio (days of expenditure)

	2007/08	2008/09	2009/10
University of Glamorgan	101.6	104.4	80.0
Aberystwyth University	74.9	52.2	41.0
Bangor University	60.1	69.1	88.2
Cardiff University	101.8	118.6	141.8
University of Wales, Lampeter	**146.7	121.1	154.7
Swansea University	64.4	62.2	102.5
University of Wales Institute, Cardiff	113.5	103.3	103.4
University of Wales, Newport	130.7	139.9	135.1
Glyndŵr University	129.5	73.4	69.5
Swansea Metropolitan University	236.8	258.1	339.1
Trinity University College Carmarthen	50.9	55.2	268.5
University of Wales Registry	**244.9	186.2	127.8
Sector Total	98.0	100.1	115.3

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

** re-stated for prior year adjustment

Table 11**Current ratio**

	2007/08	2008/09	2009/10
University of Glamorgan	1.97	1.83	1.51
Aberystwyth University	3.32	3.61	3.06
Bangor University	1.43	1.33	1.34
Cardiff University	2.39	2.79	2.64
University of Wales, Lampeter	1.75	1.60	1.64
Swansea University	1.08	1.09	1.16
University of Wales Institute, Cardiff	2.02	2.30	1.86
University of Wales, Newport	2.07	2.11	2.14
Glyndŵr University	1.78	1.29	1.37
Swansea Metropolitan University	5.17	7.09	9.37
Trinity University College Carmarthen	1.59	1.77	1.45
University of Wales Registry	4.78	4.48	3.20
Sector Total	2.03	2.12	2.02

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

Table 12

Long term debt (external borrowing)

	2007/08	2008/09	2009/10
	£k	£k	£k
University of Glamorgan	28,851	34,298	39,091
Aberystwyth University	0	0	0
Bangor University	15,417	14,353	15,012
Cardiff University	28,579	26,990	24,836
University of Wales, Lampeter	404	252	122
Swansea University	6,277	4,926	3,545
University of Wales Institute, Cardiff	13,525	22,330	30,744
University of Wales, Newport	8,317	16,143	33,596
Glyndŵr University	0	1,237	0
Swansea Metropolitan University	687	0	0
Trinity University College Carmarthen	1,548	1,207	895
University of Wales Registry	0	0	0
Sector Total	103,605	121,736	147,841

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10.

Long term debt as % of income

	2007/08	2008/09	2009/10
	%	%	%
University of Glamorgan	21.97	24.67	27.20
Aberystwyth University	0.00	0.00	0.00
Bangor University	14.39	12.38	11.95
Cardiff University	7.26	6.51	5.79
University of Wales, Lampeter	2.54	1.56	0.78
Swansea University	4.38	3.28	2.23
University of Wales Institute, Cardiff	19.16	28.53	38.16
University of Wales, Newport	19.46	34.52	70.27
Glyndŵr University	0.00	3.20	0.00
Swansea Metropolitan University	**2.19	0.00	0.00
Trinity University College Carmarthen	10.98	7.79	5.48
University of Wales Registry	0.00	0.00	0.00
Sector Total	9.50	10.40	11.97

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2009/10

** re-stated for prior year adjustment

Table 13

Sector income and expenditure account

	2007/08	2008/09	2009/10
INCOME	£k	£k	£k
Funding Council Grants	419,205	440,382	453,895
Tuition fees and Education contracts	286,545	337,391	378,760
Research grants and contracts	145,783	161,537	159,383
Other income	238,495	231,114	242,636
Total Income	1,090,028	1,170,424	1,234,674
EXPENDITURE			
Staff costs	630,486	680,757	701,192
Exceptional staff restructuring costs	1,823	4,373	7,027
Other operating expenses	368,089	396,375	417,414
Depreciation	50,373	51,072	53,997
Interest payable	9,269	15,815	18,925
Total Expenditure	1,060,040	1,148,392	1,198,555
Surplus on continuing operations after depreciation of fixed assets at valuation and before tax	29,988	22,032	36,119
Profit /(loss) on disposal of assets	1,288	(598)	(8,189)
Benefit on acquisition	4,117		80
Share of JV profit/(loss)	(74)	(69)	68
Exceptional gains /(losses)	(657)	2,600	(957)
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax	34,662	23,965	27,121
Taxation	0		
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	34,662	23,965	27,121
Transfer from accumulated income within specific endowments	(366)	(156)	22
Surplus retained within general reserves	34,296	23,809	27,143
Difference between Historical Cost depreciation and the actual charge for the period calculated on the re-valued amount	8,137	8,183	7,681
Realisation of property revaluation gain of previous years	479	0	2,672
Historic Cost Surplus for the period	43,322	32,173	37,779

N.B.

'Tuition fees and Education contracts' – from 2007/08 Welsh HEIs were able to introduce flexible fees payable by full-time home and EU undergraduate students.

Minor restatements have been made to 2007/08 numbers due to changes in treatment of exceptional costs.

Table 14

Sector balance sheet

	As at 31 July 2008	As at 31 July 2009	As at 31 July 2010
Fixed Assets	£k	£k	£k
Land and Buildings	925,054	967,112	1,023,579
Equipment	44,457	37,924	51,110
Other	25,360	28,820	19,997
Sub total	994,871	1,033,856	1,094,686
Endowment Asset Investment	88,986	83,882	93,466
Current assets			
Stock	3,251	4,404	4,393
Debtors	115,605	117,162	133,243
Short term investments	221,246	240,805	289,194
Cash at bank and in hand	59,244	67,029	85,012
Total Current Assets Sub total	399,346	429,400	511,842
Creditors: amounts falling due within one year			
Bank loans and overdraft	9,381	6,447	12,512
Other Creditors	187,529	196,293	241,034
Total Current liabilities Sub total	196,910	202,740	253,546
Net Current Assets	202,436	226,660	258,296
Total assets less current liabilities	1,286,293	1,344,398	1,446,448
Creditors: amounts falling due after more than one year			
Reimbursable by HEFCW	0	0	
External borrowing	103,605	121,736	147,841
Other Creditors	48,721	50,973	60,427
Total long term liabilities	152,326	172,709	208,268
Provisions	9,331	11,200	12,873
Net Assets Excluding Pension Liability	1,124,636	1,160,489	1,225,307
Pension liability	(191,556)	(276,980)	(253,223)
Net Assets Including Pension Liability	933,080	883,509	972,084
Deferred Capital grants	269,129	270,762	286,658
Endowment			
Permanent Endowments	79,215	74,935	83,229
Expendable Endowments	9,771	8,947	10,237
Total Endowments	88,986	83,882	93,466
Reserves			
Revaluation reserve	287,966	295,624	286,546
Restricted reserve	19,344	18,621	18,174
General reserve excluding pension liability	459,211	491,600	540,463
Pension reserve	(191,556)	(276,980)	(253,223)
General reserve including pension liability	267,655	214,620	287,240
Total Reserves	574,965	528,865	591,960
Total Funds	933,080	883,509	972,084

Minor changes have been made to 2007/08 and 2008/09 totals for re-statement of certain balance sheet items in subsequent years' accounts.

Table 15

Sector cash flow statement

	2007/2008	2008/09	2009/10
	£k	£k	£k
Net cash inflow from operating activities	59,634	59,369	115,799
Returns on investments and servicing of finance			
Income from endowments	3,681	2,991	2,782
Income from short term investments	4,164	1,938	2,543
Other Interest received	9,761	9,050	714
Interest paid	(5,750)	(6,234)	(5,242)
Other items	0		
Sub total cash inflow from investments	11,856	7,745	797
Tax paid	0		
Investing activities			
Payments to acquire tangible assets	(73,136)	(80,603)	(122,176)
Payments to acquire endowment asset investments	(5,496)	(10,448)	(7,731)
Total Payments to acquire fixed/endowment assets	(78,632)	(91,051)	(129,907)
Receipts from sale of tangible assets	2,790	599	1,332
Receipts from sale of endowment assets	6,835	8,817	6,094
Deferred capital grants received	31,932	24,814	38,679
Endowments received	1,042	530	1,963
Other items	114	0	0
Sub total cash outflow from investing activities	(35,919)	(56,291)	(81,839)
Net cash inflow before financing	35,571	10,823	34,757
Management of Liquid Resources	(62,855)	(19,454)	(48,453)
Financing			
Capital element of finance lease payments	426	(168)	(366)
Mortgages and loans acquired	28,944	24,085	35,017
Mortgages and loan capital repayments	(5,540)	(6,574)	(6,865)
Other items	0		
cash (outflow) / inflow from financing	23,830	17,343	27,786
Increase / (decrease) in cash	(3,454)	8,712	14,090

2007/08 has been adjusted for a minor re-statement of one institution's cash flow statement (UoG).