

## Analysis of the Financial Position of the HE Sector 2001/02

To: Heads of HE Institutions

Summary: This circular informs institutions of financial health performance indicators for the higher education sector in Wales as shown by the audited financial statements for 2001/02.

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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 2001/02.
- 2 Key financial ratios and figures which give an indication of each institution's financial position are provided in Tables 1 to 15. These are based on the audited financial statements returned by institutions. Each table includes brief notes on coverage and the data sources. 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 16 to 18.

## ▪ INCOME AND EXPENDITURE ACCOUNT

- 4 In 2001/02 there were 14 higher education institutions in Wales with a total income of £696m of which £299.3m, or 43 per cent, came from the Higher Education Funding Council for Wales (HEFCW) grant as shown on Table 1. Pay expenditure accounted for £391.3m as shown on Table 2; this represents 56.2 per cent of income. The sector reported an operating surplus of £9.6m as shown on Table 5. Four institutions, compared to six in 2000/2001, reported an operating deficit. The sector historic cost surplus as shown in Table 6 was £18.5m. Two institutions, compared to only one in 2000/2001, reported an historic cost deficit.

## ▪ BALANCE SHEET

- 5 As shown in Table 8, net liquid assets strengthened again to 92 days expenditure. Table 9 demonstrates a stable current ratio for the sector at 1.9. The net book value of equipment, as shown in Table 10, increased to

£28.5m, a significant increase of 18 per cent. Conversely, as demonstrated in Table 11, long term liabilities decreased by 4.5 per cent to close at £97.6m. General Reserves, (inclusive of general endowments), as shown on Table 14, increased by 4.4 per cent to £293.8m.

## ▪ CASH FLOW STATEMENT

- 6 Table 15 shows that the sector reported an overall inflow in cash of £7.6m in 2001/02, compared to an inflow of £3.8m in 2000/2001. Cash flow from operating activities strengthened, payments to acquire fixed assets increased and there was a minimal increase in new secured loans of £2m.

## ▪ FURTHER INFORMATION

- 7 This circular is intended to provide higher education institutions with an early indication of their comparative financial position for 2001/02. It is in addition to, not a replacement for, the Annual Volume of Further and Higher Education Statistics for 2001/02 which will be published by the HEFCW, by the end of the year.
- 8 Further information about the published tables may be obtained from: M J Morris, Finance Manager - External, Higher Education Council – ELWa, Ty'r Afon, Bedwas Road, Bedwas. Caerphilly. CF83 8WT.

## **HE FINANCE DATA DEFINITIONS**

### **I SOURCES OF INCOME**

#### **Council grants**

Council Grants includes funding for higher education from HEFCW and for further education from FEFCW/NCETW.

#### **Academic 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;
- income from health and hospital authorities;
- released from deferred capital grants;
- income from intellectual property rights;
- other general income.

## **Endowment income and interest receivable**

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

**General endowments** includes the full amount of the income from the investment of general 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.

## **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 ground (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: HEFCW grant as a percentage of total income**

Numerator: Grants from HEFCW are taken as council grants for HE 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 2: Increase/(decrease) in total Pay expenditure year on year**

Numerator: Total pay expenditure includes costs in respect of all staff paid from within the budgets of academic departments and allocated to the appropriate cost centre.

**Table 3: Total pay expenditure as a percentage of total income**

Numerator: Total pay expenditure includes costs in respect of all staff paid from within the budgets of academic departments and allocated to the appropriate cost centre.

Denominator: Total income.

**Table 4: Premises expenditure as a percentage of total expenditure**

Numerator: Premises non pay operating expenses.

Denominator: Total expenditure.

**Table 5: Operating surplus/(deficit)**

Numerator: Operating surplus/(deficit) on continuing operations after depreciation of fixed assets at valuation and before tax.

**Table 6: Historic cost surplus/(deficit)**

Numerator: Historical cost surplus/deficit after tax.

**Table 7: Net liquid assets**

Numerator: Investments plus cash at bank and in hand minus bank loans and overdraft.

**Table 8: Days Net liquid assets to total expenditure**

Numerator: Investments plus cash at bank and in hand minus bank loans and overdraft.

Denominator: Total expenditure.

**Table 9: 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 10: Equipment balance sheet**

Numerator: Fixed Assets equipment total from the balance sheet.

**Table 11: Total long term liabilities**

Numerator: Long-term liabilities are taken as creditors: amounts falling due after more than one year.

**Table 12: Gearing (external borrowing/general reserves)**

Numerator: Creditors: amounts falling due after more than one year, External borrowing only.

Denominator: General reserves are taken as reserves: income and expenditure account.

**Table 13: Interest payable**

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

**Table 14: General reserves**

Numerator: Total general reserves are taken as reserves: income and expenditure account plus  
Endowment: General Endowment.

**Table 15: Increase/(decrease) in Cash**

Numerator: Increase/(Decrease) in cash.

**TABLE I****HEFCW GRANT AS A PERCENTAGE OF TOTAL INCOME**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	54.68	54.56	52.67
University of Wales, Aberystwyth	45.43	45.40	42.46
University of Wales, Bangor	43.11	42.21	41.68
Cardiff University	41.41	40.16	39.23
University of Wales, Lampeter	54.90	60.67	57.43
University of Wales Swansea	42.67	43.87	40.27
University of Wales College of Medicine	23.66	23.50	23.23
University of Wales Institute, Cardiff	54.46	51.04	48.53
University of Wales College, Newport	60.78	63.84	63.03
North East Wales Institute	60.40	62.05	63.92
Swansea Institute of Higher Education	67.28	65.44	66.42
Trinity College Carmarthen	59.74	55.25	52.69
Royal Welsh College of Music and Drama	64.91	73.61	72.77
University of Wales Registry	9.13	8.92	8.06
<b>Sector Total</b>	<b>44.92</b>	<b>44.64</b>	<b>42.97</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 2****STAFF COSTS INCREASE/(DECREASE) IN EXPENDITURE**

	<b>1999/00</b>	<b>% +/-</b>	<b>2000/01</b>	<b>% +/-</b>	<b>2001/02</b>
	<b>£K</b>		<b>£K</b>		<b>£K</b>
University of Glamorgan	33,340	10.35	36,792	8.80	40,030
University of Wales, Aberystwyth	33,597	7.38	36,076	4.85	37,827
University of Wales, Bangor	42,574	(0.83)	42,220	3.43	43,667
Cardiff University	77,921	9.07	84,990	7.27	91,172
University of Wales, Lampeter	5,913	2.38	6,054	2.56	6,209
University of Wales Swansea	45,256	10.73	50,112	3.95	52,092
University of Wales College of Medicine	37,999	5.10	39,936	4.60	41,774
University of Wales Institute, Cardiff	23,744	10.34	26,200	5.69	27,692
University of Wales College, Newport	13,951	6.31	14,832	2.04	15,135
North East Wales Institute	10,756	6.65	11,471	9.61	12,573
Swansea Institute of Higher Education	9,800	5.53	10,342	5.67	10,928
Trinity College Carmarthen	4,969	4.45	5,190	3.33	5,363
Royal Welsh College of Music & Drama	2,780	24.78	3,469	14.01	3,955
University of Wales Registry	2,707	5.87	2,866	2.02	2,924
<b>Sector Total</b>	<b>345,307</b>	<b>7.31</b>	<b>370,550</b>	<b>5.61</b>	<b>391,341</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 3****PAY AS A PERCENTAGE OF TOTAL INCOME**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	53.74	56.76	56.81
University of Wales, Aberystwyth	57.34	57.57	54.88
University of Wales, Bangor	66.37	62.92	58.03
Cardiff University	54.17	54.20	54.30
University of Wales, Lampeter	60.40	62.09	63.09
University of Wales Swansea	56.20	60.20	56.88
University of Wales College of Medicine	61.67	58.68	53.99
University of Wales Institute, Cardiff	60.17	59.31	60.69
University of Wales College, Newport	57.66	57.02	54.47
North East Wales Institute	60.13	61.11	60.66
Swansea Institute of Higher Education	61.71	59.04	61.07
Trinity College Carmarthen	60.75	57.27	56.30
Royal Welsh College of Music and Drama	62.98	54.10	59.64
University of Wales Registry	43.75	43.42	41.96
<b>SECTOR TOTAL</b>	<b>57.86</b>	<b>57.81</b>	<b>56.19</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 4****PREMISES EXPENDITURE**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	5,122	4,833	4,063
University of Wales, Aberystwyth	2,279	2,071	2,191
University of Wales, Bangor	3,928	3,081	3,828
Cardiff University	8,356	10,447	10,848
University of Wales, Lampeter	376	625	421
University of Wales Swansea	3,722	3,818	3,986
University of Wales College of Medicine	2,469	2,637	2,636
University of Wales Institute, Cardiff	2,510	1,105	848
University of Wales College, Newport	2,297	2,406	1,876
North East Wales Institute	385	423	483
Swansea Institute of Higher Education	1,255	1,418	1,288
Trinity College Carmarthen	650	367	406
Royal Welsh College of Music and Drama	249	703	471
University of Wales Registry	0	0	0
<b>Sector Total</b>	<b>33,598</b>	<b>33,934</b>	<b>33,345</b>

**PREMISES EXPENDITURE AS A PERCENTAGE OF TOTAL EXPENDITURE**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	8.61	7.46	5.84
University of Wales, Aberystwyth	3.80	3.23	3.27
University of Wales, Bangor	5.89	4.54	5.09
Cardiff University	5.97	6.86	6.58
University of Wales, Lampeter	3.95	6.36	4.17
University of Wales Swansea	4.69	4.67	4.40
University of Wales College of Medicine	3.91	3.78	3.37
University of Wales Institute, Cardiff	6.26	2.47	1.84
University of Wales College, Newport	9.74	9.41	7.28
North East Wales Institute	2.20	2.32	2.41
Swansea Institute of Higher Education	8.26	8.63	7.68
Trinity College Carmarthen	7.97	4.12	4.38
Royal Welsh College of Music and Drama	5.45	11.27	7.04
University of Wales Registry	0.00	0.00	0.00
<b>Sector Total</b>	<b>5.67</b>	<b>5.32</b>	<b>4.85</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 5****OPERATING SURPLUS/(DEFICIT)**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	2,524	25	885
University of Wales, Aberystwyth	(1,414)	(1,379)	1,936
University of Wales, Bangor	(2,501)	(771)	51
Cardiff University	3829	4,476	2,962
University of Wales, Lampeter	281	(75)	(262)
University of Wales Swansea	1,129	1,520	923
University of Wales College of Medicine	(1,460)	(1,705)	(766)
University of Wales Institute, Cardiff	(623)	(652)	(581)
University of Wales College, Newport	605	453	2,000
North East Wales Institute	374	566	726
Swansea Institute of Higher Education	691	1,079	1,113
Trinity College Carmarthen	23	162	258
Royal Welsh College of Music and Drama	(151)	173	(57)
University of Wales Registry	413	(117)	385
<b>Sector Total</b>	<b>3,720</b>	<b>3,755</b>	<b>9,573</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 6****HISTORIC COST SURPLUS/(DEFICIT)**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	2,542	149	903
University of Wales, Aberystwyth	1,801	719	4,035
University of Wales, Bangor	(1,120)	137	1,052
Cardiff University	7,059	7,552	6,584
University of Wales, Lampeter	281	15	(262)
University of Wales Swansea	2,112	1,520	955
University of Wales College of Medicine	(1,277)	(1,522)	(583)
University of Wales Institute, Cardiff	83	19	89
University of Wales College, Newport	1,143	991	2,538
North East Wales Institute	808	1,240	1,137
Swansea Institute of Higher Education	892	1,280	1,314
Trinity College Carmarthen	157	162	258
Royal Welsh College of Music and Drama	(49)	275	53
University of Wales Registry	413	28	385
<b>Sector Total</b>	<b>14,845</b>	<b>12,565</b>	<b>18,458</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 7****NET LIQUID ASSETS**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	27,969	28,248	30,901
University of Wales, Aberystwyth	665	4,695	10,021
University of Wales, Bangor	1,928	1,452	4,499
Cardiff University	46,777	53,332	63,351
University of Wales, Lampeter	1,062	1,174	626
University of Wales Swansea	13,872	16,568	19,017
University of Wales College of Medicine	16,986	15,205	14,850
University of Wales Institute, Cardiff	4,783	1,284	4,174
University of Wales College, Newport	1,380	4,370	7,153
North East Wales Institute	3,756	5,254	6,006
Swansea Institute of Higher Education	2,737	4,342	6,380
Trinity College Carmarthen	1,169	911	1,167
Royal Welsh College of Music and Drama	520	569	322
University of Wales Registry	5,123	5,351	5,141
<b>Sector Total</b>	<b>128,727</b>	<b>142,755</b>	<b>173,608</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 8****DAYS NET LIQUID ASSETS TO TOTAL EXPENDITURE**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>Days</b>	<b>Days</b>	<b>Days</b>
University of Glamorgan	172	159	162
University of Wales, Aberystwyth	4	27	55
University of Wales, Bangor	11	8	22
Cardiff University	122	128	140
University of Wales, Lampeter	41	44	23
University of Wales Swansea	64	74	77
University of Wales College of Medicine	98	80	69
University of Wales Institute, Cardiff	44	10	33
University of Wales College, Newport	21	62	101
North East Wales Institute	78	105	110
Swansea Institute of Higher Education	66	96	139
Trinity College Carmarthen	52	37	46
Royal Welsh College of Music and Drama	42	33	18
University of Wales Registry	324	291	285
<b>Sector Total</b>	<b>79</b>	<b>82</b>	<b>92</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 9****CURRENT RATIO**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
University of Glamorgan	3.62	3.21	3.00
University of Wales, Aberystwyth	1.24	1.43	1.50
University of Wales, Bangor	0.97	0.94	1.01
Cardiff University	3.06	3.31	2.59
University of Wales, Lampeter	1.69	1.79	1.06
University of Wales Swansea	1.32	1.42	1.44
University of Wales College of Medicine	1.96	1.61	1.49
University of Wales Institute, Cardiff	0.99	0.73	1.02
University of Wales College, Newport	0.77	1.13	1.73
North East Wales Institute	1.04	1.28	1.40
Swansea Institute of Higher Education	3.60	4.30	4.17
Trinity College Carmarthen	1.95	2.20	1.86
Royal Welsh College of Music and Drama	1.00	0.84	0.54
University of Wales Registry	4.21	3.30	3.48
<b>Sector Total</b>	<b>1.92</b>	<b>1.95</b>	<b>1.84</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 10****EQUIPMENT BALANCE SHEET**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£K</b>	<b>£K</b>	<b>£K</b>
University of Glamorgan	4,934	1,786	1,955
University of Wales, Aberystwyth	2,762	3,269	3,316
University of Wales, Bangor	1,047	1,507	2,611
Cardiff University	4,621	3,615	3,340
University of Wales, Lampeter	463	494	830
University of Wales Swansea	1,248	3,224	3,781
University of Wales College of Medicine	1,256	2,609	4,277
University of Wales Institute, Cardiff	2,850	3,056	3,223
University of Wales College, Newport	1,783	2,008	2,029
North East Wales Institute	243	196	548
Swansea Institute of Higher Education	936	886	905
Trinity College Carmarthen	512	447	494
Royal Welsh College of Music and Drama	538	791	1,044
University of Wales Registry	241	235	178
<b>SECTOR TOTAL</b>	<b>23,434</b>	<b>24,123</b>	<b>28,531</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE II****LONG TERM LIABILITIES**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	11,650	10,796	9926
University of Wales, Aberystwyth	15,907	15,408	14,398
University of Wales, Bangor	17,682	16,897	15,951
Cardiff University	27,695	26,418	25,063
University of Wales, Lampeter	1,711	1,576	1,402
University of Wales Swansea	12,205	11,709	11,045
University of Wales College of Medicine	0	0	0
University of Wales Institute, Cardiff	6,647	6,396	7955
University of Wales College, Newport	3,059	2,900	2,739
North East Wales Institute	4,649	4,689	4,138
Swansea Institute of Higher Education	2,467	2,331	2,261
Trinity College Carmarthen	3,137	2,965	2,685
Royal Welsh College of Music and Drama	110	80	48
University of Wales Registry	14	0	0
<b>Sector Total</b>	<b>106,933</b>	<b>102,165</b>	<b>97,611</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 12****GEARING (EXTERNAL BORROWING/GENERAL RESERVES)**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	0.21	0.19	0.16
University of Wales, Aberystwyth	0.67	0.58	0.48
University of Wales, Bangor	0.59	0.56	0.51
Cardiff University	0.37	0.32	0.28
University of Wales, Lampeter	0.31	0.28	0.27
University of Wales Swansea	0.71	0.62	0.56
University of Wales College of Medicine	0.00	0.00	0.00
University of Wales Institute, Cardiff	0.63	0.62	0.77
University of Wales College, Newport	0.00	0.00	0.00
North East Wales Institute	1.04	0.62	0.44
Swansea Institute of Higher Education	0.32	0.24	0.19
Trinity College Carmarthen	1.67	1.44	1.18
Royal Welsh College of Music and Drama	0.00	0.00	0.00
University of Wales Registry	0.00	0.00	0.00
<b>Sector Total</b>	<b>0.41</b>	<b>0.37</b>	<b>0.33</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 13****INTEREST PAYABLE**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	1,062	976	886
University of Wales, Aberystwyth	1,250	1,166	704
University of Wales, Bangor	1,517	1,473	1,349
Cardiff University	2,516	2,329	2,169
University of Wales, Lampeter	127	118	83
University of Wales Swansea	999	1,084	924
University of Wales College of Medicine	0	0	0
University of Wales Institute, Cardiff	570	536	515
University of Wales College, Newport	314	247	230
North East Wales Institute	457	427	392
Swansea Institute of Higher Education	194	179	160
Trinity College Carmarthen	229	220	159
Royal Welsh College of Music and Drama	14	10	8
University of Wales Registry	0	0	0
<b>Sector Total</b>	<b>9,249</b>	<b>8,765</b>	<b>8,765</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 14****GENERAL RESERVES PLUS GENERAL ENDOWMENTS**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	37,191	38,052	39,667
University of Wales, Aberystwyth	38,618	38,598	40,328
University of Wales, Bangor	30,501	30,542	31,512
Cardiff University	74,631	82,157	88,685
University of Wales, Lampeter	9,080	8,547	7,166
University of Wales Swansea	20,008	21,622	21,955
University of Wales College of Medicine	17,329	15,126	12,872
University of Wales Institute, Cardiff	9,734	9,753	9,842
University of Wales College, Newport	7,774	8,765	11,303
North East Wales Institute	2,100	3,340	4,478
Swansea Institute of Higher Education	5,112	6,392	7,706
Trinity College Carmarthen	1,876	2,052	2,281
Royal Welsh College of Music and Drama	938	1,106	1,156
University of Wales Registry	15,725	15,441	14,835
<b>Sector Total</b>	<b>270,617</b>	<b>281,493</b>	<b>293,786</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

**TABLE 15****INCREASE/(DECREASE) IN CASH**

	<b>1999/2000</b>	<b>2000/01</b>	<b>2001/02</b>
	<b>£K</b>	<b>£K</b>	<b>£K</b>
University of Glamorgan	65	(5,437)	(475)
University of Wales, Aberystwyth	1,265	2,643	3,902
University of Wales, Bangor	1,015	32	(437)
Cardiff University	(92)	571	688
University of Wales, Lampeter	(16)	111	(575)
University of Wales Swansea	4,397	2,861	586
University of Wales College of Medicine	(45)	(95)	(516)
University of Wales Institute, Cardiff	(804)	(567)	2,870
University of Wales College, Newport	(4)	(92)	(815)
North East Wales Institute	2,154	2,300	338
Swansea Institute of Higher Education	1,008	1,742	2,004
Trinity College Carmarthen	379	(309)	(302)
Royal Welsh College of Music and Drama	(20)	19	(110)
University of Wales Registry	280	18	500
<b>Sector Total</b>	<b>9,582</b>	<b>3,797</b>	<b>7,658</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2001/02.

## SECTOR INCOME AND EXPENDITURE ACCOUNT

	1999/2000	2000/01	2001/02
<b>INCOME</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Funding Council Grants	268,097	286,138	299,306
Tuition fees and Education contracts	124,944	131,818	143,711
Research grants and contracts	71,231	79,154	90,281
Other income	132,500	143,907	163,197
<b>Total Income</b>	<b>596,772</b>	<b>641,017</b>	<b>696,495</b>
<b>EXPENDITURE</b>			
Staff costs	342,494	366,459	387,502
Exceptional Restructuring Costs	2,813	4,091	3,839
Other operating expenses	209,467	227,004	253,780
Depreciation	29,029	30,943	34,222
Interest payable	9,249	8,765	7,579
<b>Total Expenditure</b>	<b>593,052</b>	<b>637,262</b>	<b>686,922</b>
Surplus on continuing operations after depreciation of fixed assets at valuation and before tax	3,720	3,755	9,573
Profit/(Loss) on disposal of assets	1,812	341	32
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax	5,532	4,096	9,605
Taxation	0	0	0
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	5,532	4,096	9,605
Difference between Historical Cost depreciation and the actual charge for the period calculated on the re-valued amount	8,106	8,314	8,528
Realisation of property revaluation gain of previous years	1,207	155	325
<b>Historic Cost Surplus for the period</b>	<b>14,845</b>	<b>12,565</b>	<b>18,458</b>

## SECTOR BALANCE SHEET

	As at 31 July 2000 £'000	As at 31 July 2001 £'000	As at 31 July 2002 £'000
<b>Fixed Assets</b>			
Land and Buildings	703,134	700,463	769,677
Equipment	23,434	24,123	28,531
Other	8,842	5,332	6,134
Sub total	735,410	729,918	804,342
<b>Endowment Asset Investment</b>	83,885	83,014	71,608
<b>Current assets</b>			
Stock	2,071	1,996	2,054
Debtors	58,458	61,870	66,258
Short term investments	101,646	108,022	136,304
Cash at bank and in hand	39,089	44,633	49,324
Total Current Assets Sub total	201,264	216,521	253,940
<b>Creditors: amounts falling due within one year</b>			
Bank loans and overdraft	12,008	9,900	12,020
Other Creditors	93,080	101,330	125,632
Total Current liabilities Sub total	105,088	111,230	137,652
Net Current Assets/Liabilities	96,176	105,291	116,288
Total assets less current liabilities	915,471	918,223	992,238
<b>Creditors: amounts falling due after more than one year</b>			
Reimbursable by HEFCW	11,214	10,800	9,839
External borrowing	95,719	91,365	87,772
Total long term liabilities	106,933	102,165	97,611
Provisions	25,293	25,483	25,737
<b>Net Assets</b>	<b>783,245</b>	<b>790,575</b>	<b>868,890</b>
Deferred Capital grants	115,255	124,544	148,606
<b>Endowment</b>			
Specific Endowment	48,174	46,750	42,426
General Endowment	36,127	31,629	25,233
Total Endowment	84,301	78,379	67,659
<b>Reserves</b>			
Revaluation reserve	349,162	337,751	384,035
Restricted reserve	37	37	37
General reserve	234,490	249,864	268,553
Total Reserves	583,689	587,652	652,625
<b>Total Funds</b>	<b>783,245</b>	<b>790,575</b>	<b>868,890</b>

## SECTOR CASH FLOW STATEMENT

	1999/2000	2000/2001	2001/2002
	£'000	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>	29,895	26,605	44,150
<b>Returns on investments and servicing of finance</b>			
Income from endowments	5,318	5,271	3,223
Income from short term investments	5,856	5,849	5,995
Other Interest received	(1,557)	(1,341)	1,243
Interest paid	(6,450)	(6,199)	(7,381)
Other items	7	8	6
Sub total cash inflow/(outflow) from investments	3,174	3,588	3,086
Tax paid	(9)	(0)	(0)
<b>Investing activities</b>			
Payments to acquire tangible assets	(32,393)	(33,418)	(54,639)
Payments to acquire endowment asset investments	(3,040)	(8,036)	(5,047)
Total Payments to acquire fixed/endowment assets	(35,433)	(41,454)	(59,686)
Receipts from sale of tangible assets	5,517	1,739	1,620
Receipts from sale of endowment assets	2,679	2,616	3,135
Deferred capital grants received	9,453	20,379	36,813
Endowments received	1,018	542	967
Other items	0	(2,437)	3,861
Sub total cash inflow/(outflow) from investing activities	(16,766)	(18,615)	(13,290)
Net cash inflow/(outflow) before financing	16,294	11,578	33,946
<b>Management of Liquid Resources</b>	(159)	(4,026)	(22,065)
<b>Financing</b>			
Capital element of finance lease payments	(49)	(53)	(2)
Mortgages and loans acquired	(506)	0	2,040
Mortgages and loan capital repayments	(5,588)	(3,762)	(4,217)
Other items	(410)	240	(1,504)
Sub total cash inflow/(outflow) from financing	(6,553)	(3,575)	(3,683)
<b>Increase/decrease in cash</b>	<b>9,582</b>	<b>3,797</b>	<b>7,658</b>