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Cylchlythyr

Circular

Analysis of the financial position of the HE sector 2006/07

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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 2006/07.

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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 2006/07.
2. Key financial ratios and figures which give an indication of each institution's financial position are provided in Tables 1 to 14. 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 15 to 17.
4. Financial Reporting Standard 17: Retirement Benefits, was fully implemented by all institutions in 2005/06 and the comparatives for 2004/5 were restated on a consistent basis.

Income and expenditure account

5. In 2006/07 there were 12 higher education institutions in Wales with a total income of £1,001m (2005/06 £922m) of which 43.2% (2005/06 – 41.5%), came from Funding Council grants as shown in Table 4. It should be noted, however, that in 2006/07 the HEFCW grant included an additional amount of £33.5m that related to the Supplementary Income Stream. Staff costs expenditure accounted for 57.8% (2005/06 – 58.1%) of total income (Table 5). The sector reported an operating surplus of £22.26m (2005/06 surplus £12.17m) as shown in Table 2. Two institutions reported an operating deficit, the same number as in 2005/06. The sector historical cost surplus as shown in Table 3 was £29.6m (2005/06 £26.0m). Three institutions reported an historical cost deficit in 2006/07, compared with one in 2005/06.

Balance sheet

6. Table 8 shows that net assets increased by 8.3% from £911m to £986m. Excluding pension liabilities, net assets increased by 3.8% from £1,090m to £1,132m. As shown in Table 12, net liquid assets deteriorated to the equivalent of 85 days' expenditure (net of depreciation and the effects of FRS 17) from 93 days last year. Table 11 demonstrates a current ratio for the sector of 1.92, slightly lower than 2005/06 at 1.98. Total long-term debt (External borrowing), as shown in Table 13, increased by £2.5m to £81m.

Cash flow statement

7. Table 17 shows that the sector reported an overall inflow of cash of £20.1m in 2006/07, compared to an outflow of £3.4m in 2005/06. Cash flow from operating activities was £30.0m compared to £37.2m in 2005/06, payments to acquire fixed assets were £95.1m (2005/06 £88.2m), and new secured loans amounted to £8.8m (2005/06 £30.7m).

Further information

8. 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).

Annex A

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;
- 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 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: Increase/(decrease) in net liquid assets

Numerator: Increase/(decrease) in net liquid assets.

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: Days' net liquid assets to total expenditure (excluding depreciation and effects of FRS 17)

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

Denominator: Total expenditure less depreciation charge, less effects of FRS 17 (current service costs, contributions and financing, as disclosed in note to accounts on pension scheme movements in year).

Table 13: Long term debt

Numerator: Long term debt is taken as long term borrowing creditors.

Table 14: Long term debt/cash generated

Numerator: Long term borrowing creditors.

Denominator: Cash inflow/(outflow) before management of liquid resources and financing.

TABLE 1

TOTAL INCOME

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan *	95,503	110,527	122,922
Aberystwyth University	75,557	77,185	85,937
Bangor University	87,300	93,638	99,190
Cardiff University	313,754	343,857	366,793
University of Wales, Lampeter	11,340	12,876	13,939
Swansea University	108,253	116,058	128,084
University of Wales Institute, Cardiff	55,680	59,744	65,185
University of Wales, Newport	33,784	35,894	39,279
Glyndŵr University	25,551	27,307	29,532
Swansea Metropolitan University	22,685	25,031	27,681
Trinity College Carmarthen	10,872	11,706	12,714
Royal Welsh College of Music and Drama*	8,109	N/A	N/A
University of Wales Registry	8,062	8,436	9,421
Sector Total	856,450	922,259	1,000,677

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 2

SURPLUS/(DEFICIT) ON CONTINUING OPERATIONS (AFTER DEPRECIATION AND BEFORE PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS AND TAX)

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	950	517	2,176
Aberystwyth University	417	(47)	565
Bangor University	841	504	2,053
Cardiff University	6,548	7,269	9,444
University of Wales, Lampeter	482	1,027	1,014
Swansea University	(1,061)	(2,210)	(403)
University of Wales Institute, Cardiff	754	471	1,337
University of Wales, Newport	(414)	64	478
Glyndŵr University	1,153	1,672	1,527
Swansea Metropolitan University	2,132	1,974	3,318
Trinity College Carmarthen	113	538	(91)
Royal Welsh College of Music and Drama*	(502)	n/a	n/a
University of Wales Registry	704	391	842
Sector Total	12,117	12,170	22,260

SURPLUS/(DEFICIT) ON CONTINUING OPERATIONS (AFTER DEPRECIATION AND BEFORE PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS AND TAX)

Excluding effects of FRS 17

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	1,970	1,507	3,076
Aberystwyth University	625	265	365
Bangor University	1,551	1,182	2,039
Cardiff University	8,748	4,789	7,144
University of Wales, Lampeter	582	1,227	414
Swansea University	(561)	(1,910)	97
University of Wales Institute, Cardiff	1,157	1,269	1,902
University of Wales, Newport	12	96	1,223
Glyndŵr University	1,224	1,361	1,722
Swansea Metropolitan University	2,432	2,214	3,468
Trinity College Carmarthen	178	252	57
Royal Welsh College of Music and Drama*	(442)	n/a	n/a
University of Wales Registry	764	319	734
Sector Total	18,240	12,571	22,241

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

The audited financial statements for Trinity College show a prior year adjustment in respect of pension costs which is reflected in the 2005/06 comparative.

Source: Audited financial statements 2006/7.

TABLE 3

HISTORICAL COST SURPLUS/(DEFICIT)

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	2,144	2,790	2,474
Aberystwyth University	2,521	2,426	5,475
Bangor University	1,004	1,376	(2,302)
Cardiff University	11,007	11,220	13,279
University of Wales, Lampeter	482	1,027	1,014
Swansea University	(1,061)	(1,563)	(403)
University of Wales Institute, Cardiff	1,633	1,558	2,420
University of Wales, Newport	112	590	1,004
Glyndŵr University	1,487	2,006	1,987
Swansea Metropolitan University	2,333	2,175	3,519
Trinity College Carmarthen	597	2,018	(33)
Royal Welsh College of Music and Drama*	(373)	n/a	n/a
University of Wales Registry	704	391	1,134
Sector Total	22,590	26,014	29,568

HISTORICAL COST SURPLUS/(DEFICIT)**Excluding effects of FRS 17**

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	3,164	3,780	3,374
Aberystwyth University	2,729	2,738	5,275
Bangor University	1,714	2,054	(2,316)
Cardiff University	13,207	9,320	10,979
University of Wales, Lampeter	582	1,227	414
Swansea University	(561)	(1,263)	97
University of Wales Institute, Cardiff	2,036	2,356	2,985
University of Wales, Newport	538	622	1,749
Glyndŵr University	1,558	1,695	2,182
Swansea Metropolitan University	2,633	2,415	3,669
Trinity College Carmarthen	662	1,972	116
Royal Welsh College of Music and Drama*	(313)	n/a	n/a
University of Wales Registry	764	319	1,026
Sector Total	28,713	27,235	29,550

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

The audited financial statements for Trinity College show a prior year adjustment in respect of pension costs which is reflected in the 2005/06 comparative.

Source: Audited financial statements 2006/07.

TABLE 4

FUNDING COUNCIL GRANT AS A PERCENTAGE OF TOTAL INCOME

	2004/05	2005/06	2006/07
	%	%	%
University of Glamorgan*	48.40	53.70	54.93
Aberystwyth University	44.26	45.76	47.63
Bangor University	40.11	39.80	43.32
Cardiff University	33.91	33.59	34.75
University of Wales, Lampeter	52.87	50.95	53.02
Swansea University	35.62	34.48	36.44
University of Wales Institute, Cardiff	47.44	47.90	49.54
University of Wales, Newport	61.60	60.24	58.52
Glyndŵr University	63.76	58.67	58.94
Swansea Metropolitan University	64.43	62.43	66.00
Trinity College Carmarthen	52.58	53.23	58.33
Royal Welsh College of Music and Drama*	67.06	n/a	n/a
University of Wales Registry	9.55	14.27	15.04
Sector average	41.53	41.57	43.25

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 5

STAFF COSTS AS A PERCENTAGE OF TOTAL INCOME

	2004/05	2005/06	2006/07
	%	%	%
University of Glamorgan*	59.64	59.61	60.25
Aberystwyth University	55.94	57.16	56.16
Bangor University	60.10	59.93	58.63
Cardiff University	57.08	55.73	56.27
University of Wales, Lampeter	61.62	58.81	59.37
Swansea University	61.43	62.02	59.39
University of Wales Institute, Cardiff	58.74	59.92	61.59
University of Wales, Newport	61.46	62.18	59.21
Glyndŵr University	59.51	56.15	58.33
Swansea Metropolitan University	59.46	58.47	56.98
Trinity College Carmarthen	59.06	56.74	61.40
Royal Welsh College of Music and Drama*	59.28	n/a	n/a
University of Wales Registry	40.42	43.98	39.04
Sector average	58.62	58.09	57.87

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 6

PREMISES EXPENDITURE (STAFF COSTS & OTHER OPERATING COSTS) & PREMISES ADDITIONS

	2004/05	2005/06	2006/07
	restated		
	£k	£k	£k
University of Glamorgan*	8,141	14,628	37,522
Aberystwyth University	9,158	12,703	14,278
Bangor University	11,426	12,592	20,430
Cardiff University	63,143	37,714	38,017
University of Wales, Lampeter	1,116	933	1,516
Swansea University	11,883	22,164	18,434
University of Wales Institute, Cardiff	3,971	4,853	9,920
University of Wales, Newport	4,684	9,044	5,834
Glyndŵr University	3,219	4,611	2,419
Swansea Metropolitan University	8,447	7,928	3,412
Trinity College Carmarthen	2,026	1,564	4,102
Royal Welsh College of Music and Drama*	1,488	N/A	n/a
University of Wales Registry	162	126	191
Sector total	128,864	128,860	156,075

PREMISES EXPENDITURE (AS ABOVE) & PREMISES ADDITIONS AS A PERCENTAGE OF TOTAL INCOME

	2004/05	2005/06	2006/07
	restated		
	%	%	%
University of Glamorgan*	9.16	13.23	30.53
Aberystwyth University	12.12	16.46	16.61
Bangor University	13.09	13.45	20.53
Cardiff University	20.06	10.95	10.35
University of Wales, Lampeter	9.84	7.25	10.88
Swansea University	10.98	19.10	14.39
University of Wales Institute, Cardiff	7.13	8.12	15.22
University of Wales, Newport	13.86	25.20	14.85
Glyndŵr University	12.60	16.89	8.19
Swansea Metropolitan University	37.24	31.67	12.33
Trinity College Carmarthen	18.64	13.36	32.26
Royal Welsh College of Music and Drama*	18.35	N/A	n/a
University of Wales Registry	2.01	1.49	2.03
Sector average	15.15	13.96	15.58

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07. 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 (NET OF PENSION INTEREST)

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	302	265	209
Aberystwyth University	145	0	0
Bangor University	1,006	904	898
Cardiff University	1,822	2,288	2,412
University of Wales, Lampeter	61	50	44
Swansea University	769	690	565
University of Wales Institute, Cardiff	521	495	469
University of Wales, Newport	180	0	123
Glyndŵr University	209	1	0
Swansea Metropolitan University	77	67	61
Trinity College Carmarthen	140	121	123
Royal Welsh College of Music and Drama*	0	n/a	n/a
University of Wales Registry	0	0	0
Sector Total	5,232	4,881	4,904

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 8

NET ASSETS

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	55,676	64,061	73,363
Aberystwyth University	126,715	129,432	137,198
Bangor University	89,335	92,949	103,767
Cardiff University	317,006	326,264	346,330
University of Wales, Lampeter	11,866	12,546	15,847
Swansea University	35,004	41,424	46,337
University of Wales Institute, Cardiff	115,090	115,354	121,717
University of Wales, Newport	25,218	25,363	27,358
Glyndŵr University	23,583	28,332	31,422
Swansea Metropolitan University	34,577	39,369	44,031
Trinity College Carmarthen	4,474	6,966	7,026
Royal Welsh College of Music and Drama*	8,220	n/a	n/a
University of Wales Registry	26,715	28,667	31,611
Sector Total	873,479	910,727	986,007

NET ASSETS**Excluding pension liability**

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	85,026	97,391	101,053
Aberystwyth University	144,217	148,374	153,277
Bangor University	97,543	102,651	106,136
Cardiff University	357,906	367,664	380,330
University of Wales, Lampeter	14,678	16,320	17,842
Swansea University	54,604	64,924	68,337
University of Wales Institute, Cardiff	136,340	137,534	140,427
University of Wales, Newport	36,790	37,218	38,600
Glyndŵr University	30,921	35,747	37,764
Swansea Metropolitan University	39,317	44,429	48,091
Trinity College Carmarthen	5,642	8,156	8,302
Royal Welsh College of Music and Drama*	10,250	n/a	n/a
University of Wales Registry	27,326	29,239	31,399
Sector Total	1,040,560	1,089,648	1,131,558

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 9

NET LIQUID ASSETS

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	41,371	46,617	31,552
Aberystwyth University	18,304	18,747	19,904
Bangor University	9,852	12,849	13,058
Cardiff University	62,282	86,370	77,289
University of Wales, Lampeter	2,311	3,229	5,250
Swansea University	15,772	8,353	15,064
University of Wales Institute, Cardiff	9,677	11,487	11,933
University of Wales, Newport	10,163	5,582	10,968
Glyndŵr University	8,649	8,353	10,264
Swansea Metropolitan University	10,167	10,056	13,695
Trinity College Carmarthen	2,632	3,704	745
Royal Welsh College of Music and Drama*	1,454	n/a	n/a
University of Wales Registry	5,854	6,277	5,716
Sector Total	198,488	221,624	215,438

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/7.

TABLE 10

INCREASE/(DECREASE) IN NET LIQUID ASSETS

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	8,898	3,792	(15,065)
Aberystwyth University	(3,671)	443	1,157
Bangor University	2,930	2,997	209
Cardiff University	(15,281)	24,088	(9,081)
University of Wales, Lampeter	1,676	918	2,021
Swansea University	2,478	(7,419)	6,711
University of Wales Institute, Cardiff	3,464	1,810	446
University of Wales, Newport	847	(4,581)	5,386
Glyndŵr University	792	(296)	1,911
Swansea Metropolitan University	(1,730)	(111)	3,639
Trinity College Carmarthen	1,026	1,072	(2,959)
Royal Welsh College of Music and Drama*	249	n/a	n/a
University of Wales Registry	(576)	423	(561)
Sector Total	1,102	23,136	(6,186)

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 11

CURRENT RATIO

	2004/05 restated	2005/06	2006/07
University of Glamorgan*	2.50	2.38	1.61
Aberystwyth University	2.76	2.45	3.78
Bangor University	1.34	1.32	1.40
Cardiff University	2.12	2.40	2.36
University of Wales, Lampeter	1.14	1.52	1.62
Swansea University	1.28	1.06	1.04
University of Wales Institute, Cardiff	1.58	1.58	1.45
University of Wales, Newport	1.76	1.21	2.04
Glyndŵr University	1.66	1.57	1.80
Swansea Metropolitan University	4.27	3.70	5.32
Trinity College Carmarthen	1.38	2.43	1.00
Royal Welsh College of Music and Drama*	1.54	n/a	n/a
University of Wales Registry	3.87	4.71	4.14
Sector Total	1.98	1.98	1.92

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07

TABLE 12

DAYS' NET LIQUID ASSETS TO TOTAL EXPENDITURE
Excluding depreciation and effects of FRS 17

	2004/05	2005/06	2006/07
	Days	Days	Days
University of Glamorgan*	166	162	100
Aberystwyth University	95	95	91
Bangor University	44	53	52
Cardiff University	78	97	83
University of Wales, Lampeter	84	108	150
Swansea University	57	27	46
University of Wales Institute, Cardiff	67	74	72
University of Wales, Newport	116	60	112
Glyndŵr University	136	120	140
Swansea Metropolitan University	189	169	220
Trinity College Carmarthen	94	125	23
Royal Welsh College of Music and Drama*	67	n/a	n/a
University of Wales Registry	295	289	244
Sector average	91	93	85

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 13**LONG TERM DEBT**

	2004/05	2005/06	2006/07
	£k	£k	£k
University of Glamorgan*	3,796	14,335	13,574
Aberystwyth University	0	0	0
Bangor University	13,868	13,190	15,714
Cardiff University	19,546	33,588	31,116
University of Wales, Lampeter	902	699	544
Swansea University	8,812	7,917	6,876
University of Wales Institute, Cardiff	6,361	5,872	5,705
University of Wales, Newport	0	0	4,886
Glyndŵr University	0	0	0
Swansea Metropolitan University	1,114	972	830
Trinity College Carmarthen	2,190	1,976	1,778
Royal Welsh College of Music and Drama*	0	n/a	n/a
University of Wales Registry	0	0	0
Sector Total	56,589	78,549	81,023

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

TABLE 14**LONG TERM DEBT/CASH GENERATED**

	2004/05	2005/06	2006/07
	restated		
University of Glamorgan*	0.41	(2.16)	(0.95)
Aberystwyth University	0.00	0.00	0.00
Bangor University	3.94	3.41	(6.45)
Cardiff University	(0.96)	3.31	(4.71)
University of Wales, Lampeter	0.40	0.75	0.24
Swansea University	1.62	(1.10)	0.93
University of Wales Institute, Cardiff	1.62	2.56	9.29
University of Wales, Newport	0.00	0.00	9.77
Glyndŵr University	0.00	0.00	0.00
Swansea Metropolitan University	(0.70)	31.35	0.22
Trinity College Carmarthen	2.06	1.43	(0.64)
Royal Welsh College of Music and Drama*	0.00	0.00	0.00
University of Wales Registry	0.00	0.00	0.00

Coverage: All higher education institutions in Wales.

*University of Glamorgan and the Royal Welsh College of Music and Drama merged on 1 January 2007. The 2006/07 and comparative figures for 2005/06 are those of the merged Group.

Source: Audited financial statements 2006/07.

Table 15

SECTOR INCOME AND EXPENDITURE ACCOUNT

	2004/05	2005/06	2006/07
INCOME	£k	£k	£k
Funding Council Grants	355,694	383,413	432,766
Tuition fees and Education contracts	189,966	199,984	214,972
Research grants and contracts	112,058	124,657	135,775
Other income	198,732	214,205	217,164
Total Income	856,450	922,259	1,000,677
EXPENDITURE			
Staff costs	498,241	531,703	574,666
Exceptional Restructuring Costs	3,850	4,038	4,439
Other operating expenses	293,437	325,435	343,120
Depreciation	39,548	40,814	47,417
Interest payable	9,257	8,099	8,775
Total Expenditure	844,333	910,089	978,417
Surplus on continuing operations after depreciation of fixed assets at valuation and before tax	12,117	12,170	22,260
Profit / (loss) on disposal of assets	1,534	5,181	(7,776)
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax	13,651	17,351	14,484
Share of joint ventures surplus/(deficit)	-	(63)	316
Taxation	0	0	0
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	13,651	17,288	14,800
Transfer from accumulated income within specific endowments	(497)	(795)	(462)
Surplus retained within general reserves	13,154	16,493	14,338
Difference between Historical Cost depreciation and the actual charge for the period calculated on the re-valued amount	8,501	8,577	8,541
Realisation of property revaluation gain of previous years	438	149	6,227
Historic Cost Surplus for the period	22,590	26,014	29,568

Table 16

SECTOR BALANCE SHEET

	As at 31 July 2005	As at 31 July 2006	As at 31 July 2007
	restated		
Fixed Assets	£k	£k	£k
Land and Buildings	867,832	916,044	951,135
Equipment	30,491	36,342	37,008
Other	15,227	12,534	30,112
Sub total	913,550	964,920	1,018,255
Endowment Asset Investment	83,768	91,158	97,583
Current assets			
Stock	2,096	1,993	2,208
Debtors	95,755	96,025	109,865
Short term investments	146,674	175,822	154,978
Cash at bank and in hand	62,067	58,563	69,369
Total Current Assets Sub total	306,592	332,403	336,420
Creditors: amounts falling due within one year			
Bank loans and overdraft	9,621	12,761	8,910
Other Creditors	145,147	154,969	165,901
Total Current liabilities Sub total	154,768	167,730	174,811
Net Current Assets	151,824	164,673	161,609
Total assets less current liabilities	1,149,142	1,220,751	1,277,447
Creditors: amounts falling due after more than one year			
External borrowing	56,589	78,548	81,023
Other Creditors	39,683	42,655	54,532
Total long term liabilities	96,272	121,203	135,555
Provisions	12,310	9,900	10,334
Net Assets Excluding Pension Liability	1,040,560	1,089,648	1,131,558
Pension liability	(167,081)	(178,921)	(145,551)
Net Assets Including Pension Liability	873,479	910,727	986,007
Deferred Capital grants	201,980	225,851	248,127
Endowment			
Specific Endowments	52,764	57,739	61,930
General Endowments	31,004	33,351	35,583
Total Endowments	83,768	91,090	97,513
Reserves			
Revaluation reserve	374,055	366,663	352,206
Restricted reserve	34,491	37,873	42,588
General reserve excluding pension liability	346,266	368,171	391,124
Pension reserve	(167,081)	(178,921)	(145,551)
General reserve including pension liability	179,185	189,250	245,573
Total Reserves	587,731	593,786	640,367
Total Funds	873,479	910,727	986,007

Table 17

SECTOR CASH FLOW STATEMENT

	2004/2005	2005/2006	2006/2007
	restated		
	£k	£k	£k
Net cash inflow from operating activities	37,828	37,178	30,018
Returns on investments and servicing of finance			
Income from endowments	3,627	3,515	3,715
Income from short term investments	1,289	1,757	1,911
Other Interest received	10,460	8,164	8,804
Interest paid	(5,627)	(4,598)	(4,841)
Other items	180	0	0
Sub total cash inflow from investments	9,929	8,838	9,589
Tax paid	0	0	0
Investing activities			
Payments to acquire tangible assets	(87,309)	(88,236)	(95,067)
Payments to acquire endowment asset investments	(3,347)	(4,153)	(7,026)
Total Payments to acquire fixed/endowment assets	(90,656)	(92,389)	(102,093)
Receipts from sale of tangible assets	5,043	6,564	4,029
Receipts from sale of endowment assets	2,186	2,001	4,248
Deferred capital grants received	32,315	38,194	45,001
Endowments received	3,313	1,040	987
Other items	5,365	0	0
Sub total cash outflow from investing activities	(42,434)	(44,590)	(47,828)
Net cash inflow / (outflow) before financing	5,323	1,426	(8,221)
Management of Liquid Resources	16,095	(28,046)	25,166
Financing			
Capital element of finance lease payments	(11)	(7)	0
Mortgages and loans acquired	0	30,704	8,831
Mortgages and loan capital repayments	(15,342)	(7,522)	(5,686)
Other items	2,571	0	0
Sub total cash (outflow) / inflow from financing	(12,782)	23,175	3,145
Increase / (decrease) in cash	8,636	(3,445)	20,090