

ANNEX A

HE FINANCE DATA DEFINITIONS

1 SOURCES OF INCOME

Council grants

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