

▪ 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 2004/05. It does not include the Open University which was not funded by HEFCW at that time.
- 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.
- 4 Within the sector figures reported for 2004/05, UWIC's figures have been affected by the institution's decision in 2003 to fully implement Financial Reporting Standard 17 ahead of its statutory implementation date of 2005/06. The outcome is that UWIC has taken an additional charge of £403k to its income and expenditure account and general reserves are reported at a negative of £3m due to the impact of a reserve for pension liabilities of £21.2m. These figures also have a material affect on the sector's financial position as noted in this publication.

▪ INCOME AND EXPENDITURE ACCOUNT

- 5 In 2004/05 there were 13 higher education institutions in Wales with a total income of £850.7m of which £355.6m, or 41.8 per cent, came from the Higher Education Funding Council for Wales (HEFCW) grant as shown in Table 1. Pay expenditure accounted for £497.5m as shown in Table 2; this represents 58.5 per cent of income. The sector reported an operating surplus of £16.2m as shown in Table 5. Two institutions, compared to five in 2003/04, reported an operating deficit. The sector historic cost surplus as shown in Table 6 was £25.6m. No institution reported an historic cost deficit in either 2002/03 or 2003/04.

▪ BALANCE SHEET

- 6 As shown in Table 8, net liquid assets declined to the equivalent of 86 days' expenditure. Table 9 demonstrates a weakening current ratio for the sector at 1.98. The net book value of equipment, as shown in Table 10, increased to £34m, a significant increase of 19 per cent. Total long-term liabilities, as demonstrated in Table 11, decreased by 6.7 per cent to close at £96m. General Reserves, (inclusive of general endowments), as shown in Table 14, increased by 8.7 per cent to £360m.

▪ CASH FLOW STATEMENT

- 7 Table 15 shows that the sector reported an overall inflow in cash of £8.2m in 2004/05, compared to an inflow of £7.8m last year. Cash flow from operating activities weakened, payments to acquire fixed assets increased and there were no new secured loans.

▪ FURTHER INFORMATION

- 8 This circular is intended to provide higher education institutions with an indication of their comparative financial position for 2004/05. It is in addition to, not a replacement for, the Annual Volume of Higher Education Statistics for 2004/05 which will be published by the HEFCW by the end of the year.
- 9 Further information about the published tables may be obtained from: M J Morris, Finance Manager, Higher Education Funding Council for Wales, Linden Court, Ilex Close, Llanishen, Cardiff. CF14 5DZ.

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 NCETW.

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.

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 1

HEFCW GRANT AS A PERCENTAGE OF TOTAL INCOME

	2002/03	2003/04	2004/05
	%	%	%
University of Glamorgan	52.49	52.25	51.90
University of Wales, Aberystwyth	43.43	44.14	44.26
University of Wales, Bangor	42.11	42.06	40.11
Cardiff University	41.09	40.70	33.81
University of Wales, Lampeter	54.46	57.41	52.87
University of Wales Swansea	39.98	38.53	35.62
University of Wales College of Medicine	22.64	21.25	N/A
University of Wales Institute, Cardiff	48.58	48.93	47.44
University of Wales, Newport	61.67	61.35	61.60
North East Wales Institute	65.06	62.07	63.76
Swansea Institute of Higher Education	67.62	64.48	64.43
Trinity College Carmarthen	53.06	56.45	52.58
Royal Welsh College of Music and Drama	71.43	73.50	67.06
University of Wales Registry	8.99	8.22	9.55
Sector Total	43.39	42.68	41.79

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 2

STAFF COSTS INCREASE/(DECREASE) IN EXPENDITURE

	2002/03	% +/-	2003/04	% +/-	2004/05
	£K		£K		£K
University of Glamorgan	43,766	11.81	48,936	8.27	52,983
University of Wales, Aberystwyth	38,409	8.51	41,679	1.42	42,269
University of Wales, Bangor	46,065	10.01	50,676	3.53	52,466
Cardiff University	99,989	10.28	110,265	62.9	179,645
University of Wales, Lampeter	6,649	7.44	7,144	(2.20)	6,987
University of Wales Swansea	54,795	8.01	59,182	12.37	66,500
University of Wales College of Medicine	45,933	15.28	52,952	N/A	N/A
University of Wales Institute, Cardiff	29,077	9.02	31,699	3.18	32,706
University of Wales, Newport	16,774	12.58	18,885	9.94	20,763
North East Wales Institute	12,250	17.39	14,380	5.74	15,205
Swansea Institute of Higher Education	11,557	6.26	12,280	9.85	13,489
Trinity College Carmarthen	6,308	1.84	6,424	(0.06)	6,420
Royal Welsh College of Music & Drama	4,322	3.79	4,486	7.16	4,807
University of Wales Registry	3,095	3.94	3,217	1.21	3,256
Sector Total	418,989	10.31	462,205	7.63	497,494

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

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

	2002/03	2003/04	2004/05
	%	%	%
University of Glamorgan	58.73	59.23	59.64
University of Wales, Aberystwyth	54.38	56.74	55.94
University of Wales, Bangor	58.99	62.14	60.10
Cardiff University	53.47	55.82	57.08
University of Wales, Lampeter	63.10	68.63	61.62
University of Wales Swansea	56.49	58.71	61.43
University of Wales College of Medicine	53.97	53.59	N/A
University of Wales Institute, Cardiff	57.77	60.48	58.74
University of Wales, Newport	55.36	58.74	61.46
North East Wales Institute	54.87	59.45	59.51
Swansea Institute of Higher Education	58.66	60.42	59.46
Trinity College Carmarthen	63.84	63.30	59.06
Royal Welsh College of Music and Drama	62.01	63.74	59.28
University of Wales Registry	44.30	41.37	40.42
SECTOR TOTAL	55.91	57.83	58.48

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 4

PREMISES EXPENDITURE

	2002/03	2003/04	2004/05
	£k	£k	£k
University of Glamorgan	3,518	3,864	4,559
University of Wales, Aberystwyth	2,988	2,327	3,276
University of Wales, Bangor	3,901	3,774	4,048
Cardiff University	8,587	11,387	15,389
University of Wales, Lampeter	437	459	534
University of Wales Swansea	4,815	4,496	5,122
University of Wales College of Medicine	3,067	3,322	N/A
University of Wales Institute, Cardiff	1,107	794	948
University of Wales, Newport	2,246	1,422	1,482
North East Wales Institute	527	792	738
Swansea Institute of Higher Education	1,254	1,253	1,429
Trinity College Carmarthen	372	327	539
Royal Welsh College of Music and Drama	521	459	1,311
University of Wales Registry	354	171	152
Sector Total	33,694	34,847	39,527

PREMISES EXPENDITURE AS A PERCENTAGE OF TOTAL EXPENDITURE

	2002/03	2003/04	2004/05
	%	%	%
University of Glamorgan	4.78	4.85	5.24
University of Wales, Aberystwyth	4.33	3.21	4.37
University of Wales, Bangor	4.99	4.61	4.72
Cardiff University	4.86	5.94	5.02
University of Wales, Lampeter	4.05	4.24	4.91
University of Wales Swansea	5.00	4.48	4.66
University of Wales College of Medicine	3.56	3.30	N/A
University of Wales Institute, Cardiff	2.22	1.49	1.73
University of Wales, Newport	7.60	4.43	4.39
North East Wales Institute	2.52	3.44	3.03
Swansea Institute of Higher Education	7.03	6.88	7.06
Trinity College Carmarthen	3.77	3.29	5.14
Royal Welsh College of Music and Drama	7.58	6.46	15.33
University of Wales Registry	5.13	2.46	2.09
Sector Total	4.60	4.42	4.74

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 5

OPERATING SURPLUS/(DEFICIT)

	2002/03	2003/04	2004/05
	£k	£k	£k
University of Glamorgan	872	2,970	1,825
University of Wales, Aberystwyth	1,552	1,039	648
University of Wales, Bangor	(50)	(381)	1,551
Cardiff University	10,202	5,805	8,391
University of Wales, Lampeter	(263)	(423)	453
University of Wales Swansea	686	536	(1,761)
University of Wales College of Medicine	(1,079)	(1,937)	N/A
University of Wales Institute, Cardiff*	556	(744)	754
University of Wales, Newport	766	30	12
North East Wales Institute	1,377	1,176	1,224
Swansea Institute of Higher Education	1,855	2,100	2,432
Trinity College Carmarthen	6	201	392
Royal Welsh College of Music and Drama	96	(66)	(442)
University of Wales Registry	87	825	765
Sector Total	16,663	11,131	16,244

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

Excluding the effects of FRS 17, the UWIC figures for the above would be

University of Wales Institute, Cardiff*	903	7	1,157
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TABLE 6

HISTORIC COST SURPLUS/(DEFICIT)

	2002/03	2003/04	2004/05
	£k	£k	£k
University of Glamorgan	890	2,988	2,848
University of Wales, Aberystwyth	3,781	3,144	2,752
University of Wales, Bangor	650	500	1,714
Cardiff University	13,263	8,866	11,869
University of Wales, Lampeter	(263)	(423)	453
University of Wales Swansea	686	3,436	(1,761)
University of Wales College of Medicine	(896)	(1,642)	N/A
University of Wales Institute, Cardiff*	1,435	1,326	1,633
University of Wales, Newport	1,304	829	538
North East Wales Institute	1,659	1,510	1,558
Swansea Institute of Higher Education	2,056	2,301	2,633
Trinity College Carmarthen	6	201	877
Royal Welsh College of Music and Drama	225	63	(313)
University of Wales Registry	435	825	765
Sector Total	25,231	23,924	25,566

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

Excluding the effects of FRS 17, the UWIC figures for the above would be

University of Wales Institute, Cardiff*	1,782	2,077	2,036
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TABLE 7

NET LIQUID ASSETS

	2002/03	2003/04	2004/05
	£k	£k	£k
University of Glamorgan	31,873	32,473	39,941
University of Wales, Aberystwyth	14,304	21,975	18,250
University of Wales, Bangor	5,236	6,922	9,852
Cardiff University	64,752	77,563	62,193
University of Wales, Lampeter	779	635	2,311
University of Wales Swansea	16,250	13,294	15,772
University of Wales College of Medicine	11,927	7,823	N/A
University of Wales Institute, Cardiff	5,493	6,213	9,677
University of Wales, Newport	9,832	9,316	10,163
North East Wales Institute	8,065	7,857	8,649
Swansea Institute of Higher Education	9,250	11,897	10,167
Trinity College Carmarthen	970	1,606	2,632
Royal Welsh College of Music and Drama	1,086	1,205	1,454
University of Wales Registry	5,825	6,430	5,854
Sector Total	185,642	205,209	196,915

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 8

DAYS NET LIQUID ASSETS TO TOTAL EXPENDITURE

	2002/03	2003/04	2004/05
	Days	Days	Days
University of Glamorgan	158	149	168
University of Wales, Aberystwyth	76	111	89
University of Wales, Bangor	24	31	42
Cardiff University	134	148	74
University of Wales, Lampeter	26	21	77
University of Wales Swansea	62	48	52
University of Wales College of Medicine	51	28	N/A
University of Wales Institute, Cardiff	40	43	64
University of Wales, Newport	122	106	110
North East Wales Institute	141	125	130
Swansea Institute of Higher Education	189	238	183
Trinity College Carmarthen	36	59	92
Royal Welsh College of Music and Drama	58	62	62
University of Wales Registry	308	338	293
Sector Total	92	95	86

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 9

CURRENT RATIO

	2002/03	2003/04	2003/04
University of Glamorgan	2.71	2.50	2.50
University of Wales, Aberystwyth	1.71	3.03	2.76
University of Wales, Bangor	1.05	1.21	1.34
Cardiff University	2.63	4.23	2.12
University of Wales, Lampeter	1.04	0.91	1.14
University of Wales Swansea	1.48	1.58	1.28
University of Wales College of Medicine	1.27	1.11	N/A
University of Wales Institute, Cardiff	1.29	1.47	1.58
University of Wales, Newport	1.90	1.82	1.76
North East Wales Institute	1.59	1.44	1.66
Swansea Institute of Higher Education	5.08	5.74	4.27
Trinity College Carmarthen	1.78	1.52	1.38
Royal Welsh College of Music and Drama	1.28	1.44	1.54
University of Wales Registry	3.46	2.84	3.87
Sector Total	1.91	2.26	1.98

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 10

EQUIPMENT BALANCE SHEET

	2002/03	2003/04	2004/05
	£K	£K	£K
University of Glamorgan	3,260	3,621	3,648
University of Wales, Aberystwyth	3,651	3,508	4,131
University of Wales, Bangor	4,109	3,367	2,739
Cardiff University	3,049	3,407	8,527
University of Wales, Lampeter	972	736	729
University of Wales Swansea	4,338	3,536	5,778
University of Wales College of Medicine	3,031	1,961	N/A
University of Wales Institute, Cardiff	3,376	3,367	3,063
University of Wales, Newport	1,863	1,956	2,191
North East Wales Institute	786	769	746
Swansea Institute of Higher Education	1,045	874	802
Trinity College Carmarthen	291	178	253
Royal Welsh College of Music and Drama	1,022	1,060	1,183
University of Wales Registry	144	180	173
SECTOR TOTAL	30,937	28,520	33,963

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 11

LONG TERM LIABILITIES

	2002/03	2003/04	2004/05
	£k	£k	£k
University of Glamorgan	5,776	4,909	3,796
University of Wales, Aberystwyth	13,212	25,016	22,060
University of Wales, Bangor	15,103	14,469	13,868
Cardiff University	23,698	33,382	37,169
University of Wales, Lampeter	1,238	1,066	902
University of Wales Swansea	10,334	9,587	8,812
University of Wales College of Medicine	0	0	N/A
University of Wales Institute, Cardiff	7,248	6,817	6,361
University of Wales, Newport	2,571	2,395	0
North East Wales Institute	3,884	1,926	0
Swansea Institute of Higher Education	1,396	1,257	1,114
Trinity College Carmarthen	2,605	2,384	2,190
Royal Welsh College of Music and Drama	0	0	0
University of Wales Registry	0	0	0
Sector Total	87,065	103,208	96,272

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 12

GEARING (EXTERNAL BORROWING/GENERAL RESERVES)

	2002/03	2003/04	2004/05
	%	%	%
University of Glamorgan	0.14	0.11	0.08
University of Wales, Aberystwyth	0.40	0.09	0.00
University of Wales, Bangor	0.48	0.45	0.41
Cardiff University	0.23	0.20	0.15
University of Wales, Lampeter	0.25	0.23	0.18
University of Wales Swansea	0.51	0.41	0.40
University of Wales College of Medicine	0.00	0.00	N/A
University of Wales Institute, Cardiff*	(4.94)	43.70	(2.08)
University of Wales, Newport	0.00	0.00	0.00
North East Wales Institute	0.31	0.00	0.00
Swansea Institute of Higher Education	0.14	0.10	0.07
Trinity College Carmarthen	1.14	0.95	0.65
Royal Welsh College of Music and Drama	0.00	0.00	0.00
University of Wales Registry	0.00	0.00	0.00
Sector Total	0.29	0.22	0.17

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

Excluding the effects of FRS 17, the UWIC figures for the above would be

University of Wales Institute, Cardiff*	0.50	0.42	0.35
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TABLE 13

INTEREST PAYABLE

	2002/03	2003/04	2004/05
	£k	£k	£k
University of Glamorgan	576	246	300
University of Wales, Aberystwyth	653	273	145
University of Wales, Bangor	1,265	984	1,006
Cardiff University	2,033	1,854	1,822
University of Wales, Lampeter	70	59	61
University of Wales Swansea	841	785	769
University of Wales College of Medicine	0	0	N/A
University of Wales Institute, Cardiff*	1,121	1,201	1,151
University of Wales, Newport	199	188	180
North East Wales Institute	376	351	209
Swansea Institute of Higher Education	114	77	77
Trinity College Carmarthen	137	131	140
Royal Welsh College of Music and Drama	5	0	0
University of Wales Registry	0	0	0
Sector Total	7,390	6,149	5,860

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

Excluding the effects of FRS 17, the UWIC figures for the above would be

University of Wales Institute, Cardiff*	578	541	521
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TABLE 14

GENERAL RESERVES PLUS GENERAL ENDOWMENTS

	2002/03	2003/04	2004/05
	£k	£k	£k
University of Glamorgan	41,269	44,969	48,529
University of Wales, Aberystwyth	44,281	47,409	51,477
University of Wales, Bangor	32,111	32,590	34,306
Cardiff University	101,939	110,908	135,734
University of Wales, Lampeter	6,898	6,476	7,510
University of Wales Swansea	22,493	26,081	24,899
University of Wales College of Medicine	11,290	9,323	N/A
University of Wales Institute, Cardiff*	(1,466)	156	(3,057)
University of Wales, Newport	12,607	13,435	13,973
North East Wales Institute	5,937	7,447	9,005
Swansea Institute of Higher Education	9,992	12,293	14,926
Trinity College Carmarthen	2,291	2,497	3,379
Royal Welsh College of Music and Drama	1,223	1,209	888
University of Wales Registry	15,450	16,474	18,482
Sector Total	306,315	331,267	360,051

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

Excluding the effects of FRS 17, the UWIC figures for the above would be

University of Wales Institute, Cardiff*	14,530	16,386	18,193
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TABLE 15

INCREASE/(DECREASE) IN CASH

	2002/03	2003/04	2004/05
	£K	£K	£K
University of Glamorgan	592	355	(28)
University of Wales, Aberystwyth	3,335	7,910	(1,817)
University of Wales, Bangor	672	255	195
Cardiff University	(12)	(913)	2,700
University of Wales, Lampeter	182	(154)	1,581
University of Wales Swansea	(2,176)	(3,101)	4,718
University of Wales College of Medicine	978	(1,114)	N/A
University of Wales Institute, Cardiff	1,245	994	3,566
University of Wales, Newport	(230)	192	(588)
North East Wales Institute	2,417	1,001	(1,445)
Swansea Institute of Higher Education	2,864	2,692	(1,730)
Trinity College Carmarthen	(52)	127	1,088
Royal Welsh College of Music and Drama	(1)	2	0
University of Wales Registry	322	(489)	(69)
Sector Total	10,136	7,757	8,171

Coverage: All higher education institutions in Wales.

Cardiff University and the University of Wales College of Medicine merged in 2004/05.

Source: Audited financial statements 2004/05.

TABLE 16

SECTOR INCOME AND EXPENDITURE ACCOUNT

	2002/03	2003/04	2004/05
INCOME	£'000	£'000	£'000
Funding Council Grants	325,144	341,116	355,572
Tuition fees and Education contracts	160,178	174,628	189,452
Research grants and contracts	97,668	99,625	107,879
Other income	166,377	183,832	197,854
Total Income	749,367	799,201	850,757
EXPENDITURE			
Staff costs	418,224	459,357	493,721
Exceptional Restructuring Costs	765	2,848	3,773
Other operating expenses	269,101	282,723	292,033
Depreciation	37,224	36,993	39,126
Interest payable	7,390	6,149	5,860
Total Expenditure	732,704	788,070	834,513
Surplus on continuing operations after depreciation of fixed assets at valuation and before tax	16,663	11,131	16,244
Profit on disposal of assets	425	3,842	554
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax	17,088	14,973	16,798
Taxation	0	0	0
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	17,088	14,973	16,798
Transfer from accumulated income within specific endowments	n/a	(263)	(496)
Surplus retained within general reserves	n/a	14,710	16,302
Difference between Historical Cost depreciation and the actual charge for the period calculated on the re-valued amount	8,072	8,219	8,181
Realisation of property revaluation gain of previous years	71	732	587
Historic Cost Surplus for the period	25,231	23,924	25,566

TABLE 17

SECTOR BALANCE SHEET

	As at 31 July 2003 £'000	As at 31 July 2004 £'000	As at 31 July 2005 £'000
Fixed Assets			
Land and Buildings	793,314	809,942	865,364
Equipment	30,937	28,520	33,963
Other	7,211	8,712	10,649
Sub total	831,462	847,174	909,976
Endowment Asset Investment	72,548	74,959	83,769
Current assets			
Stock	2,069	2,033	2,090
Debtors	65,907	78,447	95,319
Short term investments	139,954	160,864	146,740
Cash at bank and in hand	56,516	57,748	60,539
Total Current Assets Sub total	264,446	299,092	304,688
Creditors: amounts falling due within one year			
Bank loans and overdraft	10,828	13,403	10,364
Other Creditors	127,874	118,726	143,813
Total Current liabilities Sub total	138,702	132,129	154,177
Net Current Assets	125,744	166,963	150,511
Total assets less current liabilities	1,029,754	1,089,096	1,144,256
Creditors: amounts falling due after more than one year			
Reimbursable by HEFCW	4,680	4,370	43
External borrowing	82,385	65,866	56,546
Other Creditors	n/a	32,972	39,683
Total long term liabilities	87,065	103,208	96,272
Provisions	37,384	36,906	41,652
Net Assets	905,305	948,982	1,006,332
Deferred Capital grants	171,281	190,782	201,370
Endowment			
Specific Endowments	43,071	44,536	52,764
General Endowments	25,401	26,055	31,004
Total Endowments	68,472	70,591	83,768
Reserves			
Revaluation reserve	384,601	382,360	392,110
Restricted reserve	37	37	37
General reserve	280,914	305,212	329,047
Total Reserves	665,552	687,609	721,194
Total Funds	905,305	948,982	1,006,332

TABLE 18

SECTOR CASH FLOW STATEMENT

	2002/2003	2003/2004	2004/2005
	£'000	£'000	£'000
Net cash inflow from operating activities	31,020	41,170	37,892
Returns on investments and servicing of finance			
Income from endowments	3,105	3,078	3,627
Income from short term investments	6,793	5,557	10,065
Other Interest received	1,250	1,387	1,809
Interest paid	(6,656)	(5,502)	(5,625)
Other items	0	0	0
Sub total cash inflow from investments	4,492	4,520	9,876
Tax paid	(0)	(0)	(0)
Investing activities			
Payments to acquire tangible assets	(64,587)	(46,461)	(87,021)
Payments to acquire endowment asset investments	(2,010)	(3,261)	(2,769)
Total Payments to acquire fixed/endowment assets	(66,597)	(49,722)	(89,790)
Receipts from sale of tangible assets	833	2,163	4,526
Receipts from sale of endowment assets	1,973	2,575	6,677
Deferred capital grants received	39,077	35,052	31,873
Endowments received	180	999	3,083
Other items	5,609	(45)	193
Sub total cash inflow from investing activities	(18,925)	(8,978)	(43,438)
Net cash inflow before financing	16,587	36,712	4,330
Management of Liquid Resources	(1,455)	(13,405)	16,612
Financing			
Capital element of finance lease payments	(0)	(0)	(0)
Mortgages and loans acquired	3,000	0	0
Mortgages and loan capital repayments	(8,708)	(14,670)	(12,771)
Other items	712	(880)	0
Sub total cash inflow from financing	(4,996)	(15,550)	(12,771)
Increase in cash	10,136	7,757	8,171