

## Cylchlythyr | Circular

# Analysis of the financial position of the HE sector 2011/12

**Date:** 08 May 2013  
**Reference:** W13/15HE  
**To:** Heads of higher education institutions in Wales,  
Directors of Finance of higher education institutions in  
Wales  
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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 2011/12.

If you require this document in an alternative accessible format, please telephone us on (029) 2068 2225 or email [info@hefcw.ac.uk](mailto:info@hefcw.ac.uk).



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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 2011/12.
2. Key financial ratios and figures which give an indication of each institution's financial position are provided in Tables 1 to 12. These are based on the audited financial statements returned by institutions. Each table includes brief notes on coverage and the data sources. All relevant prior year adjustments made by institutions to their accounts have been made in the tables. Notes on the definitions used are provided in Annex A.
3. The sector's income and expenditure account, balance sheet and cash flow statement are provided in Tables 13 to 15 respectively.

## **Income and expenditure account**

4. In 2011/12 there were 11 higher education institutions in Wales with a total income of £1.274m (2010/11 £1.244m) of which 31.01% (2010/11 – 33.41%) came from Funding Council grants, as shown in Table 4. 56.81% (2010/11 – 56.88%) of total income was expended on staff costs (Table 5).
5. The sector reported an operating surplus of £30.0m (2010/11 surplus £36.9m) as shown in Table 2. Two institutions reported an operating deficit, an increase of one from 2010/11. The historical cost surplus for the sector as shown in Table 3 was £37.1m, a decrease of £15.2m from the 2010/11 total of £52.3m. This decrease was mainly due to a reduction in the gain on disposal of assets (£7.1m) offset by lower exceptional costs for staff restructuring (£6m), in addition to the reduced operating surplus (£6.9m). Two institutions reported an historical cost deficit in 2011/12, compared with one in the previous year.

## **Balance sheet**

6. Table 8 shows net assets increasing by approximately £8m from the prior year to £1,096m. Excluding pension liabilities, net assets increased by 5.4% from £1,308m to £1,380m. The pension scheme liabilities increased significantly by 29% in the year to £284m; this increase is due mainly to actuarial adjustments (assumptions on the valuation of liabilities). As shown in Tables 9 and 10, net liquid assets rose by £6.4m to give a liquidity ratio of 121.7 days' expenditure, a slight decrease from 123 days in 2010/11. Table 11 demonstrates a current ratio for the sector of 2.04, compared with 2010/11 at 1.92. Total long-term debt (external borrowing), as shown in Table 12, fell very slightly in the year to £142m (a decrease of 2.6%), reflecting the repayment of existing loans with only £3m raised through borrowings in the year.

## Cash flow statement

7. Table 15 shows that the sector reported a significant outflow of cash of £17.0m in 2011/12, compared to an inflow of £13.7m in 2010/11. Cash flow from operating activities fell by £22m from 2010/11 to £57m, payments to acquire fixed assets reduced to £91.7m (2010/11 £126.1m), and new secured loans amounted to only £3.2m (2010/11 £14.5m). Deferred capital grants decreased by £33.7m to £36.6m. Cash placed on short-term deposit was £5m (2010/11 £17.1m); combined cash at bank and short term investments balances have increased in the year by £2.5m to £406.4m and the net liquid asset position of the sector remains healthy.

## Financial sustainability

8. The 2011/12 sector position shows a reduction in surplus and an outflow of cash compared with the previous year, but with net liquid assets and total funds remaining almost unchanged. When commenting on their financial position against prior year and the current forecasts, most institutions continued to report significant pressures on income and the challenges of controlling costs. The pressures on salary and particularly pension costs remain a considerable concern.

The figures for 2011/12, when adjusted to take account of the full economic cost adjustments for the cost of capital and infrastructure, show that the sector's position is an aggregate deficit of £64m compared with a deficit of £56m in 2010/11. This represents the degree to which the sector is not in a position to provide for a fully sustainable future. The financial position of the sector in the current and future years is also likely to be significantly affected by the continued economic difficulties and the impact of changes to the funding regime for students on student recruitment.

## Further information

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

## HE Finance data definitions

### 1 Sources of income

#### **Funding Council grants**

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

#### **Tuition fees and support grants**

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

#### **Research grants and contracts**

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

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

#### **Other operating income**

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

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

## **Endowment income and interest receivable**

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

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

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

## **2 Categories of expenditure**

### **Staff costs:**

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

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

### **Other costs:**

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

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

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

## **3 Expenditure activities**

### **Academic departments**

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

### **Academic services**

This section includes expenditure incurred on centralised academic services such as the library, Learning Resource Centres, Central Computers, etc. There are three academic services cost centres to which this expenditure can be attributed. They are:

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

### **Administration and central services**

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

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

### **Premises**

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

### **Residences and catering operations**

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

### **Research grants and contracts**

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

## **4 Finance ratios**

### **Table 1: Total income**

Numerator: Total income for year.

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

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

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

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

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

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

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

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

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

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

Denominator: Total income.

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

Numerator: Total staff costs expenditure.

Denominator: Total income.

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

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

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

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

Denominator: Total income

**Table 7: Interest payable (net of pension interest)**

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

**Table 8 (top): Net assets**

Numerator: Net assets after deducting pension liabilities.

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

Numerator: Net assets before deducting pension liabilities.

**Table 9: Net liquid assets**

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

**Table 10: (top) Viability ratio**

Numerator: Cash at bank + investments

Denominator: Bank overdraft + current portion of long term borrowing + external borrowing (creditor > 1 year)

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

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

**Table 11: Current ratio**

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

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

**Table 12 (top): Long term debt**

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

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

Numerator: Long term external borrowings, excluding other creditors.



**Table 1****Total Income**

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	143,723	144,191	148,892
Aberystwyth University	120,763	118,553	120,392
Bangor University	125,610	131,227	131,488
Cardiff University #	429,230	413,030	422,539
University of Wales Trinity Saint David *	15,739	34,452	37,090
Swansea University	158,918	172,532	178,305
Cardiff Metropolitan University (UWIC)	81,245	83,155	82,230
University of Wales, Newport	47,812	49,693	50,453
Glyndŵr University	43,508	44,366	48,327
Swansea Metropolitan University	37,071	36,591	37,417
Trinity University College Carmarthen***	16,332	n/a	n/a
University of Wales Registry	15,411	16,453	14,011
<b>Sector Total</b>	<b>1,235,362</b>	<b>1,244,243</b>	<b>1,274,144</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12

The income shown above is net of any share of JV income shown in the HESA / HEIDI financial records. The amounts of JV income deducted are as follows:-

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
Bangor University	556	819	675
Swansea University	460	497	520

\* 2009/10 results are for UW Lampeter only

\*\*\* Now merged into University of Wales Trinity Saint David accounts from 2010/11

# Cardiff University income re-stated for 2010/11

Table 2

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

	2009/10	2010/11	2011/12
	£k	£k	£k
University of Glamorgan	538	2,802	5,704
Aberystwyth University	(126)	1,057	623
Bangor University	4,213	1,273	(2,126)
Cardiff University#	10,680	10,567	8,451
University of Wales Trinity Saint David *	1,481	1,819	1,442
Swansea University	7,686	7,882	5,414
Cardiff Metropolitan University (UWIC)	2,364	5,520	4,316
University of Wales, Newport	1,464	1,284	2,201
Glyndŵr University	1,166	1,294	1,232
Swansea Metropolitan University	5,998	6,437	7,669
Trinity University College Carmarthen***	534	n/a	n/a
University of Wales Registry	121	(3,044)	(4,931)
<b>Sector Total</b>	<b>36,119</b>	<b>36,891</b>	<b>29,995</b>

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

	2009/10	2010/11	2011/12
	%	%	%
University of Glamorgan	0.37	1.94	3.83
Aberystwyth University	(0.10)	0.89	0.52
Bangor University	3.35	0.97	(1.62)
Cardiff University#	2.49	2.56	2.00
University of Wales Trinity Saint David *	9.41	5.28	3.89
Swansea University	4.84	4.57	3.04
Cardiff Metropolitan University (UWIC)	2.93	6.64	5.25
University of Wales, Newport	3.06	2.58	4.36
Glyndŵr University	2.68	2.92	2.55
Swansea Metropolitan University	16.18	17.59	20.50
Trinity University College Carmarthen***	3.27	n/a	n/a
University of Wales Registry	0.79	(18.50)	(35.19)
<b>Sector Total</b>	<b>2.93</b>	<b>2.96</b>	<b>2.35</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

# Cardiff University restated surplus for 2010/11

Table 3

**Historical cost surplus/(deficit)**

	2009/10	2010/11	2011/12
	£k	£k	£k
University of Glamorgan	(1,895)	1,917	3,755
Aberystwyth University	1,910	3,046	2,613
Bangor University	1,116	2,616	(436)
Cardiff University	14,050	13,938	11,820
University of Wales Trinity Saint David *	1,182	355	1,435
Swansea University	7,686	7,882	5,414
Cardiff Metropolitan University (UWIC)	2,026	6,529	5,091
University of Wales, Newport	1,988	10,499	2,541
Glyndŵr University	1,612	1,740	1,678
Swansea Metropolitan University	6,419	6,861	8,090
Trinity University College Carmarthen**	1,564	n/a	n/a
University of Wales Registry	121	(3,044)	(4,931)
<b>Sector Total</b>	<b>37,779</b>	<b>52,339</b>	<b>37,070</b>

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

	2009/10	2010/11	2011/12
	%	%	%
University of Glamorgan	(1.32)	1.33	2.52
Aberystwyth University	1.58	2.57	2.17
Bangor University	0.89	1.99	(0.33)
Cardiff University	3.27	3.37	2.80
University of Wales Trinity Saint David *	7.51	1.03	3.87
Swansea University	4.84	4.57	3.04
Cardiff Metropolitan University (UWIC)	2.51	7.85	6.19
University of Wales, Newport	4.16	21.13	5.04
Glyndŵr University	3.71	3.92	3.47
Swansea Metropolitan University	17.32	18.75	21.62
Trinity University College Carmarthen**	9.58	n/a	n/a
University of Wales Registry	0.79	(18.50)	(35.19)
<b>Sector Total</b>	<b>3.06</b>	<b>4.21</b>	<b>2.91</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\*2009/10 results are for UW Lampeter only

\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

# Cardiff University restated surplus for 2010/11

**Table 4**

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

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	48.58	43.07	40.16
Aberystwyth University	40.38	35.15	32.12
Bangor University	36.39	33.08	28.36
Cardiff University#	30.68	29.12	27.58
University of Wales Trinity Saint David *	40.64	40.93	39.67
Swansea University	32.25	28.24	26.27
Cardiff Metropolitan University	39.37	34.65	32.37
University of Wales, Newport	50.08	45.19	41.71
Glyndŵr University	41.67	38.24	33.72
Swansea Metropolitan University	48.40	45.15	42.38
Trinity University College Carmarthen**	46.42	n/a	n/a
University of Wales Registry	4.57	3.83	3.95
<b>Sector average</b>	<b>36.74</b>	<b>33.41</b>	<b>31.01</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

# Cardiff University re-stated 2010/11

**Table 5**

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

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	60.80	60.23	58.86
Aberystwyth University	54.45	54.67	54.84
Bangor University	56.14	53.28	56.08
Cardiff University #	56.78	58.46	58.72
University of Wales Trinity Saint David *	54.88	54.24	54.74
Swansea University	58.65	56.56	55.60
Cardiff Metropolitan University	60.98	56.59	55.81
University of Wales, Newport	61.92	60.54	56.72
Glyndŵr University	58.38	57.27	54.13
Swansea Metropolitan University	51.43	51.11	49.22
Trinity University College Carmarthen**	60.45	n/a	n/a
University of Wales Registry	38.85	43.58	57.46
<b>Sector average</b>	<b>57.33</b>	<b>56.88</b>	<b>56.81</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

# Cardiff University re-stated 2010/11

Table 6

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

	2009/10	2010/11	2011/12
	£k	£k	£k
University of Glamorgan	24,546	39,129	24,738
Aberystwyth University	17,393	22,071	21,165
Bangor University	17,946	22,609	18,379
Cardiff University	30,530	36,061	43,430
University of Wales Trinity Saint David *	1,152	5,910	10,206
Swansea University	23,229	31,129	24,069
Cardiff Metropolitan University	22,862	12,375	9,188
University of Wales, Newport	25,983	9,931	5,547
Glyndŵr University	6,946	8,215	5,319
Swansea Metropolitan University	3,821	6,480	3,946
Trinity University College Carmarthen **	2,196	n/a	n/a
University of Wales Registry	251	468	507
<b>Sector total</b>	<b>176,855</b>	<b>194,378</b>	<b>166,494</b>

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

	2009/10	2010/11	2011/12
	%	%	%
University of Glamorgan	17.08	27.14	16.61
Aberystwyth University	14.40	18.62	17.58
Bangor University	14.29	17.23	13.98
Cardiff University	7.11	8.76	10.21
University of Wales Trinity Saint David *	7.32	17.15	27.52
Swansea University	14.62	18.04	13.50
University of Wales Institute, Cardiff	28.38	14.88	11.17
University of Wales, Newport	54.34	19.98	10.99
Glyndŵr University	15.96	18.52	11.01
Swansea Metropolitan University	10.31	17.71	10.55
Trinity University College Carmarthen**	13.45	n/a	n/a
University of Wales Registry	1.63	2.84	3.62
<b>Sector average</b>	<b>14.32</b>	<b>15.64</b>	<b>13.07</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12

\* 2009/10 results are for UW Lampeter only

\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

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

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	1,423	1,322	2,503
Aberystwyth University	0	0	0
Bangor University	745	830	692
Cardiff University	1,458	1,417	1,369
University of Wales Trinity Saint David *	3	15	9
Swansea University	65	55	44
Cardiff Metropolitan University	1,278	1,668	1,666
University of Wales, Newport	241	637	1,333
Glyndŵr University	0	0	0
Swansea Metropolitan University	0	0	0
Trinity University College Carmarthen **	17	n/a	n/a
University of Wales Registry	0	0	0
<b>Sector Total</b>	<b>5,230</b>	<b>5,944</b>	<b>7,616</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

Table 8

<b>Net assets</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	68,452	63,637	68,614
Aberystwyth University #	147,691	162,908	161,400
Bangor University	103,059	125,274	118,104
Cardiff University#	358,662	391,892	402,867
University of Wales Trinity Saint David*	21,434	33,937	36,277
Swansea University	50,889	76,604	82,398
Cardiff Metropolitan University	54,465	50,855	42,604
University of Wales, Newport	25,471	43,302	39,523
Glyndŵr University	37,452	40,100	46,068
Swansea Metropolitan University	65,373	70,784	74,903
Trinity University College Carmarthen***	10,210	n/a	n/a
University of Wales Registry	30,273	28,872	23,311
<b>Sector Total</b>	<b>973,431</b>	<b>1,088,165</b>	<b>1,096,069</b>

<b>Net assets Excluding pension liability</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	112,662	114,507	126,144
Aberystwyth University	170,784	181,511	185,736
Bangor University	109,751	127,433	123,762
Cardiff University	421,362	426,492	454,967
University of Wales Trinity Saint David*	25,005	41,344	46,257
Swansea University	87,089	108,304	116,198
Cardiff Metropolitan University	88,395	85,925	90,444
University of Wales, Newport	44,743	62,207	64,079
Glyndŵr University	47,827	51,597	60,396
Swansea Metropolitan University	72,943	79,344	87,243
Trinity University College Carmarthen ***	14,812	n/a	n/a
University of Wales Registry	31,281	29,515	24,526
<b>Sector Total</b>	<b>1,226,654</b>	<b>1,308,179</b>	<b>1,379,752</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

# Aberystwyth University and Cardiff University re-stated for 2010/11



Table 9

**Net liquid assets**

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	29,897	28,207	36,837
Aberystwyth University#	12,757	13,656	10,350
Bangor University	28,252	35,792	21,462
Cardiff University	155,873	175,165	178,232
University of Wales Trinity Saint David *	5,750	19,221	16,258
Swansea University	40,343	37,079	33,046
Cardiff Metropolitan University	21,228	22,194	31,177
University of Wales, Newport	16,120	16,336	21,240
Glyndŵr University	7,810	6,516	7,478
Swansea Metropolitan University	27,224	31,205	38,870
Trinity University College Carmarthen**	11,147	n/a	n/a
University of Wales Registry	5,293	2,880	(265)
<b>Sector Total</b>	<b>361,694</b>	<b>388,251</b>	<b>394,685</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

# Aberystwyth University re-stated for 2010/11

Table 10

<b>Viability ratio</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
University of Glamorgan	0.77	0.56	0.72
Aberystwyth University	3.70	4.17	2.76
Bangor University	1.73	2.45	1.71
Cardiff University	6.19	6.88	7.43
University of Wales Trinity Saint David *	22.82	18.95	27.36
Swansea University	8.54	10.78	12.35
Cardiff Metropolitan University	0.70	0.73	1.04
University of Wales, Newport	0.52	0.70	0.92
Glyndŵr University	n/a	13.73	n/a
Swansea Metropolitan University	n/a	n/a	n/a
Trinity University College Carmarthen***	9.49	n/a	n/a
University of Wales Registry	n/a	n/a	n/a
<b>Sector Total</b>	<b>2.35</b>	<b>2.53</b>	<b>2.62</b>

NB This ratio has been recalculated for the three years to include the 'current' portion of long term loans, as well as the long-term element and any overdrafts within the denominator. The 'n/a' designator results in most cases from there being no borrowings.

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

<b>Liquidity ratio (days of expenditure)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
University of Glamorgan	80.0	77.0	99.9
Aberystwyth University#	41.0	45.3	33.9
Bangor University	88.2	104.3	61.3
Cardiff University	141.8	164.7	161.7
University of Wales Trinity Saint David*	154.7	226.5	175.2
Swansea University	102.5	86.6	74.1
University of Wales Institute, Cardiff	102.5	109.2	152.6
University of Wales, Newport	135.1	133.5	174.5
Glyndŵr University	69.5	57.5	61.0
Swansea Metropolitan University	339.1	398.2	502.1
Trinity University College Carmarthen***	268.5	n/a	n/a
University of Wales Registry	127.8	54.5	(5.2)
<b>Sector Total</b>	<b>115.3</b>	<b>123.0</b>	<b>121.7</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12

\* 2009/10 results are for UW Lampeter only

\*\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

# Aberystwyth University re-stated for 2010/11

**Table 11****Current ratio**

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
University of Glamorgan	1.51	1.27	1.43
Aberystwyth University **	1.46	1.25	1.18
Bangor University	1.34	1.66	1.48
Cardiff University	2.64	2.69	2.92
University of Wales Trinity Saint David *	1.64	1.38	1.49
Swansea University	1.16	1.26	1.30
Cardiff Metropolitan University	1.86	1.80	2.09
University of Wales, Newport	2.14	2.40	3.68
Glyndŵr University	1.37	1.40	1.12
Swansea Metropolitan University	9.37	11.97	17.43
Trinity University College Carmarthen***	1.45	n/a	n/a
University of Wales Registry	3.20	2.06	1.53
<b>Sector Total</b>	<b>1.92</b>	<b>1.92</b>	<b>2.04</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\* re-stated balance sheet for 2009-10 and 2010-11

\*\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

Table 12

**Long term debt (external borrowing)**

	2009/10	2010/11	2011/12
	£k	£k	£k
University of Glamorgan	39,091	51,748	52,010
Aberystwyth University	0	0	0
Bangor University	15,012	13,512	12,068
Cardiff University	24,836	23,618	22,326
University of Wales Trinity Saint David *	122	606	259
Swansea University	3,545	2,692	2,432
Cardiff Metropolitan University	30,744	30,451	29,940
University of Wales, Newport	33,596	23,421	23,135
Glyndŵr University	0	0	0
Swansea Metropolitan University	0	0	0
Trinity University College Carmarthen **	895	n/a	n/a
University of Wales Registry	0	0	0
<b>Sector Total</b>	<b>147,841</b>	<b>146,048</b>	<b>142,170</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

**Long term debt as % of income**

	2009/10	2010/11	2011/12
	%	%	%
University of Glamorgan	27.20	35.89	34.93
Aberystwyth University	0.00	0.00	0.00
Bangor University	11.95	10.30	9.18
Cardiff University	5.79	5.72	5.25
University of Wales Trinity Saint David *	0.78	1.76	0.70
Swansea University	2.23	1.56	1.36
Cardiff Metropolitan University	38.16	36.62	36.41
University of Wales, Newport	70.27	47.13	45.85
Glyndŵr University	0.00	0.00	0.00
Swansea Metropolitan University	0.00	0.00	0.00
Trinity University College Carmarthen**	5.48	n/a	n/a
University of Wales Registry	0.00	0.00	0.00
<b>Sector Total</b>	<b>11.97</b>	<b>11.74</b>	<b>11.16</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2011/12.

\* 2009/10 results are for UW Lampeter only

\*\* Now merged into University of Wales Trinity Saint David accounts 2010/11

**Table 13**

**Sector income and expenditure account**

	2008/09	2009/10	2011/12
	£k	£k	£k
<b>INCOME</b>			
Funding Council Grants	453,895	415,676	395,058
Tuition fees and Education contracts	378,760	409,408	432,021
Research grants and contracts	159,383	168,831	177,180
Other income	243,324	250,328	269,885
<b>Total Income</b>	<b>1,235,362</b>	<b>1,244,243</b>	<b>1,274,144</b>
<b>EXPENDITURE</b>			
Staff costs	701,192	703,067	720,884
Exceptional staff restructuring costs	7,027	4,651	2,950
Other operating expenses	418,102	431,277	446,510
Depreciation	53,997	54,811	60,734
Interest payable	18,925	13,546	13,071
<b>Total Expenditure</b>	<b>1,199,243</b>	<b>1,207,352</b>	<b>1,244,149</b>
Surplus on continuing operations after depreciation of fixed assets at valuation and before tax	36,119	36,891	29,995
Profit /(loss) on disposal of assets	(8,189)	7,138	(2)
Benefit on acquisition	80	0	
Share of JV profit/(loss)	68	36	64
Exceptional gains /(losses)	(957)	(8,115)	(2,115)
<b>Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax</b>	<b>27,121</b>	<b>35,950</b>	<b>27,942</b>
Taxation			(7)
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	27,121	35,950	27,935
Transfer from accumulated income within specific endowments	22	(237)	1,100
Surplus retained within general reserves	27,143	35,713	29,035
Difference between Historical Cost depreciation and the actual charge for the period calculated on the re-valued amount	8,205	8,022	8,197
Realisation of property revaluation gain of previous years	2,148	7,873	400
<b>Historic Cost Surplus for the period</b>	<b>37,779</b>	<b>52,339</b>	<b>37,070</b>

The 2010/11 Income and Expenditure Account is re-stated for minor prior year presentational adjustments to the Aberystwyth University and Cardiff University financial statements.

Table 14

## Sector balance sheet

	As at 31 July 2010	As at 31 July 2011	As at 31 July 2012
<b>Fixed Assets</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
Land and Buildings	1,023,579	1,089,091	1,129,144
Equipment	51,110	40,994	39,692
Other	21,344	21,189	23,599
Sub total	1,096,033	1,151,274	1,192,435
<b>Endowment Asset Investment</b>	93,466	102,598	101,099
<b>Current assets</b>			
Stock	4,393	3,471	3,008
Debtors	133,243	154,082	142,162
Short term investments	289,194	310,336	327,452
Cash at bank and in hand	85,012	93,524	78,958
Total Current Assets Sub total	511,842	561,413	551,580
<b>Creditors: amounts falling due within one year</b>			
Bank loans and overdraft	12,512	15,609	11,725
Other Creditors	254,652	276,370	259,273
Total Current liabilities Sub total	267,164	291,979	270,998
Net Current Assets	244,678	269,434	280,582
Long term debtor (>1 year)		3,631	0
Total assets less current liabilities	1,434,177	1,526,937	1,574,116
<b>Creditors: amounts falling due after more than one year</b>			
External borrowing	147,841	146,048	142,170
Other Creditors	46,809	57,711	37,794
Total long term liabilities	194,650	203,759	179,964
Provisions	12,873	14,999	14,400
<b>Net Assets Excluding Pension Liability</b>	<b>1,226,654</b>	<b>1,308,179</b>	<b>1,379,752</b>
Pension liability	(253,223)	(220,014)	(283,683)
<b>Net Assets Including Pension Liability</b>	<b>973,431</b>	<b>1,088,165</b>	<b>1,096,069</b>
Deferred Capital grants	286,658	333,234	367,189
<b>Endowment</b>			
Permanent Endowments	83,229	94,320	93,754
Expendable Endowments	10,237	8,278	7,345
Total Endowments	93,466	102,598	101,099
<b>Reserves</b>			
Revaluation reserve	287,893	267,406	268,810
Restricted reserve	18,174	17,130	16,407
General reserve excluding pension liability	540,463	587,811	626,247
Pension reserve	(253,223)	(220,014)	(283,683)
General reserve including pension liability	287,240	367,797	342,564
Total Reserves	593,307	652,333	627,781
<b>Total Funds</b>	<b>973,431</b>	<b>1,088,165</b>	<b>1,096,069</b>

The 2010/11 sector balance sheet is re-stated for minor prior year presentational adjustments to Aberystwyth's and Cardiff's financial statements.

Table 15

## Sector cash flow statement

	2009/10	2010/11	2011/12
	£k	£k	£k
<b>Net cash inflow from operating activities</b>	115,799	78,903	56,877
<b>Returns on investments and servicing of finance</b>			
Income from endowments	2,782	2,407	2,313
Income from short term investments	2,543	871	609
Other Interest received	714	4,523	4,314
Interest paid	(5,242)	(5,715)	(7,286)
Other items		1	
<b>Sub total</b> cash inflow from investments	797	2,087	(50)
Tax paid			(7)
<b>Investing activities</b>			
Payments to acquire tangible assets	(122,176)	(126,144)	(91,675)
Payments to acquire endowment asset investments	(7,731)	(5,361)	(21,439)
Total Payments to acquire fixed/endowment assets	(129,907)	(131,505)	(113,114)
Receipts from sale of tangible assets	1,332	3,556	4,013
Receipts from sale of endowment assets	6,094	6,553	7,572
Deferred capital grants received	38,679	70,337	36,575
Endowments received	1,963	1,834	1,072
Other items	0	0	450
<b>Sub total</b> cash outflow from investing activities	(81,839)	(49,225)	(63,439)
Net cash inflow/(outflow) before financing	34,757	31,765	(6,612)
<b>Management of Liquid Resources</b>	(48,453)	(17,096)	(4,999)
<b>Financing</b>			
Capital element of finance lease payments	(366)	(224)	(1,021)
Mortgages and loans acquired	35,017	14,527	3,257
Mortgages and loan capital repayments	(6,865)	(15,245)	(7,667)
cash (outflow) / inflow from financing	27,786	(942)	(5,431)
<b>Increase / (decrease) in cash</b>	<b>14,090</b>	<b>13,727</b>	<b>(17,042)</b>