

Cylchlythyr | Circular

Analysis of the financial position of the HE sector 2012/13

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Directors of Finance of higher education institutions in
Wales
Response by: No response required
Contact: Name: Neil Hempstead
Telephone: 029 2068 2286
Email: neil.hempstead@hefcw.ac.uk

This circular informs institutions of financial performance indicators for the higher education sector in Wales, as shown by the audited financial statements for 2012/13.

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Introduction

1. This circular informs institutions of financial performance indicators for the higher education sector in Wales as shown by the audited financial statements for 2012/13.
2. Key financial ratios and figures which give an indication of each institution's financial position are provided in Tables 1 to 13. 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 14 to 16 respectively.
4. The University of Glamorgan merged with the University of Wales, Newport in April 2013 to become the University of South Wales (USW), and presented aggregated financial statements for 2012/13. The University of Wales, Trinity Saint David merged with Swansea Metropolitan University on 1 August 2013 with financial statements for each institution prepared for 2012/13.

Income and expenditure account

5. In 2012/13 there were 10 higher education institutions in Wales with a total income of £1,273m (2011/12 £1,274m) as shown in Table 1. 2012/13 was the first year of the new student fee arrangements. Overall there has been no increase in total sector income for 2012/13 compared to 2011/12. However, the new student fees arrangements have changed the proportion of income derived from HEFCW grant and from fees. The proportion of income from funding council grants fell from 31.01% in 2011/12 to 21.27% in 2012/13 (Table 4), and the income from academic fees for Home and EU students increased from 23.19% to 31.59% of total income (Table 5). In 2012/13 57.57% of total income was expended on staff costs (2011/12 – 56.81%) (Table 6).
6. The sector reported an operating surplus of £16.1m (2011/12 surplus £30.0m) as shown in Table 2. Three institutions reported an operating deficit, an increase of one from 2011/12. The historical cost surplus for the sector as shown in Table 3 was £13.1m, a decrease of £23.4m from the 2011/12 total of £36.5m. The decrease was due mainly to the lower operating surplus (£14.5m) and higher exceptional (severance) costs (£8m). Three institutions reported an historical cost deficit in 2012/13, an increase of one over the previous year.

Balance sheet

7. Table 9 shows net assets increasing by approximately £61m from the prior year to £1,157m. Excluding pension liabilities, net assets increased by 3.2% from £1,380m to £1,424m. The pension scheme liabilities decreased by 6% in the year to £268m; this decrease is due mainly to actuarial adjustments (assumptions on the valuation of assets). As shown in Tables 10 and 11, net liquid assets fell by £14.5m to give a liquidity ratio of 116 days' expenditure, a slight decrease from 122 days in 2011/12. Table 12 demonstrates a current ratio for the sector of 1.94, compared with 2011/12 at 2.04. Total long-term debt (external borrowing), as shown in Table 13, rose very slightly in the year to £151.8m (an increase of 6.7%), reflecting £15m raised through borrowings in the year.

Cash flow statement

8. Table 16 shows that the sector reported a net increase of cash of £24.7m in 2012/13, compared to a decrease of £17.0m in 2011/12. Cash flow from operating activities rose by £3.1m from 2011/12 to £60m, payments to acquire fixed assets rose significantly to £125.8m (2011/12 £91.7m), and new secured loans amounted to £15.0m (2011/12 £3.2m). Deferred capital grants received increased by £3.1m to £39.7m. Cash moved from short-term deposit was £33.9m (2011/12 £5m was placed on deposit); despite this significant movement, the net liquid asset position of the sector remains satisfactory.

Financial sustainability

9. The 2012/13 sector position shows a reduction in surplus, largely as a reflection of the changing arrangements for student fees. The sector has identified a number of key risks for the future including the continued pressures on salary and pension costs, student recruitment and the need for significant capital programmes to maintain and improve the student experience.

When adjusted to take account of the full economic cost adjustments for the cost of capital and infrastructure (under the Transparent Approach to Costing (TRAC)¹, the results for 2012/13 show that the sector's position is an aggregate deficit of £85m compared with a deficit of £64m in 2011/12. 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 changes to the funding regime for students, and the effects of this on the cross-border issues affecting Welsh and other UK HEIs.

¹ For information on TRAC please see www.hefce.ac.uk/whatwedo/lgm/trac/

Further information

10. Further information about the published tables may be obtained from Neil Hempstead, Senior Institutional Financial Assurance Manager (Tel 029 2068 2286; Email 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:

- UK (BIS) 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) as a % of income

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 as a % of total income

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: (New) Home and EU fees as a percentage of total income

Numerator: Welsh domicile + EU + other UK home fees

Denominator: Total income

Table 6: Staff costs as a percentage of total income

Numerator: Total staff costs expenditure (including re-structuring costs 'above the line').

Denominator: Total income.

Table 7 (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 7 (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 8: 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 9 (top): Net assets

Numerator: Net assets after deducting pension liabilities.

Table 9 (bottom): Net assets (excluding pension liability)

Numerator: Net assets before deducting pension liabilities.

Table 10: Net liquid assets

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

Table 11: (top) Viability ratio

Numerator: Cash at bank + investments

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

Table 11: (bottom) Liquidity ratio (days of expenditure)

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

Table 12: 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 13 (top): Long term debt

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

Table 13 (bottom): Long term debt as % of income

Numerator: Long term external borrowings, excluding other creditors.

Table 1

Total Income

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales @	144,191	148,892	192,545
Aberystwyth University	118,553	120,392	119,224
Bangor University	131,227	131,488	135,361
Cardiff University #	413,030	425,539	436,685
University of Wales Trinity Saint David**	34,452	37,090	35,652
Swansea University	172,532	178,305	181,755
Cardiff Metropolitan University	83,155	82,230	80,948
University of Wales, Newport@	49,693	50,453	n/a
Glyndŵr University	44,366	48,327	43,884
Swansea Metropolitan University**	36,591	37,417	36,606
University of Wales Registry	16,453	14,011	10,346
Sector Total	1,244,243	1,274,144	1,273,006

@ The University of Glamorgan and the University of Wales, Newport merged in April 2013 to form the University of South Wales and submitted a single set of financial statements for the year ended 31 July 2013.

** The University of Wales Trinity Saint David merged with Swansea Metropolitan University in August 2013 – separate financial statements were provided for the year ended 31 July 2013

Cardiff University income re-stated for 2010/11

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13

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

	2010/11	2011/12	2012/13
	£k	£k	£k
Bangor University	819	675	881
Swansea University	497	520	539

Table 2

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

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	2,802	5,704	4,734
Aberystwyth University	1,057	623	199
Bangor University	1,273	(2,126)	(2,452)
Cardiff University#	10,567	8,451	9,868
University of Wales Trinity Saint David**	1,819	1,442	309
Swansea University	7,882	5,414	3,651
Cardiff Metropolitan University	5,520	4,316	1,983
University of Wales, Newport@	1,284	2,201	n/a
Glyndŵr University	1,294	1,232	(3,954)
Swansea Metropolitan University**	6,437	7,669	5,829
University of Wales Registry	(3,044)	(4,931)	(4,082)
Sector Total	36,891	29,995	16,085

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

	2010/11	2011/12	2012/13
	%	%	%
University of South Wales@	1.94	3.83	2.46
Aberystwyth University	0.89	0.52	0.17
Bangor University	0.97	(1.62)	(1.81)
Cardiff University#	2.56	2.00	2.26
University of Wales Trinity Saint David**	5.28	3.89	0.87
Swansea University	4.57	3.04	2.01
Cardiff Metropolitan University	6.64	5.25	2.45
University of Wales, Newport@	2.58	4.36	n/a
Glyndŵr University	2.92	2.55	(9.01)
Swansea Metropolitan University**	17.59	20.50	15.92
University of Wales Registry	(18.50)	(35.19)	(39.45)
Sector Total	2.96	2.35	1.26

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Cardiff University income re-stated for 2010/11

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13.

Table 3

Historical cost surplus/(deficit)

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	1,917	3,755	3,954
Aberystwyth University	3,046	2,613	2,188
Bangor University	2,616	(974)	(3,013)
Cardiff University#	13,938	11,820	5,332
University of Wales Trinity Saint David**	355	1,435	297
Swansea University	7,882	5,414	3,651
Cardiff Metropolitan University	6,529	5,091	1,858
University of Wales, Newport@	10,499	2,541	n/a
Glyndŵr University	1,740	1,678	(3,373)
Swansea Metropolitan University**	6,861	8,090	6,255
University of Wales Registry	(3,044)	(4,931)	(4,082)
Sector Total	52,339	36,532	13,067

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

	2010/11	2011/12	2012/13
	%	%	%
University of South Wales@	1.33	2.52	2.05
Aberystwyth University	2.57	2.17	1.84
Bangor University	1.99	(0.73)	(2.23)
Cardiff University#	3.37	2.80	1.22
University of Wales Trinity Saint David**	1.03	3.87	0.83
Swansea University	4.57	3.04	2.01
Cardiff Metropolitan University	7.85	6.19	2.30
University of Wales, Newport@	21.13	5.04	n/a
Glyndŵr University	3.92	3.47	(7.69)
Swansea Metropolitan University**	18.75	21.62	17.09
University of Wales Registry	(18.50)	(35.19)	(39.45)
Sector Total	4.21	2.87	1.03

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** The University of Wales Trinity Saint David merged with Swansea Metropolitan University in August 2013 – separate financial statements were provided for the year ended 31 July 2013

Cardiff University income re-stated for 2010/11

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13.

Table 4

Funding Council grant as a percentage of total income

	2010/11	2011/12	2012/13
	%	%	%
University of South Wales@	43.07	40.16	27.74
Aberystwyth University	35.15	32.12	21.65
Bangor University	33.08	28.36	19.26
Cardiff University#	29.12	27.58	21.90
University of Wales Trinity Saint David**	40.93	39.67	22.90
Swansea University	28.24	26.27	18.97
Cardiff Metropolitan University	34.65	32.37	13.48
University of Wales, Newport@	45.19	41.71	n/a
Glyndŵr University	38.24	33.72	21.68
Swansea Metropolitan University**	45.15	42.38	17.22
University of Wales Registry	3.83	3.95	5.22
Sector average	33.41	31.01	21.27

Table 5

Home and EU Fees as a percentage of total income

	2011/12	2012/13
	%	%
University of South Wales@	29.59	41.69
Aberystwyth University	23.60	34.88
Bangor University	23.67	31.60
Cardiff University#	17.27	21.97
University of Wales Trinity Saint David**	25.98	47.50
Swansea University	23.17	28.46
Cardiff Metropolitan University	32.18	50.19
University of Wales, Newport@	29.49	n/a
Glyndŵr University	27.38	34.11
Swansea Metropolitan University**	34.54	n/a
University of Wales Registry	n/a	n/a
Sector average	23.19	31.59

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Cardiff University income re-stated for 2010/11

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13.

Table 6

Staff costs as a percentage of total income

	2010/11	2011/12	2012/13
	%	%	%
University of South Wales@	60.23	58.86	60.15
Aberystwyth University	54.67	54.84	57.02
Bangor University	53.28	56.08	56.35
Cardiff University #	58.46	58.72	57.05
University of Wales Trinity Saint David**	54.24	54.74	56.22
Swansea University	56.56	55.60	57.17
Cardiff Metropolitan University	56.59	55.81	59.41
University of Wales, Newport@	60.54	56.72	n/a
Glyndŵr University	57.27	54.13	61.77
Swansea Metropolitan University**	51.11	49.22	52.63
University of Wales Registry	43.58	57.46	50.91
Sector average	56.88	56.81	57.57

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Cardiff University income re-stated for 2010/11

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13.

Table 7

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

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	39,129	24,738	25,189
Aberystwyth University	22,071	21,165	10,430
Bangor University	22,609	18,379	28,445
Cardiff University	36,061	43,430	40,896
University of Wales Trinity Saint David **	5,910	10,206	9,936
Swansea University	31,129	24,069	33,519
Cardiff Metropolitan University	12,375	9,188	15,663
University of Wales, Newport@	9,931	5,547	n/a
Glyndŵr University	8,215	5,319	5,485
Swansea Metropolitan University**	6,480	3,946	8,970
University of Wales Registry	468	507	183
Sector total	194,378	166,494	178,716

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

	2010/11	2011/12	2012/13
	%	%	%
University of South Wales@	27.14	16.61	13.08
Aberystwyth University	18.62	17.58	8.75
Bangor University	17.23	13.98	21.01
Cardiff University	8.76	10.21	9.37
University of Wales Trinity Saint David**	17.15	27.52	27.87
Swansea University	18.04	13.50	18.44
Cardiff Metropolitan University	14.88	11.17	19.35
University of Wales, Newport@	19.98	10.99	n/a
Glyndŵr University	18.52	11.01	12.50
Swansea Metropolitan University**	17.71	10.55	24.50
University of Wales Registry	2.84	3.62	1.77
Sector average	15.64	13.07	14.04

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Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13

Table 8**Interest payable (excluding pension interest)**

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	1,322	2,503	3,970
Aberystwyth University	0	0	0
Bangor University	830	692	633
Cardiff University	1,417	1,369	1,305
University of Wales Trinity Saint David**	15	9	6
Swansea University	55	44	57
Cardiff Metropolitan University	1,668	1,666	1,542
University of Wales, Newport@	637	1,333	n/a
Glyndŵr University	0	0	31
Swansea Metropolitan University**	0	0	0
University of Wales Registry	0	0	0
Sector Total	5,944	7,616	7,544

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Coverage: All higher education institutions in Wales.
Source: Audited financial statements 2012/13.

Table 9

Net assets

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	63,637	68,614	133,621
Aberystwyth University #	162,908	161,400	174,564
Bangor University	125,274	118,104	115,313
Cardiff University#	391,892	402,867	417,294
University of Wales Trinity Saint David**	33,937	36,277	43,919
Swansea University	76,604	82,398	79,666
Cardiff Metropolitan University	50,855	42,604	46,949
University of Wales, Newport@	43,302	39,523	n/a
Glyndŵr University	40,100	46,068	40,907
Swansea Metropolitan University**	70,784	74,903	83,176
University of Wales Registry	28,872	23,311	21,269
Sector Total	1,088,165	1,096,069	1,156,678

Net assets**Excluding pension liability**

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	114,507	126,144	209,671
Aberystwyth University#	181,511	185,736	192,120
Bangor University	127,433	123,762	120,772
Cardiff University#	426,492	454,967	463,194
University of Wales Trinity Saint David**	41,344	46,257	50,701
Swansea University	108,304	116,198	124,766
Cardiff Metropolitan University	85,925	90,444	92,319
University of Wales, Newport@	62,207	64,079	n/a
Glyndŵr University	51,597	60,396	55,120
Swansea Metropolitan University**	79,344	87,243	93,676
University of Wales Registry	29,515	24,526	22,066
Sector Total	1,308,179	1,379,752	1,424,405

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

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13

Table 10

Net liquid assets

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	28,207	36,837	65,761
Aberystwyth University#	13,656	10,350	22,468
Bangor University	35,792	21,462	3,726
Cardiff University#	175,165	178,232	176,346
University of Wales Trinity Saint David**	19,221	16,258	7,356
Swansea University	37,079	33,046	35,845
Cardiff Metropolitan University	22,194	31,177	27,423
University of Wales, Newport@	16,336	21,240	n/a
Glyndŵr University	6,516	7,478	626
Swansea Metropolitan University**	31,205	38,870	41,339
University of Wales Registry	2,880	(265)	(720)
Sector Total	388,251	394,685	380,170

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

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13.

Table 11

Viability ratio

	2010/11	2011/12	2012/13
University of South Wales@	0.56	0.72	0.90
Aberystwyth University	4.17	2.76	n/a
Bangor University	2.45	1.71	0.41
Cardiff University	6.88	7.43	7.84
University of Wales Trinity Saint David**	18.95	27.36	28.76
Swansea University	10.78	12.35	2.07
Cardiff Metropolitan University	0.73	1.04	0.94
University of Wales, Newport@	0.70	0.92	n/a
Glyndŵr University	13.73	n/a	n/a
Swansea Metropolitan University**	n/a	n/a	n/a
University of Wales Registry	n/a	n/a	n/a
Sector Total	2.53	2.62	2.45

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 indicates institutions having no long-term borrowings (and for UWN reflects the merger with UoG in 2012/13)

Liquidity ratio (days of expenditure)

	2010/11	2011/12	2012/13
University of South Wales@	77.0	99.9	137.3
Aberystwyth University#	45.3	33.9	74.1
Bangor University	104.3	61.3	10.2
Cardiff University	164.7	161.7	156.8
University of Wales Trinity Saint David*	226.5	175.2	80.1
Swansea University	86.6	74.1	77.7
Cardiff Metropolitan University	109.2	152.6	131.5
University of Wales, Newport@	133.5	174.5	n/a
Glyndŵr University	57.5	61.0	5.0
Swansea Metropolitan University**	398.2	502.1	516.9
University of Wales Registry	54.5	(5.2)	(18.6)
Sector Total	123.0	121.7	116.2

@ The University of Glamorgan and the University of Wales, Newport merged in April 2013 to form the University of South Wales and submitted a single set of financial statements for the year ended 31 July 2013.

** The University of Wales Trinity Saint David merged with Swansea Metropolitan University in August 2013 – separate financial statements were provided for the year ended 31 July 2013

Aberystwyth University re-stated for 2010/11

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13

Table 12**Current ratio**

	2010/11	2011/12	2012/13
University of South Wales@	1.27	1.43	1.86
Aberystwyth University~	1.25	1.18	1.30
Bangor University	1.66	1.48	1.00
Cardiff University	2.69	2.92	2.74
University of Wales Trinity Saint David**	1.38	1.49	1.80
Swansea University	1.26	1.30	1.48
Cardiff Metropolitan University	1.80	2.09	1.58
University of Wales, Newport@	2.40	3.68	n/a
Glyndŵr University	1.40	1.12	0.76
Swansea Metropolitan University**	11.97	17.43	10.98
University of Wales Registry	2.06	1.53	0.78
Sector Total	1.92	2.04	1.94

@ The University of Glamorgan and the University of Wales, Newport merged in April 2013 to form the University of South Wales and submitted a single set of financial statements for the year ended 31 July 2013.

** The University of Wales Trinity Saint David merged with Swansea Metropolitan University in August 2013 – separate financial statements were provided for the year ended 31 July 2013

~ re-stated balance sheet for 2010-11

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13.

Table 13

Long term debt (external borrowing)

	2010/11	2011/12	2012/13
	£k	£k	£k
University of South Wales@	51,748	52,010	73,256
Aberystwyth University	0	0	0
Bangor University	13,512	12,068	11,123
Cardiff University	23,618	22,326	20,941
University of Wales Trinity Saint David**	606	259	0
Swansea University	2,692	2,432	17,161
Cardiff Metropolitan University	30,451	29,940	29,372
University of Wales, Newport@	23,421	23,135	n/a
Glyndŵr University	0	0	0
Swansea Metropolitan University**	0	0	0
University of Wales Registry	0	0	0
Sector Total	146,048	142,170	151,853

Long term debt as % of income

	2010/11	2011/12	2012/13
	%	%	%
University of South Wales@	35.89	34.93	38.05
Aberystwyth University	0.00	0.00	0.00
Bangor University	10.30	9.18	8.22
Cardiff University	5.72	5.25	4.80
University of Wales Trinity Saint David **	1.76	0.70	0.00
Swansea University	1.56	1.36	9.44
Cardiff Metropolitan University	36.62	36.41	36.29
University of Wales, Newport@	47.13	45.85	n/a
Glyndŵr University	0.00	0.00	0.00
Swansea Metropolitan University**	0.00	0.00	0.00
University of Wales Registry	0.00	0.00	0.00
Sector Total	11.74	11.16	11.93

@ The University of Glamorgan and the University of Wales, Newport merged in April 2013 to form the University of South Wales and submitted a single set of financial statements for the year ended 31 July 2013.

** The University of Wales Trinity Saint David merged with Swansea Metropolitan University in August 2013 – separate financial statements were provided for the year ended 31 July 2013

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2012/13

Table 14

Sector income and expenditure account

	2010/11	2011/12	2012/13
INCOME	£k	£k	£k
Funding Council Grants	415,676	395,058	270,822
Tuition fees and Education contracts	409,408	432,021	559,623
Research grants and contracts	168,831	177,180	185,456
Other income	250,328	269,885	257,105
Total Income	1,244,243	1,274,144	1,273,006
EXPENDITURE			
Staff costs	703,067	720,884	731,350
Exceptional staff restructuring costs	4,651	2,950	1,520
Other operating expenses	431,277	446,510	450,973
Depreciation	54,811	60,734	61,220
Interest payable	13,546	13,071	11,858
Total Expenditure	1,207,352	1,244,149	1,256,921
Surplus on continuing operations after depreciation of fixed assets at valuation and before tax	36,891	29,995	16,085
Profit /(loss) on disposal of assets/ impairments	7,138	(2)	(4,850)
Benefit on acquisition	0		
Share of JV profit/(loss)	36	64	40
Exceptional gains /(losses)	(8,115)	(2,115)	(10,440)
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax	35,950	27,942	847
Taxation		(7)	(12)
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	35,950	27,935	835
Transfer from accumulated income within specific endowments	(237)	1,100	504
Surplus retained within general reserves	35,713	29,035	1,339
Difference between Historical Cost depreciation and the actual charge for the period calculated on the re-valued amount	8,022	8,197	8,385
Realisation of property revaluation gain of previous years	7,873	400	3,847
Historic Cost Surplus for the period	52,339	36,532	13,067

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

Table 15

Sector balance sheet

	As at 31 July 2011	As at 31 July 2012	As at 31 July 2013
Fixed Assets	£k	£k	£k
Land and Buildings	1,089,091	1,129,144	1,181,339
Equipment	40,994	39,692	47,339
Other	21,189	23,599	21,819
Sub total	1,151,274	1,192,435	1,250,497
Endowment Asset Investment	102,598	101,099	111,179
Current assets			
Stock	3,471	3,008	3,078
Debtors	154,082	142,162	154,465
Short term investments	310,336	327,452	288,625
Cash at bank and in hand	93,524	78,958	99,287
Total Current Assets Sub total	561,413	551,580	545,455
Creditors: amounts falling due within one year			
Bank loans and overdraft	15,609	11,725	7,742
Other Creditors	276,370	259,273	272,732
Total Current liabilities Sub total	291,979	270,998	280,474
Net Current Assets	269,434	280,582	264,981
Long term debtor (>1 year)	3,631	0	0
Total assets less current liabilities	1,526,937	1,574,116	1,626,657
Creditors: amounts falling due after more than one year			
Reimbursable to HEFCW		3,750	3,750
External borrowing	146,048	138,420	148,103
Other Creditors	57,711	37,794	24,972
Total long term liabilities	203,759	179,964	176,825
Provisions	14,999	14,400	25,427
Net Assets Excluding Pension Liability	1,308,179	1,379,752	1,424,405
Pension liability	(220,014)	(283,683)	(267,727)
Net Assets Including Pension Liability	1,088,165	1,096,069	1,156,678
Deferred Capital grants	333,234	367,189	402,640
Endowment			
Permanent Endowments	94,320	93,754	102,220
Expendable Endowments	8,278	7,345	8,959
Total Endowments	102,598	101,099	111,179
Reserves			
Revaluation reserve	267,406	268,810	256,903
Restricted reserve	17,130	16,407	15,647
General reserve excluding pension liability	587,811	626,247	638,036
Pension reserve	(220,014)	(283,683)	(267,727)
General reserve including pension liability	367,797	342,564	370,309
Total Reserves	652,333	627,781	642,859
Total Funds	1,088,165	1,096,069	1,156,678

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

Table 16

Sector cash flow statement

	2010/11	2011/12	2012/13
	£k	£k	£k
Net cash inflow from operating activities	78,903	56,877	59,992
Returns on investments and servicing of finance			
Income from endowments	2,407	2,313	2,517
Income from short term investments	871	609	211
Other Interest received	4,523	4,314	5,365
Interest paid	(5,715)	(7,286)	(7,544)
Other items	1		
Sub total cash inflow/(outflow) from investments	2,087	(50)	549
Tax paid		(7)	(12)
Investing activities			
Payments to acquire tangible assets	(126,144)	(91,675)	(125,827)
Payments to acquire endowment asset investments	(5,361)	(21,439)	(3,607)
Total Payments to acquire fixed/endowment assets	(131,505)	(113,114)	(129,434)
Receipts from sale of tangible assets	3,556	4,013	1,163
Receipts from sale of endowment assets	6,553	7,572	9,049
Deferred capital grants received	70,337	36,575	39,753
Endowments received	1,834	1,072	1,049
Other items	0	450	0
Sub total cash outflow from investing activities	(49,225)	(63,432)	(78,420)
Net cash inflow/(outflow) before financing	31,765	(6,612)	(17,891)
Management of Liquid Resources	(17,096)	(4,999)	33,928
Financing			
Capital element of finance lease payments	(224)	(1,021)	(280)
Mortgages and loans acquired	14,527	3,257	15,007
Mortgages and loan capital repayments	(15,245)	(7,667)	(6,044)
Other items	0	0	0
cash (outflow) / inflow from financing	(942)	(5,431)	8,683
Increase / (decrease) in cash	13,727	(17,042)	24,720