

## Cylchlythyr | Circular

# Analysis of the financial position of the HE sector 2010/11

**Date:** 28 April 2012  
**Reference:** W12/08HE  
**To:** Heads of higher education institutions in Wales, 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](mailto:neil.hempstead@hefcw.ac.uk)

This circular informs institutions of financial health performance indicators for the higher education sector in Wales, as shown by the audited financial statements for 2010/11.

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).



Noddir gan  
**Lywodraeth Cymru**  
Sponsored by  
**Welsh Government**

## **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 2010/11.
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 2010/11 there were 11 higher education institutions in Wales with a total income of £1,243m (2009/10 £1,235m) of which 33.45% (2009/10 – 36.74%) came from Funding Council grants, as shown in Table 4. 56.95% (2009/10 – 57.33%) of total income was expended on staff costs (Table 5).
5. The sector reported an operating surplus of £35.8m (2009/10 surplus £36.1m) as shown in Table 2. One institution reported an operating deficit, the same number as in 2009/10. The historical cost surplus for the sector as shown in Table 3 was £51.2m, an increase of £13.4m from 2009/10 at £37.8m. The increase was due to a large favourable variance on disposal of assets (£15.3m), and a significant gain on the realisation of property revaluation (£5.7m) offset by exceptional losses for staff re-structuring (£7m). One institution reported an historical cost deficit in 2010/11, the same number as in the previous year.

## **Balance sheet**

6. Table 8 shows net assets increasing by approximately £125m from the prior year to £1,098m. Excluding pension liabilities, net assets increased by 7.4% from £1,1227m to £1,318m. The pension scheme liabilities fell by 13.1% in the year to £220m; this decrease is due mainly to actuarial adjustments (assumptions on the valuation of assets). As shown in Tables 9 and 10, net liquid assets rose by £28m to give a liquidity ratio of 123 days' expenditure, a significant increase from 115 days in 2009/10. Table 11 demonstrates a current ratio for the sector of 1.93, compared with 2009/10 at 1.92. Total long-term debt (external borrowing), as shown in Table 12, fell very slightly in the year to £146m (decrease of 1.2%), reflecting the ability of several institutions to fund their capital programmes from own resources, as well as the receipt of capital grants.

## Cash flow statement

7. Table 15 shows that the sector reported an overall inflow of cash of £13.7m in 2010/11, compared to an inflow £14.1m in 2009/10. Cash flow from operating activities fell by £37m from 2009/10 to £79m, payments to acquire fixed assets were £126.1m (2009/10 £122.2m), and new secured loans amounted to £14.5m (2009/10 £35.0m). Deferred capital grants increased by £31.6m to £70.3m. Cash placed on short-term deposit was £17.1m (2009/10 £48.5m), which maintained the healthy net liquid asset position.

## Financial sustainability

8. The 2010/11 position shows an overall improvement from the previous year, with similar operating surpluses and higher total funds (due in part to a reduction in pensions' deficits, and an increase in general reserves). When commenting on their financial position against prior year and the current forecasts, most institutions reported significant future pressures on funding from HEFCW and the uncertainties of the new fees regime. Future pressures on salary and particularly pension costs are also of considerable concern. Several institutions have substantially or fully completed programmes for voluntary severance, and it appears that there is some degree of salary cost stabilisation for at least the next 1-2 years.

The figures for 2010/11, 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 £56m compared with a deficit of £62m in 2009/10. 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 adversely affected by the economic downturn and the pressure on income streams which this will bring.

## 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 DCELL.

#### **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 DCELL 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**

<b>Total Income</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	139,055	143,723	144,191
Aberystwyth University	110,054	120,763	118,553
Bangor University	115,941	125,610	131,227
Cardiff University	414,359	429,230	411,453
University of Wales Trinity Saint David *	16,105	15,739	34,452
Swansea University	150,269	158,918	172,532
University of Wales Institute, Cardiff **	78,280	81,245	83,155
University of Wales, Newport	46,769	47,812	49,693
Glyndŵr University	38,673	43,508	44,366
Swansea Metropolitan University	33,574	37,071	36,591
Trinity University College Carmarthen***	15,492	16,332	n/a
University of Wales Registry	11,853	15,411	16,453
<b>Sector Total</b>	<b>1,170,424</b>	<b>1,235,362</b>	<b>1,242,666</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11

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>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
Bangor University	590	556	819
Swansea University	523	460	497

\* 2008/09 and 2009/10 results are for UW Lampeter only

\*\* includes prior year adjustments (restatement of 2009/10 accounts)

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

Table 2

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

	2008/09	2009/10	2010/11
	£k	£k	£k
University of Glamorgan	1,050	538	2,802
Aberystwyth University	(2,621)	(126)	1,057
Bangor University	1,772	4,213	1,273
Cardiff University	14,000	10,680	9,430
University of Wales Trinity Saint David *	656	1,481	1,819
Swansea University	2,450	7,686	7,882
University of Wales Institute, Cardiff**	1,165	2,364	5,520
University of Wales, Newport	282	1,464	1,284
Glyndŵr University	(842)	1,166	1,294
Swansea Metropolitan University	3,096	5,998	6,437
Trinity University College Carmarthen***	66	534	n/a
University of Wales Registry	958	121	(3,044)
<b>Sector Total</b>	<b>22,032</b>	<b>36,119</b>	<b>35,754</b>

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

	2008/09	2009/10	2010/11
	%	%	%
University of Glamorgan	0.75	0.37	1.94
Aberystwyth University	(2.38)	(0.10)	0.89
Bangor University	1.53	3.35	0.97
Cardiff University	3.38	2.49	2.29
University of Wales Trinity Saint David *	4.07	9.41	5.28
Swansea University	1.63	4.84	4.57
University of Wales Institute, Cardiff **	1.49	2.93	6.64
University of Wales, Newport	0.60	3.06	2.58
Glyndŵr University	(2.18)	2.68	2.92
Swansea Metropolitan University	9.22	16.18	17.59
Trinity University College Carmarthen***	0.43	3.27	n/a
University of Wales Registry	8.08	0.79	(18.50)
<b>Sector Total</b>	<b>1.88</b>	<b>2.93</b>	<b>2.88</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

\*\* includes prior year adjustments (restatement of 2009/10 accounts)

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

Table 3

Historical cost surplus/(deficit)	2008/09	2009/10	2010/11
	£k	£k	£k
University of Glamorgan	(1,125)	(1,895)	1,917
Aberystwyth University	(632)	1,910	3,046
Bangor University	2,327	1,116	2,616
Cardiff University	17,371	14,050	12,801
University of Wales Trinity Saint David *	151	1,182	355
Swansea University	8,950	7,686	7,882
University of Wales Institute, Cardiff	869	2,026	6,529
University of Wales, Newport	806	1,988	10,499
Glyndŵr University	(381)	1,612	1,740
Swansea Metropolitan University	3,341	6,419	6,861
Trinity University College Carmarthen**	66	1,564	n/a
University of Wales Registry	430	121	(3,044)
<b>Sector Total</b>	<b>32,173</b>	<b>37,779</b>	<b>51,202</b>

Historical cost surplus/(deficit) as % of total income	2008/09	2009/10	2010/11
	%	%	%
University of Glamorgan	(0.81)	(1.32)	1.33
Aberystwyth University	(0.57)	1.58	2.57
Bangor University	2.01	0.89	1.99
Cardiff University	4.19	3.27	3.11
University of Wales Trinity Saint David *	0.93	7.51	1.03
Swansea University	6.00	4.84	4.57
University of Wales Institute, Cardiff	1.11	2.51	7.85
University of Wales, Newport	1.72	4.16	21.13
Glyndŵr University	(1.00)	3.71	3.92
Swansea Metropolitan University	9.95	17.32	18.75
Trinity University College Carmarthen**	0.43	9.58	n/a
University of Wales Registry	3.63	0.79	(18.50)
<b>Sector Total</b>	<b>2.75</b>	<b>3.06</b>	<b>4.12</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

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

**Table 4**

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

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	49.98	48.58	43.07
Aberystwyth University	37.75	40.38	35.15
Bangor University	39.12	36.39	33.08
Cardiff University	31.26	30.68	29.24
University of Wales Trinity Saint David *	46.33	40.64	40.93
Swansea University	32.30	32.25	28.24
University of Wales Institute, Cardiff	39.62	39.37	34.65
University of Wales, Newport	51.03	50.08	45.19
Glyndŵr University	47.02	41.67	38.24
Swansea Metropolitan University	51.88	48.40	45.15
Trinity University College Carmarthen**	47.68	46.42	n/a
University of Wales Registry	4.91	4.57	3.83
<b>Sector average</b>	<b>37.63</b>	<b>36.74</b>	<b>33.45</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

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

**Table 5**

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

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	61.51	60.80	60.23
Aberystwyth University	57.34	54.45	54.67
Bangor University	58.07	56.14	53.28
Cardiff University	57.00	56.78	58.68
University of Wales Trinity Saint David *	60.24	54.88	54.24
Swansea University	60.70	58.65	56.56
University of Wales Institute, Cardiff	62.21	60.98	56.59
University of Wales, Newport	61.86	61.92	60.54
Glyndŵr University	57.79	58.38	57.27
Swansea Metropolitan University	54.22	51.43	51.11
Trinity University College Carmarthen**	62.80	60.45	n/a
University of Wales Registry	35.08	38.85	43.58
<b>Sector average</b>	<b>58.54</b>	<b>57.33</b>	<b>56.95</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

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

Table 6

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

	2008/09	2009/10	2010/11
	£k	£k	£k
University of Glamorgan	22,276	24,546	39,129
Aberystwyth University	12,740	17,393	22,071
Bangor University	14,742	17,946	22,609
Cardiff University	33,527	30,530	36,061
University of Wales Trinity Saint David *	1,992	1,152	5,910
Swansea University	15,922	23,229	31,129
University of Wales Institute, Cardiff	15,957	22,862	12,375
University of Wales, Newport	14,422	25,983	9,931
Glyndŵr University	8,690	6,946	8,215
Swansea Metropolitan University	3,784	3,821	6,480
Trinity University College Carmarthen **	1,337	2,196	n/a
University of Wales Registry	136	251	468
<b>Sector total</b>	<b>145,995</b>	<b>176,855</b>	<b>194,378</b>

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

	2008/09	2009/10	2010/11
	%	%	%
University of Glamorgan	16.36	17.08	27.14
Aberystwyth University	11.58	14.40	18.62
Bangor University	12.72	14.29	17.23
Cardiff University	8.09	7.11	8.76
University of Wales Trinity Saint David *	12.37	7.32	17.15
Swansea University	10.60	14.62	18.04
University of Wales Institute, Cardiff	20.38	28.38	14.88
University of Wales, Newport	30.84	54.34	19.98
Glyndŵr University	22.47	15.96	18.52
Swansea Metropolitan University	11.27	10.31	17.71
Trinity University College Carmarthen**	8.63	13.45	n/a
University of Wales Registry	1.15	1.63	2.84
<b>Sector average</b>	<b>12.47</b>	<b>14.32</b>	<b>15.64</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11

\* 2008/09 and 2009/10 results are for UW Lampeter only

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

**Table 7**

<b>Interest payable (excluding pension interest)</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	1,827	1,423	1,322
Aberystwyth University	0	0	0
Bangor University	858	745	830
Cardiff University	1,760	1,458	1,417
University of Wales Trinity Saint David *	13	3	15
Swansea University	195	65	55
University of Wales Institute, Cardiff	838	1,278	1,668
University of Wales, Newport	246	241	637
Glyndŵr University	12	0	0
Swansea Metropolitan University	20	0	0
Trinity University College Carmarthen **	49	17	n/a
University of Wales Registry	0	0	0
<b>Sector Total</b>	<b>5,818</b>	<b>5,230</b>	<b>5,944</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 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>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	47,600	68,452	63,637
Aberystwyth University **	142,866	147,691	164,607
Bangor University	99,006	103,059	125,274
Cardiff University	343,989	358,662	399,783
University of Wales Trinity Saint David*	19,186	21,434	33,937
Swansea University	38,697	50,889	76,604
University of Wales Institute, Cardiff	45,926	54,465	50,855
University of Wales, Newport	21,960	25,471	43,302
Glyndŵr University	31,648	37,452	40,100
Swansea Metropolitan University	57,981	65,373	70,784
Trinity University College Carmarthen***	6,713	10,210	n/a
University of Wales Registry	27,937	30,273	28,872
<b>Sector Total</b>	<b>883,509</b>	<b>973,431</b>	<b>1,097,755</b>

<b>Net assets Excluding pension liability</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	108,090	112,662	114,507
Aberystwyth University **	165,480	170,784	183,210
Bangor University	109,527	109,751	127,433
Cardiff University	406,389	421,362	434,383
University of Wales Trinity Saint David*	22,438	25,005	41,344
Swansea University	71,397	87,089	108,304
University of Wales Institute, Cardiff	84,116	88,395	85,925
University of Wales, Newport	41,875	44,743	62,207
Glyndŵr University	43,351	47,827	51,597
Swansea Metropolitan University	66,981	72,943	79,344
Trinity University College Carmarthen ***	11,675	14,812	n/a
University of Wales Registry	29,170	31,281	29,515
<b>Sector Total</b>	<b>1,160,489</b>	<b>1,226,654</b>	<b>1,317,769</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

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

\*\* re-stated balance sheet for 2009-10



**Table 9**

<b>Net liquid assets</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	37,685	29,897	28,207
Aberystwyth University	15,195	12,757	15,355
Bangor University	20,761	28,252	35,792
Cardiff University	124,799	155,873	175,165
University of Wales Trinity Saint David *	4,896	5,750	19,221
Swansea University	23,771	40,343	37,079
University of Wales Institute, Cardiff	21,159	21,228	22,194
University of Wales, Newport	16,802	16,120	16,336
Glyndŵr University	7,725	7,810	6,516
Swansea Metropolitan University	20,440	27,224	31,205
Trinity University College Carmarthen**	2,226	11,147	n/a
University of Wales Registry	5,493	5,293	2,880
<b>Sector Total</b>	<b>300,952</b>	<b>361,694</b>	<b>389,950</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

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

Table 10

**Viability ratio**

	2008/09	2009/10	2010/11
University of Glamorgan	1.09	0.77	0.59
Aberystwyth University **	41.85	3.70	4.17
Bangor University	1.40	1.73	2.45
Cardiff University	4.53	6.19	6.88
University of Wales Trinity Saint David *	12.94	22.82	18.95
Swansea University	4.02	8.54	10.78
University of Wales Institute, Cardiff	0.96	0.70	0.73
University of Wales, Newport	1.04	0.52	0.70
Glyndŵr University	n/a	n/a	13.72
Swansea Metropolitan University	n/a	n/a	n/a
Trinity University College Carmarthen***	1.67	9.49	n/a
University of Wales Registry	n/a	n/a	n/a
<b>Sector Total</b>	<b>2.43</b>	<b>2.35</b>	<b>2.69</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.

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

\*\* re-stated balance sheet 2009/10

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

**Liquidity ratio (days of expenditure)**

	2008/09	2009/10	2010/11
University of Glamorgan	104.4	80.0	77.0
Aberystwyth University**	52.2	41.0	51.0
Bangor University	69.1	88.2	104.3
Cardiff University	118.6	141.8	164.7
University of Wales Trinity Saint David*	121.1	154.7	226.5
Swansea University	62.2	102.5	86.6
University of Wales Institute, Cardiff	103.3	102.5	109.2
University of Wales, Newport	139.9	135.1	133.5
Glyndŵr University	73.4	69.5	57.5
Swansea Metropolitan University	258.1	339.1	398.2
Trinity University College Carmarthen***	55.2	268.5	n/a
University of Wales Registry	186.2	127.8	54.5
<b>Sector Total</b>	<b>100.1</b>	<b>115.3</b>	<b>123.5</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11

\* 2008/09 and 2009/10 results are for UW Lampeter only

\*\* re-stated balance sheet for 2009/10

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

**Table 11**

<b>Current ratio</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
University of Glamorgan	1.83	1.51	1.27
Aberystwyth University **	3.61	1.46	1.31
Bangor University	1.33	1.34	1.66
Cardiff University	2.79	2.64	2.69
University of Wales Trinity Saint David *	1.60	1.64	1.38
Swansea University	1.09	1.16	1.26
University of Wales Institute, Cardiff	2.30	1.86	1.80
University of Wales, Newport	2.11	2.14	2.40
Glyndŵr University	1.29	1.37	1.40
Swansea Metropolitan University	7.09	9.37	11.97
Trinity University College Carmarthen***	1.77	1.45	n/a
University of Wales Registry	4.48	3.20	2.06
<b>Sector Total</b>	<b>2.12</b>	<b>1.92</b>	<b>1.93</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 2009/10 results are for UW Lampeter only

\*\* re-stated balance sheet for 2009-10

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

**Table 12**

<b>Long term debt (external borrowing)</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
University of Glamorgan	34,298	39,091	51,748
Aberystwyth University	0	0	0
Bangor University	14,353	15,012	13,512
Cardiff University	26,990	24,836	23,618
University of Wales Trinity Saint David *	252	122	606
Swansea University	4,926	3,545	2,692
University of Wales Institute, Cardiff	22,330	30,744	30,451
University of Wales, Newport	16,143	33,596	23,421
Glyndŵr University	1,237	0	0
Swansea Metropolitan University	0	0	0
Trinity University College Carmarthen **	1,207	895	n/a
University of Wales Registry	0	0	0
<b>Sector Total</b>	<b>121,736</b>	<b>147,841</b>	<b>146,048</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

<b>Long term debt as % of income</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>%</b>	<b>%</b>	<b>%</b>
University of Glamorgan	24.67	27.20	35.89
Aberystwyth University	0.00	0.00	0.00
Bangor University	12.38	11.95	10.30
Cardiff University	6.51	5.79	5.74
University of Wales Trinity Saint David *	1.56	0.78	1.76
Swansea University	3.28	2.23	1.56
University of Wales Institute, Cardiff	28.53	38.16	36.62
University of Wales, Newport	34.52	70.27	47.13
Glyndŵr University	3.20	0.00	0.00
Swansea Metropolitan University	0.00	0.00	0.00
Trinity University College Carmarthen**	7.79	5.48	n/a
University of Wales Registry	0.00	0.00	0.00
<b>Sector Total</b>	<b>10.40</b>	<b>11.97</b>	<b>11.75</b>

Coverage: All higher education institutions in Wales.

Source: Audited financial statements 2010/11.

\* 2008/09 and 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	2010/11
<b>INCOME</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
Funding Council Grants	440,382	453,895	415,676
Tuition fees and Education contracts	337,391	378,760	409,408
Research grants and contracts	161,537	159,383	168,831
Other income	231,114	243,324	248,751
<b>Total Income</b>	<b>1,170,424</b>	<b>1,235,362</b>	<b>1,242,666</b>
<b>EXPENDITURE</b>			
Staff costs	680,757	701,192	703,067
Exceptional staff restructuring costs	4,373	7,027	4,651
Other operating expenses	396,375	418,102	430,837
Depreciation	51,072	53,997	54,811
Interest payable	15,815	18,925	13,546
<b>Total Expenditure</b>	<b>1,148,392</b>	<b>1,199,243</b>	<b>1,206,912</b>
Surplus on continuing operations after depreciation of fixed assets at valuation and before tax	22,032	36,119	35,754
Profit /(loss) on disposal of assets	(598)	(8,189)	7,138
Benefit on acquisition		80	0
Share of JV profit/(loss)	(69)	68	36
Exceptional gains /(losses)	2,600	(957)	(8,115)
<b>Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax</b>	<b>23,965</b>	<b>27,121</b>	<b>34,813</b>
Taxation			
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	23,965	27,121	34,813
Transfer from accumulated income within specific endowments	(156)	22	1,463
Surplus retained within general reserves	23,809	27,143	36,276
Difference between Historical Cost depreciation and the actual charge for the period calculated on the re-valued amount	8,183	8,205	8,022
Realisation of property revaluation gain of previous years	0	2,148	7,873
<b>Historic Cost Surplus for the period</b>	<b>32,173</b>	<b>37,779</b>	<b>51,202</b>

The 2009/10 Income and Expenditure Account is re-stated for a presentational adjustment to CMU (UWIC)'s accounts for 2009-10.

Table 14

## Sector balance sheet

	As at 31 July 2009	As at 31 July 2010	As at 31 July 2011
<b>Fixed Assets</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
Land and Buildings	967,112	1,023,579	1,089,091
Equipment	37,924	51,110	40,994
Other	28,820	21,344	21,189
Sub total	1,033,856	1,096,033	1,151,274
<b>Endowment Asset Investment</b>	<b>83,882</b>	<b>93,466</b>	<b>102,598</b>
<b>Current assets</b>			
Stock	4,404	4,393	3,471
Debtors	117,162	133,243	154,082
Short term investments	240,805	289,194	310,336
Cash at bank and in hand	67,029	85,012	93,524
Total Current Assets Sub total	429,400	511,842	561,413
<b>Creditors: amounts falling due within one year</b>			
Bank loans and overdraft	6,447	12,512	13,910
Other Creditors	196,293	254,652	276,370
Total Current liabilities Sub total	202,740	267,164	290,280
Net Current Assets	226,660	244,678	271,133
Long term debtor (>1 year)			3,631
Total assets less current liabilities	1,344,398	1,434,177	1,528,636
<b>Creditors: amounts falling due after more than one year</b>			
Reimbursable by HEFCW	0		
External borrowing	121,736	147,841	146,048
Other Creditors	50,973	46,809	49,820
Total long term liabilities	172,709	194,650	195,868
Provisions	11,200	12,873	14,999
<b>Net Assets Excluding Pension Liability</b>	<b>1,160,489</b>	<b>1,226,654</b>	<b>1,317,769</b>
Pension liability	(276,980)	(253,223)	(220,014)
<b>Net Assets Including Pension Liability</b>	<b>883,509</b>	<b>973,431</b>	<b>1,097,755</b>
Deferred Capital grants	270,762	286,658	333,234
<b>Endowment</b>			
Permanent Endowments	74,935	83,229	94,320
Expendable Endowments	8,947	10,237	8,278
Total Endowments	83,882	93,466	102,598
<b>Reserves</b>			
Revaluation reserve	295,624	287,893	267,406
Restricted reserve	18,621	18,174	17,130
General reserve excluding pension liability	491,600	540,463	597,401
Pension reserve	(276,980)	(253,223)	(220,014)
General reserve including pension liability	214,620	287,240	377,387
Total Reserves	528,865	593,307	661,923
<b>Total Funds</b>	<b>883,509</b>	<b>973,431</b>	<b>1,097,755</b>

The 2009/10 sector balance sheet is re-stated for a presentational adjustment to Aberystwyth's accounts for 2009-10 (heritage assets and short- & long-term creditors)

Table 15

## Sector cash flow statement

	2008/09	2009/10	2010/11
	£k	£k	£k
<b>Net cash inflow from operating activities</b>	59,369	115,799	78,903
<b>Returns on investments and servicing of finance</b>			
Income from endowments	2,991	2,782	2,407
Income from short term investments	1,938	2,543	871
Other Interest received	9,050	714	4,523
Interest paid	(6,234)	(5,242)	(5,715)
Other items			1
<b>Sub total</b> cash inflow from investments	7,745	797	2,087
Tax paid			
<b>Investing activities</b>			
Payments to acquire tangible assets	(80,603)	(122,176)	(126,144)
Payments to acquire endowment asset investments	(10,448)	(7,731)	(5,361)
Total Payments to acquire fixed/endowment assets	(91,051)	(129,907)	(131,505)
Receipts from sale of tangible assets	599	1,332	3,556
Receipts from sale of endowment assets	8,817	6,094	6,553
Deferred capital grants received	24,814	38,679	70,337
Endowments received	530	1,963	1,834
Other items	0	0	0
<b>Sub total</b> cash outflow from investing activities	(56,291)	(81,839)	(49,225)
Net cash inflow before financing	10,823	34,757	31,765
<b>Management of Liquid Resources</b>	(19,454)	(48,453)	(17,096)
<b>Financing</b>			
Capital element of finance lease payments	(168)	(366)	(224)
Mortgages and loans acquired	24,085	35,017	14,527
Mortgages and loan capital repayments	(6,574)	(6,865)	(15,245)
Other items			0
cash (outflow) / inflow from financing	17,343	27,786	(942)
<b>Increase / (decrease) in cash</b>	<b>8,712</b>	<b>14,090</b>	<b>13,727</b>