



# Financial position of the further education sector 2007/08

Analysis of the financial position of the further education sector 2007/08

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## Information

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# Financial position of the further education sector 2007/08

<b>Audience</b>	Senior management of FE sector institutions.
<b>Overview</b>	This document informs institutions of financial health performance indicators for the further education sector in Wales as shown by the finance records and the audited financial statements for 2007/08.
<b>Action required</b>	No response required.
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As a result of severe pressure on translation services, we are having to prioritise our use of the resources available to us. Unfortunately, on that basis, we are unable to provide a Welsh version of the Analysis of the Financial Position of the FE sector 2007/08. This is because other items have been given a higher priority rating and have thus taken precedence in the allocation of resources. The approach for setting priorities is set out in the Welsh Language Scheme for the Welsh Assembly Government prepared under the Welsh Language Act 1993.

Mae'n rhaid i ni flaenoriaethu'r ffordd yr ydym yn defnyddio'r adnoddau cyfieithu sydd ar gael i ni oherwydd y pwysau mawr sydd ar yr adnoddau hynny. Felly, yn anffodus ni allwn ddarparu fersiwn Cymraeg o'r Analysis of the Financial Position of the FE sector 2007/08, gan fod eitemau eraill yn cael mwy o flaenoriaeth o ran dyrannu'r adnoddau. Mae'r dull a ddefnyddir i bennu blaenoriaeth wedi'i amlinellu yng Nghynllun Iaith Gymraeg Llywodraeth Cynulliad Cymru a baratowyd o dan Ddeddf yr Iaith Gymraeg 1993.

## **INTRODUCTION**

1. This circular informs institutions of financial health performance indicators for the further education sector in Wales as shown by the finance record and audited financial statements for 2007/08.
2. Key financial ratios and figures which give an indication of each institutions financial position are provided in Tables 1 to 16. These are based on the finance records returned by institutions. In some cases there are small differences between the way in which financial information is presented in the Finance Record, when compared with an institution's financial statements. Each table includes brief notes on coverage and the data sources. Notes on the definitions used are provided in Annex A.
3. The sector's income and expenditure account, balance sheet and cash flow statement are provided in Tables 17 to 19.
4. In all the tables, minor differences may arise due to rounding.
5. On 1<sup>st</sup> April 2006 The National Council Education and Training Wales (ELWa) merged with the Welsh Assembly Government. All references to the Welsh Assembly Government include ELWa before this date.
6. Financial Reporting Standard 17 – Retirements Benefits was applicable for the year ended 31<sup>st</sup> July 2006. This relates to the disclosure of pension scheme deficits and liabilities for defined benefit schemes. For the Further Education sector this includes all Local Government Superannuation Schemes which the majority of non teaching staff are members of. The Teachers Pension Scheme, of which teaching staff are members, is not included within these disclosures as the proportion of the schemes deficit cannot be separately identified between each institution.

### **Income And Expenditure Account**

7. In 2007/08 there were 23 further education institutions in Wales with a total income of £416m of which £321m, or 77.2 per cent, came from the Welsh Assembly Government (WAG) grants as shown on Table 1. Pay expenditure accounted for £277m that represented 66.1 per cent of income, as shown on Table 3. The sector reported an operating loss before profit on disposal of fixed assets of £(0.02)m, details are shown on Table 6. Eleven institutions, compared to eight in 2006/2007, reported an operating deficit. The sector historic cost surplus as shown in Table 7 was £5m. Nine institutions, compared to four in 2006/07, reported an historic cost deficit.

### **Balance Sheet**

8. As shown in Table 9, net liquid assets have fallen to 68 days expenditure, 73 days in 2006/07. Table 10 shows a subsequent fall in the current ratio for the sector to 1.79 in 2007/08. The net book value of equipment, as shown in Table 11, has fallen to £23m. Table 12 shows that long term liabilities have increased slightly by £0.1m to £28m. General Reserves, shown on Table 15, have increased to £110m excluding the pension provision and fallen to £18m including the pension provision.

## **Cash Flow Statement**

9. Table 16 shows that the sector reported an overall decrease in cash of £5m in 2007/08. Cash flow from operating activities fell to £10m, payments to acquire fixed assets increased slightly to £35m. There was a decrease in the level of new secured loans from £3.5m in 2006/07 to £3m in 2007/08, and an increase in unsecured loans from £0.9m in 2006/07 to £1.3m in 2007/08.

## **Further Information**

10. This bulletin is intended to provide further education institutions with an indication of their comparative financial position for 2007/08. It is in addition to, not a replacement for, the Annual Volume of Further and Higher Education Statistics for 2007/08 that will be published by WAG by the end of the year.

# **ANNEX A**

## **FURTHER EDUCATION DEFINITIONS**

### **1. Coverage**

All further education institutions in Wales excluding YMCA.

### **FE Finance Data Definitions**

#### **2. Sources of Income**

##### **WAG grant**

This category includes all income received from WAG, classified as follows:

- Recurrent grant.
- Other recurrent funding.
- Release of deferred capital grants (WAG grant only).
- Sponsored funds (for 2005/06 only).
- Recurrent funding adjustment relating to previous year.
- Other WAG grants.
- Work based learning receipts from WAG.

##### **Tuition fees and Education contracts**

This category includes all income received resulting from tuition provided in respect of agreements with external bodies and fees for students, classified as follows:

- Local Education Authorities (LEAs).
- Higher education income.
- Other educational contracts.
- New deal (Non WAG).
- EC FE fee income.
- Non EC FE fee income.
- EC and non EC HE fee income.
- Examination fees.

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

- This category covers all income in respect of research carried out by the institution.

##### **Other income**

This category contains all other income including that from institution companies, classified as follows:

- Catering and residences operations.
- Release of deferred capital grants (non-WAG).
- Farm income.

- Other income generating activities.
- Other income.
- European grants.
- KEF grants.
- Other grants.

### **Investment income**

This category includes income from investments and other interest receivable. It also includes any FRS 17 pension finance income.

## **3. Categories of Expenditure**

Expenditure within further education institutions is divided into two categories:

- Non-pay expenditure.
- Pay expenditure.

## **4. Non-Pay Expenditure**

**Non-pay expenditure** includes materials, consumables, uncapitalised equipment, stationery, travel and subsistence, postage, telephone charges, books, periodicals, copyright licences, advertising, relocation contributions, consultants fees, insurance's and revenue building works. The costs of staff seconded into the institution, consultants and contractors are also included. Categories of non-pay expenditure are listed below.

### **Teaching and learning departments**

This category covers all revenue expenditure on teaching and demonstrating (such as equipment maintenance, stationery, transport and field trips), including tuition provided on behalf of the institution by means of a third party arrangement (franchise).

### **Teaching and learning support services**

This category covers the costs of centrally organised services providing learning support to all students, including libraries and computer and resource-based learning centres, student transport and examination fees.

### **Other support services**

This category covers the costs of services that are not directly linked to teaching and learning, including staff development, students' careers advisory services, welfare services, activities provided as recreation (eg music, drama, sport) and support for student unions.

### **Administration and central services**

This category contains the cost of central administration, ie, the support cost of the principal and other senior managers, together with costs not identified to other activities such as bank charges (excluding interest), legal fees, audit fees and the running costs of administrative computers.

### **General education expenditure**

This category includes centrally incurred costs in respect of marketing (eg. market research, prospectuses).

### **Premises**

This category shows the cost of providing space within institutions, including:

- Running costs other than maintenance.
- Routine maintenance.
- Rents and leases.
- Buildings insurance.

### **Sponsorship/Section 6(5) ( Applicable for 2005/06 only)**

This category contains all payments made to external bodies under Section 6(5) of the Further and Higher Education Act 1992.

### **Research and consultancy/Other income-generating activities/Catering and Residences/Farm**

These categories show the marginal costs of providing the activities that generate the corresponding streams of income (marginal costs are those costs which are incurred solely and necessarily to secure the income).

### **Other expenses**

This category includes any other expenses incurred.

### **Depreciation**

This category records all depreciation charged during the academic year, including depreciation on inherited assets and depreciation funded by deferred capital grants.

### **Interest payable**

This category includes interest on long-term loans, bank overdrafts and local authority deficit loans.

### **Pension finance cost**

This category includes the pension finance cost calculated under FRS 17 – Pensions.

## **5. Pay Expenditure**

**Pay expenditure** includes basic payroll costs, overtime and other allowances and additions, employers' superannuation costs, national insurance contributions, premature retirement costs and redundancy costs. Categories of pay expenditure are listed below:

### **Teaching and learning departments**

This category covers all costs in respect of teaching staff, pay for all other departmental staff (such as technicians, administration staff and clerical teaching support staff), costs of staff who teach partial or full cost recovery programmes, short or special courses, including sub contracted tuition.

### **Teaching and learning support services**

This category covers the pay of employees who are wholly or mainly engaged in library duties, other learning support centres or managing and running the installation of computer and resource-based learning centres and examination staff.

### **Other support services**

This category includes the cost of staff development and the pay for staff such as student welfare officers, recreation tutors, accommodation officers, careers officers and related staff.

### **Administration and central services**

This category includes the pay and costs of other emoluments of staff such as the principal, other senior managers and support staff and those wholly engaged in administrative computing work, MIS, finance and personnel.

### **General education expenditure**

This category includes the cost of any staff predominantly employed for marketing or assessment related work.

### **Premises**

This category includes the costs of staff whose main responsibilities are running costs (eg, cleaners, caretakers), routine maintenance and condition survey work.

### **Research and consultancy/Other income-generating activities/Catering and residences/ Farm**

These categories include all relevant pay related costs of providing the activities that generate the corresponding streams of income.

### **Staff restructuring**

This category includes all staff-related initial payments in respect of restructuring (redundancy compensation and enhanced pension payments) and the provision required to fund long-term liability for pensions/superannuation (FRS12).

### **Pension provision**

This is the pension charge relating to the liability calculated for the institution from the local government superannuation scheme (under FRS 17 – retirement benefits).

## **6. Source Of Finance Data**

The source of data for Tables 1 to 19 provided in this bulletin are institutions' completed Finance Record for 2007/08.

## **7. Key Financial Ratios**

### **Table 1: WAG grant as a percentage of total income**

Numerator: Total WAG Grant: Table A, head code 1,  
Denominator: Total Income: Table A, head code 7.

### **Table 2: Increase/Decrease in Pay Expenditure**

Numerator: Increase/Decrease in Pay Expenditure, year on year,  
Denominator: Total Pay expenditure: Table B2, head code 13.



**Table 3: Pay as a percentage of Total Income**

Numerator: Total Pay expenditure: Table B2, head code 13,  
Denominator: Total Income: Table A, head code 7.

**Table 4: Premises Non-pay expenditure**

Premises non-pay expenditure: Table B1, Premises, head code 6.

**Table 5: Premises Non Pay expenditure as a percentage of total expenditure**

Numerator: Premises non pay expenditure: Table B1, Premises, head code 6.  
Denominator: Total expenditure: Table A, head code 8.

**Table 6: Operating surplus/(deficit) after depreciation of assets at valuation and before tax**

Operating Surplus/(deficit) on continuing operations after depreciation of fixed assets at valuation and before tax: Table A, head code 9.

**Table 7: Historic cost surplus/(deficit)**

Historic cost surplus/(deficit): Table A, head code 16.

**Table 8: Net liquid assets**

Net liquid assets: Table C, short term investments, head code 3c plus cash at bank and in hand, head code 3d, minus bank overdrafts, head code 4a.

**Table 9: Days net liquid assets to total expenditure**

Numerator: Net liquid assets: Table C, short term investments, head code 3c plus cash at bank and in hand, head code 3d, minus bank overdrafts, head code 4a.  
Denominator: Total expenditure: Table A, head code 8.

**Table 10: Current Ratio**

Numerator: Current assets: Table C, head code 3,  
Denominator: Current liabilities: Table C, head code 4.

**Table 11: Equipment balance sheet levels**

Equipment balance sheet levels: Table C, head code 1b.

**Table 12: Long Term Liabilities**

Total Long Term Liabilities: Table C, head code 7.

**Table 13: Gearing: External borrowing only/General Reserves before Pension reserve**

Numerator: Long Term Liabilities: External borrowing greater than one year Table C, head code 7a plus external borrowing less than one year, Table C head code 4ab.  
Denominator: General reserves excluding pension reserve: Table C, head code 14.

**Table 14: Interest payable**

Interest payable: Table B1, head code 15.

**Table 15: General reserves**

General reserves: Table C, head code 14.

**Table 16: Increase/(decrease) in cash**

Increase/(decrease) in cash: Table D, head code 6.

**TABLE 1****WAG GRANT AS A PERCENTAGE OF TOTAL INCOME**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Barry College	78.65	82.07	79.30
Bridgend College	71.11	68.49	69.99
Coleg Ceredigion	83.87	84.68	80.99
Coleg Glan Hafren	85.14	84.69	83.42
Coleg Gwent	83.11	81.60	81.13
Coleg Harlech/WEAN	70.13	66.12	69.26
Coleg Llandrillo	77.26	75.66	73.37
Coleg Llysfasi	79.15	79.04	75.14
Coleg Meirion Dwyfor	79.44	78.14	75.65
Coleg Menai	81.87	81.35	79.52
Coleg Morgannwg	74.63	78.11	82.57
Coleg Powys	77.73	74.97	75.48
Coleg Sir Gar	72.43	67.51	66.31
Deeside College	80.56	79.85	77.78
Gorseinon College	73.08	72.54	75.03
Neath Port Talbot College	80.58	79.28	77.93
Pembrokeshire College	69.61	73.08	76.82
St David's Sixth Form College	87.43	84.31	82.27
Swansea College	75.74	77.03	75.43
WEA South	73.40	71.20	71.04
Welsh College Of Horticulture	74.88	71.95	67.64
Yale College	87.36	86.91	83.90
Ystrad Mynach College	76.03	78.84	80.35
<b>Sector Total</b>	<b>78.29</b>	<b>77.81</b>	<b>77.17</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 2****INCREASE/DECREASE IN PAY EXPENDITURE**

	2005/06		2006/07		2007/08
	£'000	% Change	£'000	% Change	£'000
Barry College	8,784	10.59	9,600	19.06	11,430
Bridgend College	15,787	4.85	16,028	5.05	16,838
Coleg Ceredigion	3,413	7.32	3,640	7.40	3,909
Coleg Glan Hafren	12,201	8.62	13,190	7.92	14,235
Coleg Gwent	27,529	11.95	30,537	4.06	31,778
Coleg Harlech/WEAN	2,163	9.51	2,338	3.34	2,416
Coleg Llandrillo	16,859	6.61	17,734	10.71	19,633
Coleg Llysfasi	3,157	10.23	3,480	4.43	3,634
Coleg Meirion Dwyfor	6,090	5.11	6,354	7.85	6,853
Coleg Menai	11,169	4.90	11,600	5.54	12,243
Coleg Morgannwg	16,237	0.86	15,551	(0.60)	15,458
Coleg Powys	6,629	5.85	6,984	6.44	7,434
Coleg Sir Gar	17,010	7.91	18,116	0.58	18,221
Deeside College	11,363	13.78	12,811	15.53	14,800
Gorseinon College	8,861	7.45	9,421	0.73	9,490
Neath Port Talbot College	15,914	5.04	16,347	8.25	17,696
Pembrokeshire College	12,146	3.53	12,467	(6.05)	11,713
St David's Sixth Form College	3,424	11.21	3,750	8.11	4,054
Swansea College	17,128	14.24	19,620	(8.40)	17,971
WEA South	2,396	2.47	2,455	5.20	2,583
Welsh College Of Horticulture	4,186	7.30	4,515	(5.56)	4,264
Yale College	14,165	18.34	16,503	9.18	18,018
Ystrad Mynach College	11,445	3.57	11,789	7.74	12,701
<b>Sector Total</b>	<b>248,056</b>	<b>8.22</b>	<b>264,830</b>	<b>4.74</b>	<b>277,372</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08. N.B. These figures include staff restructuring costs.

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

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Barry College	60.40	60.73	62.14
Bridgend College	68.85	66.47	70.03
Coleg Ceredigion	61.88	63.35	70.74
Coleg Glan Hafren	62.05	63.19	67.59
Coleg Gwent	55.60	59.50	60.54
Coleg Harlech/WEAN	63.28	65.25	67.39
Coleg Llandrillo	60.23	60.19	61.24
Coleg Llysfasi	62.22	62.40	65.55
Coleg Meirion Dwyfor	69.50	67.81	72.14
Coleg Menai	62.44	62.20	63.65
Coleg Morgannwg	68.29	65.40	72.50
Coleg Powys	62.29	62.53	65.35
Coleg Sir Gar	64.36	65.50	62.82
Deeside College	59.52	63.76	66.77
Gorseinon College	68.57	73.20	74.85
Neath Port Talbot College	64.46	62.69	63.21
Pembrokeshire College	66.14	70.34	66.68
St David's Sixth Form College	68.87	70.65	71.15
Swansea College	67.09	76.15	69.96
WEA South	74.80	75.01	79.94
Welsh College Of Horticulture	62.97	64.73	63.92
Yale College	62.80	68.33	73.75
Ystrad Mynach College	65.64	71.86	75.60
<b>Sector Total</b>	<b>63.35</b>	<b>65.27</b>	<b>66.07</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 4****PREMISES NON-PAY EXPENDITURE**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	915	1,067	980
Bridgend College	839	992	915
Coleg Ceredigion	374	523	341
Coleg Glan Hafren	1,455	2,144	1,860
Coleg Gwent	4,346	4,414	3,783
Coleg Harlech/WEAN	395	316	273
Coleg Llandrillo	1,906	2,421	2,590
Coleg Llysfasi	477	685	481
Coleg Meirion Dwyfor	626	671	649
Coleg Menai	1,643	1,560	1,452
Coleg Morgannwg	1,491	2,780	2,131
Coleg Powys	1,096	1,254	1,269
Coleg Sir Gar	2,068	1,755	1,738
Deeside College	1,164	1,143	1,283
Gorseinon College	919	568	507
Neath Port Talbot College	1,523	1,565	1,846
Pembrokeshire College	550	623	647
St David's Sixth Form College	195	279	276
Swansea College	1,696	1,426	1,608
WEA South	140	120	165
Welsh College Of Horticulture	662	608	237
Yale College	1,964	2,341	1,461
Ystrad Mynach College	1,403	1,064	959
<b>Sector Total</b>	<b>27,847</b>	<b>30,319</b>	<b>27,451</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 5****PREMISES NON-PAY EXPENDITURE AS A PERCENTAGE OF TOTAL EXPENDITURE**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Barry College	6.41	6.78	5.43
Bridgend College	3.53	4.11	3.82
Coleg Ceredigion	7.07	9.15	6.06
Coleg Glan Hafren	7.45	10.19	8.43
Coleg Gwent	8.94	8.57	7.12
Coleg Harlech/WEAN	11.59	8.83	6.89
Coleg Llandrillo	7.20	8.74	8.44
Coleg Llysfasi	9.77	12.32	8.78
Coleg Meirion Dwyfor	7.07	7.25	6.64
Coleg Menai	9.65	8.59	7.89
Coleg Morgannwg	6.48	12.12	9.78
Coleg Powys	10.35	11.40	10.90
Coleg Sir Gar	7.86	6.36	6.06
Deeside College	6.50	5.89	5.85
Gorseinon College	7.13	4.40	3.98
Neath Port Talbot College	6.28	6.10	6.73
Pembrokeshire College	3.07	3.42	3.81
St David's Sixth Form College	4.07	5.34	4.89
Swansea College	6.67	5.24	6.32
WEA South	4.34	3.70	4.92
Welsh College Of Horticulture	10.03	8.39	3.64
Yale College	8.85	9.63	5.69
Ystrad Mynach College	8.00	6.44	5.57
<b>Sector Total</b>	<b>7.24</b>	<b>7.51</b>	<b>6.60</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 6****OPERATING SURPLUS/(DEFICIT)**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	264	72	368
Bridgend College	(870)	3	84
Coleg Ceredigion	227	31	(97)
Coleg Glan Hafren	145	(159)	(1,012)
Coleg Gwent	885	(203)	(623)
Coleg Harlech/WEAN	10	6	(377)
Coleg Llandrillo	1,507	1,752	1,390
Coleg Llysfasi	194	18	68
Coleg Meirion Dwyfor	(95)	110	(275)
Coleg Menai	864	491	832
Coleg Morgannwg	764	840	(458)
Coleg Powys	54	168	(271)
Coleg Sir Gar	120	51	336
Deeside College	1,171	689	250
Gorseinon College	37	(50)	(31)
Neath Port Talbot College	438	441	566
Pembrokeshire College	437	(486)	564
St David's Sixth Form College	179	87	58
Swansea College	92	(1,441)	261
WEA South	(25)	25	(125)
Welsh College Of Horticulture	50	(274)	159
Yale College	356	(169)	(1,255)
Ystrad Mynach College	(103)	(115)	(429)
<b>Sector Total</b>	<b>6,701</b>	<b>1,887</b>	<b>(17)</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 7****HISTORIC COST SURPLUS/(DEFICIT)**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	405	209	544
Bridgend College	(833)	40	137
Coleg Ceredigion	269	74	(98)
Coleg Glan Hafren	325	21	(832)
Coleg Gwent	1,687	645	1,332
Coleg Harlech/WEAN	74	70	(132)
Coleg Llandrillo	1,644	1,889	1,527
Coleg Llysfasi	220	44	94
Coleg Meirion Dwyfor	(6)	198	(187)
Coleg Menai	961	802	1,060
Coleg Morgannwg	1,023	2,927	(64)
Coleg Powys	236	349	(90)
Coleg Sir Gar	232	247	525
Deeside College	1,392	780	341
Gorseinon College	1,066	27	46
Neath Port Talbot College	625	628	594
Pembrokeshire College	566	(364)	1,577
St David's Sixth Form College	179	70	58
Swansea College	265	(1,402)	427
WEA South	(25)	24	(125)
Welsh College Of Horticulture	104	(203)	213
Yale College	501	(24)	(1,110)
Ystrad Mynach College	0	4	(348)
<b>Sector Total</b>	<b>10,911</b>	<b>7,055</b>	<b>5,489</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08



**TABLE 8****NET LIQUID ASSETS**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	2,101	2,490	4,000
Bridgend College	1,501	1,329	1,056
Coleg Ceredigion	1,626	1,497	1,528
Coleg Glan Hafren	5,292	5,318	3,969
Coleg Gwent	8,638	9,931	11,932
Coleg Harlech/WEAN	248	491	423
Coleg Llandrillo	4,539	6,011	3,758
Coleg Llysfasi	404	486	532
Coleg Meirion Dwyfor	3,129	3,191	2,554
Coleg Menai	2,336	2,398	3,446
Coleg Morgannwg	7,762	9,888	7,865
Coleg Powys	5,407	5,613	5,207
Coleg Sir Gar	6,162	6,735	6,788
Deeside College	1,641	2,520	1,338
Gorseinon College	1,119	622	547
Neath Port Talbot College	4,293	5,513	5,181
Pembrokeshire College	1,658	2,269	4,232
St David's Sixth Form College	582	426	283
Swansea College	8,474	9,367	9,032
WEA South	389	232	155
Welsh College Of Horticulture	53	33	264
Yale College	2,105	2,636	2,403
Ystrad Mynach College	1,274	1,392	1,133
<b>Sector Total</b>	<b>70,733</b>	<b>80,388</b>	<b>77,626</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 9****DAYS NET LIQUID ASSETS TO TOTAL EXPENDITURE**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>Days</b>	<b>Days</b>	<b>Days</b>
Barry College	54	58	81
Bridgend College	23	20	16
Coleg Ceredigion	112	96	99
Coleg Glan Hafren	99	92	66
Coleg Gwent	65	70	82
Coleg Harlech/WEAN	27	50	39
Coleg Llandrillo	63	79	45
Coleg Llysfasi	30	32	35
Coleg Meirion Dwyfor	129	126	95
Coleg Menai	50	48	68
Coleg Morgannwg	123	157	132
Coleg Powys	186	186	163
Coleg Sir Gar	85	89	86
Deeside College	33	47	22
Gorseinon College	32	18	16
Neath Port Talbot College	65	78	69
Pembrokeshire College	34	45	91
St David's Sixth Form College	44	30	18
Swansea College	122	126	130
WEA South	44	26	17
Welsh College Of Horticulture	3	2	15
Yale College	35	40	34
Ystrad Mynach College	27	31	24
<b>Sector Total</b>	<b>67</b>	<b>73</b>	<b>68</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 10****CURRENT RATIO**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
Barry College	1.75	2.27	2.42
Bridgend College	1.34	1.16	1.18
Coleg Ceredigion	2.14	2.14	2.46
Coleg Glan Hafren	1.61	1.62	1.55
Coleg Gwent	1.21	1.33	1.35
Coleg Harlech/WEAN	1.22	1.29	1.47
Coleg Llandrillo	1.28	1.63	1.81
Coleg Llysfasi	1.77	1.89	2.44
Coleg Meirion Dwyfor	2.79	3.08	3.27
Coleg Menai	1.94	2.88	2.85
Coleg Morgannwg	3.09	5.05	4.25
Coleg Powys	4.19	4.51	4.74
Coleg Sir Gar	2.00	1.92	2.18
Deeside College	1.27	1.00	0.79
Gorseinon College	3.43	2.43	2.29
Neath Port Talbot College	1.35	1.41	1.20
Pembrokeshire College	1.85	1.52	2.48
St David's Sixth Form College	2.14	1.71	1.51
Swansea College	2.16	1.91	1.92
WEA South	1.53	1.63	1.57
Welsh College Of Horticulture	1.12	0.81	1.13
Yale College	1.23	0.93	0.63
Ystrad Mynach College	3.49	2.95	2.48
<b>Sector Total</b>	<b>1.80</b>	<b>1.81</b>	<b>1.79</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 11****EQUIPMENT BALANCE SHEET LEVELS**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	1,165	1,182	1,247
Bridgend College	1,434	1,433	1,794
Coleg Ceredigion	83	283	150
Coleg Glan Hafren	649	921	953
Coleg Gwent	8,327	8,737	8,245
Coleg Harlech/WEAN	299	394	137
Coleg Llandrillo	571	301	116
Coleg Llysfasi	144	183	163
Coleg Meirion Dwyfor	651	732	678
Coleg Menai	1,185	1,156	913
Coleg Morgannwg	145	548	483
Coleg Powys	306	461	355
Coleg Sir Gar	495	530	402
Deeside College	610	845	965
Gorseinon College	734	771	547
Neath Port Talbot College	765	941	689
Pembrokeshire College	1,519	1,273	1,134
St David's Sixth Form College	273	306	289
Swansea College	1,574	1,484	1,623
WEA South	55	132	137
Welsh College Of Horticulture	249	259	306
Yale College	1,609	1,623	1,557
Ystrad Mynach College	634	539	350
<b>Sector Total</b>	<b>23,476</b>	<b>25,034</b>	<b>23,233</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 12****LONG TERM LIABILITIES**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	423	817	779
Bridgend College	2,403	2,317	2,238
Coleg Ceredigion	0	0	0
Coleg Glan Hafren	327	256	304
Coleg Gwent	6,316	6,089	5,864
Coleg Harlech/WEAN	0	0	0
Coleg Llandrillo	5,017	4,112	3,832
Coleg Llysfasi	5	25	298
Coleg Meirion Dwyfor	0	0	0
Coleg Menai	1,188	1,102	1,046
Coleg Morgannwg	71	0	0
Coleg Powys	666	487	310
Coleg Sir Gar	1,050	750	450
Deeside College	2,290	1,965	3,674
Gorseinon College	1,892	947	941
Neath Port Talbot College	3,091	2,982	2,894
Pembrokeshire College	2,161	2,048	1,906
St David's Sixth Form College	503	435	366
Swansea College	98	60	0
WEA South	121	108	94
Welsh College Of Horticulture	67	27	1
Yale College	2,495	2,440	2,389
Ystrad Mynach College	1,383	1,063	754
<b>Sector Total</b>	<b>31,567</b>	<b>28,030</b>	<b>28,140</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 13****GEARING: EXTERNAL BORROWING ONLY/GENERAL RESERVES**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
Barry College	0.12	0.21	0.17
Bridgend College	0.45	0.41	0.39
Coleg Ceredigion	0.00	0.00	0.00
Coleg Glan Hafren	0.07	0.06	0.08
Coleg Gwent	0.89	0.75	0.58
Coleg Harlech/WEAN	0.00	0.00	0.00
Coleg Llandrillo	1.09	0.67	0.52
Coleg Llysfasi	0.01	0.03	0.26
Coleg Meirion Dwyfor	0.00	0.00	0.00
Coleg Menai	0.19	0.15	0.13
Coleg Morgannwg	0.00	0.00	0.00
Coleg Powys	0.00	0.00	0.00
Coleg Sir Gar	0.19	0.14	0.09
Deeside College	0.58	0.42	0.68
Gorseinon College	0.90	0.43	0.41
Neath Port Talbot College	1.28	0.95	0.76
Pembrokeshire College	0.56	0.54	0.35
St David's Sixth Form College	0.77	0.61	0.49
Swansea College	0.00	0.00	0.00
WEA South	0.34	0.28	0.33
Welsh College Of Horticulture	2.62	(1.02)	0.18
Yale College	1.34	1.62	3.27
Ystrad Mynach College	0.30	0.23	0.20
<b>Sector Total</b>	<b>0.35</b>	<b>0.29</b>	<b>0.28</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 14****INTEREST PAYABLE**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	41	39	53
Bridgend College	191	180	177
Coleg Ceredigion	0	0	0
Coleg Glan Hafren	29	26	22
Coleg Gwent	425	378	375
Coleg Harlech/WEAN	0	0	0
Coleg Llandrillo	408	389	351
Coleg Llysfasi	2	1	6
Coleg Meirion Dwyfor	20	0	0
Coleg Menai	55	27	41
Coleg Morgannwg	0	0	0
Coleg Powys	0	0	0
Coleg Sir Gar	64	0	0
Deeside College	125	114	146
Gorseinon College	49	72	58
Neath Port Talbot College	219	353	311
Pembrokeshire College	124	130	123
St David's Sixth Form College	36	45	37
Swansea College	34	40	44
WEA South	3	3	2
Welsh College Of Horticulture	12	14	45
Yale College	268	233	254
Ystrad Mynach College	63	72	58
<b>Sector Total</b>	<b>2,168</b>	<b>2,116</b>	<b>2,103</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 15****GENERAL RESERVES**

	2005/06 Excluding FRS 17	2005/06 Including FRS 17	2006/07 Excluding FRS 17	2006/07 Including FRS 17	2007/08 Excluding FRS 17	2007/08 Including FRS 17
	£'000	£'000	£'000	£'000	£'000	£'000
Barry College	3,833	624	4,147	1,517	4,823	1,288
Bridgend College	5,536	(1,114)	5,817	197	6,215	(525)
Coleg Ceredigion	1,780	1,052	1,932	1,156	1,991	393
Coleg Glan Hafren	5,576	2,696	5,687	3,367	4,945	1,655
Coleg Gwent	7,351	(3,538)	8,469	(1,585)	10,510	(7,692)
Coleg Harlech/WEAN	706	117	785	491	683	254
Coleg Llandrillo	4,298	1,251	6,162	4,853	7,585	4,633
Coleg Llysfasi	841	51	950	349	1,130	(190)
Coleg Meirion Dwyfor	3,059	1,658	3,285	2,450	3,118	1,915
Coleg Menai	6,298	3,076	7,234	5,449	8,343	5,419
Coleg Morgannwg	7,226	752	10,940	5,575	11,135	4,798
Coleg Powys	4,827	2,817	5,226	3,556	5,277	3,496
Coleg Sir Gar	7,072	2,776	7,574	3,159	8,636	165
Deeside College	4,494	(88)	5,398	1,392	5,909	56
Gorseinon College	2,126	66	2,263	563	2,389	29
Neath Port Talbot College	2,490	(2,360)	3,257	(643)	3,931	(1,259)
Pembrokeshire College	4,069	2,384	3,991	2,325	5,905	2,218
St David's Sixth Form College	740	245	825	447	898	372
Swansea College	12,137	7,224	11,002	7,162	11,629	5,989
WEA South	397	252	438	370	329	79
Welsh College Of Horticulture	50	(862)	(85)	(922)	146	(1,412)
Yale College	1,963	(1,687)	2,157	(1,135)	1,361	(4,440)
Ystrad Mynach College	3,824	1,018	4,062	1,770	3,933	832
<b>Sector Total</b>	<b>90,693</b>	<b>18,410</b>	<b>101,516</b>	<b>41,865</b>	<b>110,821</b>	<b>18,073</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08



**TABLE 16****INCREASE/DECREASE IN CASH POSITION**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barry College	68	443	592
Bridgend College	60	1,198	(848)
Coleg Ceredigion	45	(129)	32
Coleg Glan Hafren	176	26	(1,349)
Coleg Gwent	3,412	1,294	2,000
Coleg Harlech/WEAN	(481)	243	(689)
Coleg Llandrillo	2,190	1,474	(2,253)
Coleg Llysfasi	(56)	86	43
Coleg Meirion Dwyfor	(247)	62	(638)
Coleg Menai	(135)	62	1,048
Coleg Morgannwg	(612)	2,127	(2,023)
Coleg Powys	319	(194)	(356)
Coleg Sir Gar	676	571	54
Deeside College	(2,393)	879	(1,182)
Gorseinon College	695	(497)	(75)
Neath Port Talbot College	1,055	1,220	(332)
Pembrokeshire College	(940)	610	1,677
St David's Sixth Form College	157	(156)	(143)
Swansea College	(261)	893	(335)
WEA South	(126)	(144)	(64)
Welsh College Of Horticulture	(382)	(223)	156
Yale College	(520)	531	(233)
Ystrad Mynach College	(450)	118	(259)
<b>Sector Total</b>	<b>2,250</b>	<b>10,494</b>	<b>(5,177)</b>

Coverage: All further education institutions in Wales excluding YMCA.

Source: Finance record 2007/08

**TABLE 17****SECTOR PROFIT AND LOSS ACCOUNT**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>INCOME</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
WAG Grants	306,535	315,701	321,059
Tuition fees and Education Contracts	35,983	38,369	43,264
Research Grants and Contracts	291	342	330
Other income	44,379	46,088	44,806
Investment income	4,361	5,259	6,608
<b>Total Income</b>	<b>391,549</b>	<b>405,759</b>	<b>416,067</b>
<b>EXPENDITURE</b>			
Staff costs	248,056	264,830	277,372
Other operating expenses	114,799	117,966	116,499
Depreciation	19,825	18,960	20,110
Interest payable	2,168	2,116	2,103
<b>Total Expenditure</b>	<b>384,848</b>	<b>403,872</b>	<b>416,084</b>
<b>Operating Surplus after depreciation and before tax</b>	<b>6,701</b>	<b>1,887</b>	<b>(17)</b>
Profit/(loss) on disposal of assets	227	1,863	1,619
Surplus/(deficit) on continuing operations after depreciation of tangible fixed assets	6,928	3,750	1,602
Taxation	0	0	0
Surplus after depreciation and tax	6,928	3,750	1,602
Difference between HC depreciation & the actual charge for the period	3,361	3,188	3,318
Realisation of property revaluation gains of previous years	622	117	569
<b>Historic Cost Surplus / (deficit) for the period</b>	<b>10,911</b>	<b>7,055</b>	<b>5,489</b>

**TABLE 18****SECTOR BALANCE SHEET**

	<b>31 July 2006</b>	<b>31 July 2007</b>	<b>31 July 2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>			
Land and Buildings	289,801	308,024	320,173
Equipment	23,476	25,034	23,233
Other	5,813	371	3,531
Sub total fixed assets	319,089	333,429	346,937
<b>Endowment Assets</b>	2,266	2,333	2,492
<b>Current Assets</b>			
Stock	1,420	1,545	1,815
Debtors	25,551	20,350	19,913
Short term investments	9,720	9,055	22,868
Cash at bank and in hand	61,305	71,696	55,033
Sub Total Current Assets	97,995	102,646	99,629
<b>Creditors: amounts falling due within one year</b>			
Bank overdraft and loans	2,418	3,259	4,253
Other creditors	39,811	43,391	40,992
Grants in advance	12,264	9,999	10,566
Sub Total Current liabilities	54,493	56,649	55,811
Net Current Assets/Liabilities	43,503	45,997	43,818
Total assets less current liabilities	364,858	381,759	393,247
<b>Creditors: amounts falling after more than one year</b>			
External borrowing	29,640	26,946	27,533
Other liabilities	1,927	1,084	607
Sub Total long term liabilities	31,567	28,030	28,140
<b>Provisions</b>			
Enhanced pension	16,962	16,450	17,576
Other	2,287	3,025	2,413
Sub Total provisions	19,249	19,475	19,989
<b>Net Assets excluding pension liability</b>	<b>314,042</b>	<b>334,254</b>	<b>345,118</b>
Pension liability	(72,283)	(59,651)	(92,747)
<b>Net Assets including pension liability</b>	<b>241,759</b>	<b>274,603</b>	<b>252,371</b>
<b>Deferred Capital grants</b>	101,277	114,078	119,475
Specific Endowments	2,320	2,390	2,550
General Endowments	-	-	-
<b>Total Endowments</b>	2,320	2,390	2,550
Revaluation reserve	119,287	115,806	111,808
Restricted reserve	464	465	465

General reserve excluding pension reserve	90,693	101,515	110,820
Pension reserve	(72,283)	(59,651)	(92,747)
General reserve including pension reserve	18,410	41,864	18,073
Total Reserves	138,162	158,135	130,346
<b>Total Funds</b>	<b>241,759</b>	<b>274,603</b>	<b>252,371</b>

**TABLE 19****SECTOR CASH FLOW STATEMENT**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>9,164</b>	<b>14,371</b>	<b>10,448</b>
<b>Returns on investments and servicing of finance</b>			
Interest received	3,360	4,170	5,015
Interest paid	(2,173)	(2,183)	(2,093)
Interest element of finance lease rental payments	(40)	(23)	(18)
Sub total cash inflow/(outflow) from investments	1,147	1,964	2,904
<b>Taxation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investing activities</b>			
Payments to acquire fixed assets	(27,847)	(34,462)	(35,562)
Sale of fixed assets	1,246	4,171	2,536
Deferred capital grants received	18,646	25,598	15,305
Sub total cash inflow/(outflow) from investing activities	(7,955)	(4,693)	(17,721)
Net cash inflow/(outflow) before financing	2,356	11,642	(4,369)
Management of liquid resources	828	1,097	(2,100)
<b>Financing</b>			
New secured loans	1,470	3,500	3,063
New unsecured loans	650	935	1,387
Repayment of borrowings secured/unsecured loans	(2,785)	(6,500)	(2,804)
Repayment of LEA deficit loan	0	(34)	(185)
Capital element of finance lease rental payments	(269)	(146)	(169)
Sub total cash inflow/(outflow) from financing	(934)	(2,245)	1292
<b>Increase/decrease in cash</b>	<b>2,250</b>	<b>10,494</b>	<b>(5,177)</b>