

# statement of accounts

for the year ended 31st July 2004



THE UNIVERSITY OF  
**WARWICK**

# statement of accounts

for the year ended 31 July 2004

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## financial highlights

for the year ended 31 July 2004

<b>CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT</b>		2003/04	2002/03	Change
		£ million	£ million	
Funding Council Grants		61.28	55.55	10.3%
Academic Fees and Support Grants		64.36	57.70	11.5%
Research Grants and Contracts		40.09	30.36	32.0%
Other Operating Income		77.65	67.53	15.0%
Endowment Income and Interest Receivable		1.02	0.86	18.6%
<b>Total Income</b>		<b>244.40</b>	<b>212.00</b>	15.3%
<b>Surplus for the Financial Year</b>		<b>4.19</b>	<b>4.72</b>	-11.2%
<b>CONSOLIDATED BALANCE SHEET</b>				
		2004	2003	
		£ million	£ million	
Fixed Assets		228.59	161.59	
Endowment Asset Investments		2.12	2.14	
Net Current Assets / (Liabilities)		1.73	(1.38)	
		232.44	162.35	
Long Term Creditors and Provisions		(56.00)	(25.51)	
<b>Total Net Assets</b>		<b>176.44</b>	<b>136.84</b>	28.9%
<b>CAPITAL EXPENDITURE IN THE YEAR</b>		<b>48.11</b>	<b>34.95</b>	37.7%
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>				
		2003/04	2002/03	
		£ million	£ million	
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>5.02</b>	<b>26.18</b>	-80.8%
<b>OTHER KEY STATISTICS</b>				
		2003/04	2002/03	
		Number	Number	
Full Time Students:-	Home / EU Undergraduates	8,561	8,332	2.7%
	Home / EU Postgraduates	1,422	1,523	-6.6%
	Overseas Undergraduates	1,470	1,285	14.4%
	Overseas Postgraduates	1,438	1,388	3.6%
Total number of students		20,079	19,483	3.1%
Total staff numbers		3,964	3,565	11.2%

## treasurer's report

The year 2003/04 saw further progress in the University's strategy for growth and development. It was eventful, including the merger with Horticulture Research International, the acquisition of University House (formerly National Grid House) and consideration of the University's response to legislation on variable fees ('top up fees') anticipated for 2006/07. There was significant growth in ongoing activities. Total turnover rose by 15% to £244.4 million. Included in this was an important growth of research grants and contracts income by 32% to a total just over £40 million.

The surplus for the year was £4.19 million, or 1.7% of income. This was below the £4.72 million outturn of 2002/03, but exceeded the budget of £2.38 million. It was a good achievement in a year when there were difficulties in recruitment in certain postgraduate taught course markets and tougher competition in a leaner conference market. The surplus for the year reflects good cost control generally. Positive contributions came from IT Services, premises costs and loan interest.

The events of the year had a significant impact on the University's balance sheet, especially on fixed assets, which increased from £162 million to £229 million. Much of this was accounted for by the merger with Horticulture Research International. There were substantial additions to fixed assets in other ways, from the ongoing capital programme and the acquisition of University House. Some were funded by external borrowing, including the Heronbank student residences and flats, and the acquisition of University House. External borrowing rose to £57 million from £26 million in the previous year.

There were discussions with the external auditors on some accounting issues during the year. One concerned the accounting for the merger with Horticulture Research International, and the agreed effect has been to create negative goodwill which shows in our fixed assets on the balance sheet. This is being released to income over the eight years of the core funding already committed to Horticulture Research International. A second concerned the treatment of the University's long standing interest in the University of Warwick Science Park Limited. This has previously been described fully in notes to the accounts but not included in the primary statements. Following review, it has been agreed that it will be appropriate to consolidate the University's element of the Science Park. Consequently there is an increase of £1.38 million in investments and reserves on the balance sheet.

Looking ahead, we can already anticipate developments which will significantly affect the University's finances. One of these is the planned introduction of variable fees from 2006/07. During the planning round, the University decided that in charging full fees on all its courses, it would commit itself to using directly around 30% of the extra income for a combination of bursaries for students from lower income families, and measures to improve access to the University by students from under-represented groups. A further development of importance is the work being done to determine full economic costs for research. The University has been participating as a pilot institution nationally for the development of this new methodology and looks forward to its introduction from the year 2005/06, when new applications for research council funding need to be on the new basis. It is expected that this will result in better understood and more sustainable funding of the University's research activity.

The comparative advantages which Warwick enjoys are substantial and there is a bold determination to maintain and extend them. We continue to apply close attention to the essential balance between sustaining present operations and preparedness to seize opportunity for appropriate new development.

I end my first report by giving the University's thanks to Peter Dodd, who retired as Treasurer of the University in July 2004, after six years in the position, and thirteen years as a member of the University Council. He made a remarkable contribution to the University's development during the challenging years of the late 1990's and the early years of the new century, and he did so with great skill, commitment and good humour. We are grateful for his contribution that was valued and will be missed. I look forward to carrying forward the interests of the University in the role of Treasurer, as I succeed him.

C Foy, Treasurer

15 December 2004

## corporate governance

- 1 The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the guidance to universities which has been provided by the Committee of University Chairmen in its *Guide for Members of Governing Bodies of Universities and Colleges in England and Northern Ireland*.
- 2 The University is an independent corporation, whose legal status derives from a Royal Charter originally granted in March 1965. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes.
- 3 The Charter and Statutes require the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:
  - **The Council** – is the executive governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution.

It has a majority of members from outside the University, (described as lay members), from whom its Chair and Honorary University Treasurer are drawn. Also included in its membership are representatives of the staff of the University and the student body. None of the lay members receive any payment, apart from the reimbursement of expenses, for the work that they do for the University.
  - **The Senate** – is the academic authority of the University and draws its membership entirely from the academic staff and the students of the institution. Its role is to direct and regulate the teaching and research work of the University.
  - **The Court** – is a large, mainly formal body. It offers a means whereby the wider interests served by the University can be associated with the institution, and provides a public forum where members of Court can raise any matters about the University. The Court normally meets once a year to receive the Annual Report and Accounts of the University.

A majority of the members of the Court are from outside the University, representing the local community and other designated bodies with an interest in the work of the University, but the membership also includes representatives of the staff of the University (both academic and non-academic) and the student body.
- 4 The principal academic and administrative officer of the University is the Vice-Chancellor who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal Financial Memorandum between the University and the Higher Education Funding Council for England, the Vice-Chancellor is the designated officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.
- 5 Although the Council meets at least five times each academic year, much of its detailed work is initially handled by committees, in particular the Finance and General Purposes Committee, the Building Committee, the Nominations Committee, the Remuneration Committee and the Audit Committee. The decisions of these Committees are formally reported to the Council.
- 6 These Committees are formally constituted as Committees of the Council with written terms of reference and specified membership, including a significant proportion of lay members (from whom the Chair will be selected).

## corporate governance

(continued)

- 7 As chief executive of the University, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Deputy Vice-Chancellor, Pro-Vice Chancellors, the Chairs of the Faculty Boards and the Board of Graduate Studies, and the senior administrative officers all contribute in various ways to this aspect of the work, but ultimate responsibility for what is done rests with the Vice-Chancellor.
- 8 The University Secretary is Secretary to the Council and to all University bodies and committees and plays a key role in the operation and conduct of Council business. The Secretary provides advice to the Chair of Council on all matters of procedure and in respect to any matters where conflict, potential or real, may occur.
- 9 The University maintains a Register of Interests of members of the Council which may be consulted by arrangement with the University Secretary.
- 10 Any enquiries about the constitution and governance of the University should be addressed to the University Secretary.
- 11 The University Council has approved a Code of Practice on Corporate Governance which provides a summary of decisions taken by the University Council in relation to corporate governance and related procedural matters. A copy of the Code of Practice can be obtained from the University Secretary.

## statement of internal control

The Council has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives. In accordance with the requirements of the Charter and Statutes and the Financial Memorandum with the HEFCE, the Council are also responsible for safeguarding the public and other funds and assets under the University's control.

The internal controls operated by the University are designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; they can therefore only provide reasonable and not absolute assurance of effectiveness.

The University operates a system of risk management, which is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them effectively. This system has been in place for the year ended 31 July 2004 and up to the date of approval of the financial statements, and accords with relevant HEFCE guidance. The system covers all risks, but concentrates upon the most important ones and produces a balanced risk portfolio. The system is derived from an approach to risk management approved by the University Council and Steering Committee and is reviewed regularly by those bodies.

The Council has overall responsibility for reviewing the effectiveness of the system of internal control. The following risk management measures have been established, being integrated with existing University processes wherever possible:

- The University now requires most departments and commercial activities to incorporate a consideration of risks into their annual plans.
- The input relating to risks contained within individual departmental plans is then used in the process of updating the University's register of significant risks. This year the Risk Management Group, the Senior Officers' Group and the University's Steering Committee participated in the risk identification and updating processes.
- The University has established a Risk Management Group, chaired by the Deputy Vice-Chancellor, to co-ordinate the risk management processes.
- The Audit Committee receives regular reports from the Head of Internal Audit on internal control matters.
- The Audit Committee also receives a termly report from the Risk Management Group on the management of the University's significant risks.
- The Council meets five times a year to consider the plans and strategic direction of the University.
- The Council receives termly reports from the Audit Committee including consideration of the work of internal and external audit and of risk management and requires regular reports from managers on the management of their areas of responsibility, including progress reports on key projects.
- At its last meeting of the 2003-04 academic year Council approved the register of significant risks and received from senior management the first of a series of presentations on the most significant risks.

The Council's review of the effectiveness of internal controls is informed by the reports of the Audit Committee. Internal Audit have a methodology for providing the Audit Committee with an opinion on all of the University's significant risks as required by the HEFCE Audit Code of Practice. The University's internal audit arrangements were last reviewed for effectiveness by the HEFCE Audit Service in February 2002.

The Council's review of the effectiveness of internal control is also informed by the work of managers within the University, who have responsibility for the development and maintenance of controls and by comments made by the external auditors, principally in their management letter.

Council's consideration of these various reports, together with its deliberations on risk management at its July meeting, enabled it to carry out an assessment of internal control within the University.

## responsibilities of the council

of the University of Warwick

In accordance with the University's Charter of Incorporation, the Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the University. It therefore ensures that the financial statements are prepared in accordance with the University's Charter of Incorporation, the Statement of Recommended Practice on Accounting in Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Council of the University, the Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, Council ensures that:

- the most appropriate accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England and the Teacher Training Agency are used only for the purpose for which they have been given in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council or the Agency may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University of Warwick and prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Council;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance and General Purposes Committee of Council;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee.



# report of the independent auditors

to the Council of the University of Warwick

We have audited the financial statements on pages 13 to 40, which comprise the consolidated income and expenditure account, the balance sheets, the consolidated cash flow statement, the statement of total recognised gains and losses and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

This report is made solely to the Council, in accordance with the Charter and Statutes of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council, for our audit work, for this report, or for the opinions we have formed.

## respective responsibilities of the University's Council and the auditors

The University's Council is responsible for preparing the financial statements. Our responsibilities as independent auditors are established by statute, the Auditing Practices Board, the Higher Education Funding Council for England and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions. We also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether, in all material respects, income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England and the funding agreement with the Teacher Training Agency.

We also report to you if, in our opinion, the Treasurer's Report is not consistent with the financial statements, if the University has not kept proper accounting records, the accounting records do not agree with the financial statements or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Treasurer's Report (including the corporate governance statement), and consider the implications for our report if we become aware of any apparent misstatements within it.

## basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and the Audit Code of Practice issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the University's Council in the preparation of the financial statements and of whether the accounting policies are appropriate to the institution's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# report of the independent auditors

to the Council of the University of Warwick (continued)

## opinion

In our opinion:

- 1 the financial statements give a true and fair view of the state of affairs of the University and the group as at 31 July 2004 and of the group's surplus of income over expenditure, recognised gains and losses and cashflows for the year then ended, and are properly prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions;
- 2 in all material respects, income from the Higher Education Funding Council for England, and the Teacher Training Agency, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2004 have been applied for the purposes for which they were received;
- 3 in all material respects, income during the year ended 31 July 2004 has been applied in accordance with the University's statutes and, where appropriate, with the financial memoranda (00/25 and 03/54) with the Higher Education Funding Council for England and the funding agreement with the Teacher Training Agency.

KPMG LLP

15 December 2004

*Chartered Accountants*

*Registered Auditor*

## statement of principal accounting policies

### 1 Accounting Convention

The financial statements have been prepared under the historical cost convention as amended by the revaluation of certain fixed asset investments and in accordance with the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education Institutions and applicable Accounting Standards.

### 2 Acquisitions

The acquisition of Horticulture Research International ('HRI') by the University on 31 March 2004 has been accounted for using the acquisition method of accounting.

### 3 Basis of Consolidation

The consolidated financial statements include the financial statements of the University, its subsidiary undertakings, its share of associated undertaking, and the University of Warwick Foundation and its subsidiary. The consolidated financial statements do not include those of the University of Warwick Students' Union and subsidiaries of the Union, as these are separate organisations in which the University has no control or significant influence over policy decisions.

### 4 Recognition of Income

Income from specific endowments and donations, government grants and other specific grants and research grants and contracts is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. Income from specific endowments not expended in accordance with the restrictions of the endowment is transferred from the Income and Expenditure Account to specific endowments. Income from other services rendered is included to the extent of completion of the contract or services concerned and is measured at the fair value of the consideration receivable. All income from short-term deposits and general endowment asset investments is credited to the Income and Expenditure Account on a receivable basis.

### 5 Pension Schemes

The University participates in the Universities Superannuation Scheme (USS), a pension scheme which provides benefits based on final pensionable salary for the academic and academic-related employees of all UK universities and some other employers. The assets of the Scheme are held in a separate trustee-administered fund. Other staff are offered membership of the University's own pension scheme. A small number of staff remain in other pension schemes. The University's own scheme is an exempt approved pension scheme for the benefit of its non-academic staff. The scheme provides retirement benefits (based on final pensionable salary) and lump sum and spouse's death-in-service benefits. The scheme is set-up under trust and the assets are held in a separate trustee-administered fund.

## statement of principal accounting policies

(continued)

### 6 Foreign Currencies

Transactions denominated in foreign currencies are recorded at the average rate of exchange ruling for each month. Monetary assets and liabilities denominated in foreign currencies are recorded at the closing rate of exchange ruling at the year end. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

### 7 Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

### 8 Negative Goodwill

Negative goodwill arising on the acquisition of Horticulture Research International has been capitalised and is being released to reserves over eight years and four months. This period matches the term of acquired significant Horticulture Research International research contracts and the release of the negative goodwill arising on acquisition will therefore partially offset any future deficits made on these acquired contracts.

### 9 Fixed Assets

#### *Land and Buildings*

Land and buildings are stated at cost. Land is not depreciated as it is considered to have an indefinite useful life. Buildings under construction are not depreciated until they are completed. Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of these assets. Buildings are depreciated in equal instalments over their expected useful lives of 50 years and laboratory and other major refurbishments over 10 - 20 years. Where buildings are acquired with the aid of government and other specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings. The University has no inherited assets.

#### *Equipment*

In the accounts of the University, equipment, including micro-computers and software, costing less than £15,000 per individual item or group of related items and vehicles costing less than £5,000 are written off in the year of acquisition. Software licences are not capitalised. All other equipment is capitalised. Capitalised equipment other than computer networks and certain information technology equipment is stated at cost and depreciated over five years. Computer networks are depreciated over ten years and certain items of information technology equipment are depreciated over three years. Equipment bought for a specific research or other project is depreciated over the shorter of five years or the life of the project. Any related grants are treated as deferred capital and released to income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

## statement of principal accounting policies

(continued)

### 10 Investments

Endowment asset investments are included in the Balance Sheet at market value. Other investments are included at the lower of cost, less any provision for impairment in their value.

### 11 Stocks

Stocks of raw materials and consumables include departmental stocks in science departments, supplies for the Estates Office, farm and laboratory stocks for Horticulture Research International Ltd and goods for resale in catering, bars and retail outlets and are valued at the lower of cost and net realisable value. Stocks of other consumable materials are written-off to revenue as incurred.

Horticulture Research International growing crops are costed at the cost of direct materials and labour, plus attributable overheads.

### 12 Provisions

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 13 Liquid Resources

Liquid resources comprise money on short-term deposit with a maturity date less than six months as at the balance sheet date.

### 14 Taxation Status

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. The University receives no similar exemption in respect of Value Added Tax. The University's subsidiary companies and associated undertakings are subject to corporation tax.

## consolidated income and expenditure account

for the year ended 31 July 2004

	Note	2003/04		2002/03	
		Acquisition	Other	Total	
		£000	Activities	£000	£000
<b>INCOME</b>					
Funding Council Grants	1	0	61,280	61,280	55,545
Academic Fees and Support Grants	2	0	64,357	64,357	57,706
Research Grants and Contracts	3	3,889	36,197	40,086	30,357
Other Operating Income	4	485	77,165	77,650	67,531
Endowment Income, Investment Income and Interest Receivable	5	22	1,001	1,023	857
<b>Total Income</b>		<b>4,396</b>	<b>240,000</b>	<b>244,396</b>	<b>211,996</b>
<b>EXPENDITURE</b>					
Staff Costs	6	2,237	122,006	124,243	109,463
Depreciation	10	414	10,895	11,309	8,973
Other Operating Expenses	8	1,246	101,296	102,542	87,887
Interest Payable and Similar Charges	7	0	2,439	2,439	1,728
<b>Total Expenditure</b>	8	<b>3,897</b>	<b>236,636</b>	<b>240,533</b>	<b>208,051</b>
<b>SURPLUS ON CONTINUING OPERATIONS AFTER DEPRECIATION OF ASSETS AT COST AND BEFORE TAX</b>		<b>499</b>	<b>3,364</b>	<b>3,863</b>	<b>3,945</b>
Transfer from Accumulated Income within Specific Endowments				337	786
				4,200	4,731
Taxation				0	0
<b>SURPLUS ON CONTINUING OPERATIONS AFTER DEPRECIATION OF ASSETS AT COST AND TAX</b>				<b>4,200</b>	<b>4,731</b>
Equity Minority Interests				(6)	(12)
<b>SURPLUS FOR THE FINANCIAL YEAR</b>				<b>4,194</b>	<b>4,719</b>

## statement of consolidated total recognised gains and losses

for the year ended 31 July 2004

	Note	2003/04 £000	2002/03 £000
Surplus after Depreciation of Assets at Valuation and after Taxation		4,194	4,719
Transfer from Accumulated Income within Specific Endowments		(337)	(786)
Surplus on Continuing Operations excluding transfer from Accumulated Income within Specific Endowments		3,857	3,933
Appreciation of Endowment Asset Investments	19	26	6
Transfers out of Endowments	19	(96)	0
New Endowments	19	392	227
Consolidation of Associate Investment	11	1,384	0
<b>TOTAL RECOGNISED GAINS SINCE LAST ACCOUNTS</b>		<b>5,563</b>	<b>4,166</b>

There are no differences between the consolidated income and expenditure account and the result on an historical cost basis. The consolidated income and expenditure of the University and its subsidiaries relate wholly to continuing operations. The consolidated surplus includes £2,294k (2003: £3,044k) that has been dealt with in the accounts of the University.

## statement of reconciliation of reserves and endowments

for the year ended 31 July 2004

	Note	2003/04 £000	2002/03 £000
Opening Reserves and Endowments as at 1 August	19 & 20	93,319	89,153
Total Recognised Gains for the Year		5,563	4,166
<b>CLOSING RESERVES AND ENDOWMENTS AS AT 31 JULY</b>		<b>98,882</b>	<b>93,319</b>

## balance sheets

as at 31 July 2004

		Consolidated		University	
	Note	2004 £000	2003 £000	2004 £000	2003 £000
<b>FIXED ASSETS</b>					
Intangible Assets	9	(3,631)	0	0	0
Tangible Assets	10	230,587	161,330	185,183	138,300
Investments	11	1,635	262	529	540
		<b>228,591</b>	<b>161,592</b>	<b>185,712</b>	<b>138,840</b>
<b>ENDOWMENT ASSET INVESTMENTS</b>					
	12	2,123	2,138	0	0
<b>CURRENT ASSETS</b>					
Stocks		1,100	1,078	939	1,035
Debtors	13	33,828	27,765	47,251	38,520
Short Term Deposits		12,000	9,000	12,000	9,000
Cash at Bank and in Hand		8,883	13,821	8,444	13,460
		<b>55,811</b>	<b>51,664</b>	<b>68,634</b>	<b>62,015</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
	14	(54,085)	(53,042)	(54,626)	(50,854)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>					
		<b>1,726</b>	<b>(1,378)</b>	<b>14,008</b>	<b>11,161</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<b>232,440</b>	<b>162,352</b>	<b>199,720</b>	<b>150,001</b>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
	15	(55,024)	(25,095)	(77,341)	(35,053)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
	17	(972)	(417)	(695)	(417)
<b>TOTAL NET ASSETS</b>					
		<b>176,444</b>	<b>136,840</b>	<b>121,684</b>	<b>114,531</b>
<b>DEFERRED CAPITAL GRANTS</b>					
	18	77,527	43,492	42,500	37,641
<b>ENDOWMENTS: Specific</b>					
	19	2,123	2,138	0	0
<b>RESERVES: Income and Expenditure Account</b>					
	20	96,759	91,181	79,184	76,890
<b>MINORITY INTEREST</b>					
		35	29	0	0
<b>TOTAL FUNDS</b>					
		<b>176,444</b>	<b>136,840</b>	<b>121,684</b>	<b>114,531</b>

The financial statements on pages 13 to 40 were approved by the Council on 15 December 2004, and signed on its behalf by:

Professor V D VandeLinde, Vice-Chancellor

C Foy, Treasurer



## consolidated cash flow statement

for the year ended 31 July 2004

	Note	2003/04 £000	2002/03 £000
Net Cash Inflow from Operating Activities	24	5,020	26,179
Returns on Investments and Servicing of Finance	25	(1,378)	(710)
Taxation		0	0
Capital Expenditure and Financial Investment	26	(38,877)	(23,010)
Cash acquired with HRI Acquisition	9	2,898	0
Cash (Outflow) / Inflow before Use of Liquid Resources and Financing		(32,337)	2,459
Management of Liquid Resources (net contributions to) / withdrawals from short term investments	27	(3,202)	465
Financing	28	30,601	(1,506)
<b>(Decrease) / Increase in Cash</b>		<b>(4,938)</b>	<b>1,418</b>

## reconciliation of net cash flow to movement in net funds / (debt)

for the year ended 31 July 2004

	Note	2003/04 £000	2002/03 £000
(Decrease) / Increase in Cash in the Period		(4,938)	1,418
Increase / (Decrease) in Liquid Resources	27	3,202	(465)
New Loans and Finance Leases	28	(32,000)	0
Repayment of Debt	28	1,399	1,506
Change in Net Funds		(32,337)	2,459
Net (Debt) at 1 August		(2,427)	(4,886)
<b>Net (Debt) at 31 July</b>	27	<b>(34,764)</b>	<b>(2,427)</b>

## notes to the accounts

<b>1. HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND &amp; TEACHER TRAINING AGENCY GRANTS</b>	2003/04	2002/03
	£000	£000
<b>Recurrent Grants:</b>		
Higher Education Funding Council for England:		
Teaching	30,422	28,509
Research	21,787	20,032
Teacher Training Agency	2,692	2,547
<b>Specific Grants:</b>		
Human Resources Strategy	1,716	0
HE Innovations Fund	1,006	513
Development of Teaching and Learning	406	440
Disability Access Grant	388	160
Science Research Investment Fund	353	0
Teacher Training Agency Specific Grants	107	297
HEROBC	170	120
HE Community Active Fund	108	81
Learning and Teaching Strategy	92	0
Library Research Support	86	92
Widening Participation	72	110
Joint Information Systems Committee	59	68
Foundation Degrees	36	72
Collaboration and Restructuring	0	200
Others	101	167
<b>Deferred Capital Grants Released in Year:</b>		
Buildings (Note 18)	770	1,771
Equipment (Note 18)	909	366
	<b>61,280</b>	<b>55,545</b>
<b>2. ACADEMIC FEES AND SUPPORT GRANTS</b>		
	2003/04	2002/03
	£000	£000
Full time Students charged standard fees	12,957	12,490
Full time Students charged non-standard fees	25,772	21,303
Full time Students charged overseas fees	17,650	15,311
Part time fees	946	864
Short Course fees	3,995	3,604
CASE Awards and Research Training Support Grants	2,575	1,677
Other fees	462	2,457
	<b>64,357</b>	<b>57,706</b>

## notes to the accounts

(continued)

<b>3. RESEARCH GRANTS AND CONTRACTS</b>	2003/04	2002/03
	£000	£000
<b>Income</b>		
Research Councils	13,158	11,555
Central Government, Local Authorities and Public Corporations	16,883	8,662
Charitable Bodies	5,008	4,271
European Union	2,680	2,981
Industry and Commerce	1,402	1,740
Overseas	693	914
Others	262	234
	<b>40,086</b>	<b>30,357</b>
<b>Direct Expenditure</b>		
Research Councils	10,057	8,752
Central Government, Local Authorities and Public Corporations	11,650	6,795
Charitable Bodies	4,937	4,239
European Union	2,299	2,592
Industry and Commerce	1,185	1,395
Overseas	609	741
Others	247	211
	<b>30,984</b>	<b>24,725</b>

Income from Research Grants and Contracts includes £1,213k in respect of Deferred Capital Grants released in the year (2003: £1,211k) - see also Note 18. Costs include spend within the University group of companies. The four months research income of Horticulture Research International was £3,889k.

<b>4. OTHER OPERATING INCOME</b>	2003/04	2002/03
	£000	£000
Residences, Catering and Conferences	22,308	20,491
Other Services Rendered	7,025	6,284
Released from Deferred Capital Grants (Note 18)	1,023	208
Retail Operations	21,560	17,538
Post-Experience Centres	10,230	9,668
Other Income	15,504	13,342
	<b>77,650</b>	<b>67,531</b>

Included within Other Income above is £151k relating to the release of four months negative goodwill arising on the acquisition of Horticulture Research International to the Income and Expenditure Account in the year (see Note 9).

<b>5. ENDOWMENT INCOME AND INTEREST RECEIVABLE</b>	2003/04	2002/03
	£000	£000
Income from Specific Endowment Asset Investments	34	76
Other Interest Receivable	989	781
	<b>1,023</b>	<b>857</b>

## notes to the accounts

(continued)

6. STAFF	2003/04	2002/03
	£000	£000
Staff Costs:		
Wages and Salaries	104,009	91,528
Social Security Costs	8,632	6,999
Other Pension Costs	11,602	10,936
	<b>124,243</b>	<b>109,463</b>
	2003/04	2002/03
	£	£
Emoluments of the Vice-Chancellor (excluding pension contributions but including benefits-in-kind)	192,153	180,625
Pension contributions to private pension schemes in respect of the Vice-Chancellor	36,444	34,204
	<b>228,597</b>	<b>214,829</b>

The Vice-Chancellor made a gift to the University of £5,000 during the year, by waiving part of his remuneration. This amount is included within the totals disclosed above. The University has decided to apply the amount of £5,000 towards scholarships or other similar purposes.

Emoluments of other Higher Paid Staff (excluding the employer's pension contributions but including benefits-in-kind) and payments made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment:

	2003/04	2002/03
	Number	Number
£170,000 - £179,999	1	0
£160,000 - £169,999	0	1
£150,000 - £159,999	2	1
£140,000 - £149,999	1	1
£130,000 - £139,999	0	0
£120,000 - £129,999	0	2
£110,000 - £119,999	5	2
£100,000 - £109,999	6	6
£90,000 - £99,999	10	4
£80,000 - £89,999	25	18
£70,000 - £79,999	37	26

Included within the accounts of the trading subsidiary Warwick University Services Ltd are amounts relating to the early retirement of a higher paid employee who worked in one of the commercial businesses operated by that company. The amounts, which were approved by members of the University's Remuneration Committee, were as follows:

	2003/04
	£
Provision for future bonuses (contingent on the profits of the business for the years ending 31 July 2005 to 31 July 2009)	202,065
Value of other benefits, including provision for pension benefits	122,975
	<b>325,040</b>

## notes to the accounts

(continued)

7. INTEREST PAYABLE	2003/04 £000	2002/03 £000
Loans not wholly repayable within five years	2,439	1,728
Finance Leases	0	0
	<b>2,439</b>	<b>1,728</b>

### 8. ANALYSIS OF 2003/04 EXPENDITURE BY ACTIVITY

	Total £000	Staff Costs £000	Depreciation £000	Other Operating Expenses £000	Interest Payable and Similar Charges £000
Academic Departments	90,391	60,191	1,900	28,300	0
Research Grants and Contracts	30,984	18,238	1,213	11,533	0
<b>Total Teaching and Research</b>	<b>121,375</b>	<b>78,429</b>	<b>3,113</b>	<b>39,833</b>	<b>0</b>
Academic Services	22,603	8,568	1,335	12,700	0
Central Administration and Services	14,156	7,492	529	6,135	0
General Educational Expenditure	6,850	2,239	0	4,611	0
Staff and Student Facilities	3,499	1,757	58	1,684	0
Premises	20,049	6,344	3,760	9,945	0
Residences, Catering and Conferences	19,901	8,687	1,910	7,235	2,069
Other Services Rendered	5,972	2,451	0	3,521	0
Retail Operations	19,806	4,829	243	14,628	106
Post-Experience Centres	5,634	3,337	361	1,936	0
Other Expenses	688	110	0	314	264
<b>Total per Income and Expenditure Account</b>	<b>240,533</b>	<b>124,243</b>	<b>11,309</b>	<b>102,542</b>	<b>2,439</b>

The depreciation charge has been funded by:

	2003/04 £000
Deferred Capital Grants Released (Note 18)	3,915
General Income	7,394
	<b>11,309</b>

Other operating expenses include:	2003/04 £000	2002/03 £000
Auditors' Remuneration	47	43
(An amount of £25k relates to the Auditors' remuneration for the University in 2003/2004)		
Auditors' Remuneration in respect of Non-Audit Services	109	65
Grants to University of Warwick Students' Union	997	1,028
Costs relating to the acquisition of Horticulture Research International	365	116

## notes to the accounts

(continued)

9. INTANGIBLE FIXED ASSETS	2004 £000	2003 £000
Negative goodwill arising on acquisition of Horticulture Research International	(3,782)	0
Goodwill credited to the Income and Expenditure Account in the period	151	0
Carried forward as at 31 July	(3,631)	0

On 31 March 2004 the University acquired the business and assets of Horticulture Research International, a company limited by guarantee and with charitable status, for a consideration of £1.

Total incoming resources and net outgoing resources of Horticulture Research International, as reported in its financial accounts for the year ended 31 March 2004, were £28.8 million (2003: £22.8 million) and £6.7 million (2003: £3.2 million), respectively.

The turnover for Horticulture Research International to 31 March 2004 was £23.5 million (2003: £25.7 million). This included the sites of East Malling, Wye and Efford which accounted for approx £6.3 million of the turnover and were not acquired by the University.

The assets of Horticulture Research International at the date of acquisition are summarised as follows:

	Book Value 31 Mar 2004 £000
Tangible Fixed Assets	32,633
Deferred Capital Grants	(29,628)
Stocks	134
Debtors	2,532
Cash	2,898
Creditors	(4,787)
<b>Net Assets</b>	<b>3,782</b>

There were no differences between the book value and the fair value for Horticulture Research International as at 31 March 2004.

The shortfall in consideration paid, below the fair value of assets acquired, is shown in the University's balance sheet as a negative goodwill figure of £3,782k. The negative goodwill on acquisition of Horticulture Research International will be released to the Income and Expenditure Account over the period of 100 months (8 years, 4 months), which matches the term of acquired significant research contracts.

The subsidiary undertaking was acquired in the year with cash of £2,898k and during the four months of trading contributed a reduction of £1,451k to the group's net operating cash flow. The acquisition received cash inflows from interest of £22k and paid out £98k for capital expenditure.

The cash position of the group was improved by £1,371k at the end of the year by the acquisition of the Company.

## notes to the accounts

(continued)

### 10. TANGIBLE FIXED ASSETS

<b>Consolidated</b>		Freehold Land & Buildings £000	Plant, Machinery & Equipment £000	Leased Equipment £000
	Total £000			
<b>Cost</b>				
At 1 August 2003	228,490	186,843	37,940	3,707
Acquisition	44,920	40,138	4,782	0
Additions at cost	48,105	36,351	11,752	2
Disposals at cost	(291)	(175)	(116)	0
At 31 July 2004	<b>321,224</b>	263,157	54,358	3,709
<b>Depreciation</b>				
At 1 August 2003	67,160	39,475	23,978	3,707
Acquisition	12,287	8,417	3,870	0
Charge for the year	11,309	5,697	5,610	2
Eliminated on Disposals	(119)	(89)	(30)	0
At 31 July 2004	<b>90,637</b>	53,500	33,428	3,709
<b>Net Book Value at 31 July 2004</b>	<b>230,587</b>	209,657	20,930	0
<b>Net Book Value at 31 July 2003</b>	<b>161,330</b>	147,368	13,962	0

The balance for 'Freehold Land and Buildings' includes the land comprising the site of Scarman House, a post-experience centre. Legal title to the Scarman House building currently rests with Barclays Mercantile. The building has been leased to Warwick University Training Limited (the Company which operates Scarman House).

The Company is responsible for lease payments totalling £11.10 million (2003: £12.49 million) over the remaining term of the lease, which expires in 2011. The University has entered into a contract with Barclays Mercantile to guarantee these payments for the remainder of the lease term. At the termination of the lease, title to the building will pass to the University and it will be included in the accounts at fair value.

The consolidated expenditure on buildings in the year ended 31 July 2004 was:

	£000
<b>New build / construction completed:</b>	
Mathematics and Statistics Building	4,138
Heronbank Student Residences and Staff Flats	6,889
Student Residential Facilities & Launderettes	319
International Manufacturing Centre Phase 3	155
<b>Purchases:</b>	
Land and Buildings at Kirton and Wellesbourne	2,562
University House	17,563
<b>Under construction:</b>	
Biotechnology Building Phase 4	1,931
<b>Sub total carried forward to next page</b>	<b>33,557</b>

## notes to the accounts

(continued)

### 10. TANGIBLE FIXED ASSETS - continued

	£000
Sub total brought forward from previous page	<b>33,557</b>
Refurbishment:	
Refurbishment of University House	1,543
Refurbishment of the International Automotive Research Centre	930
Other	321
	<b>36,351</b>
Acquisitions:	
Horticulture Research International land and buildings	<b>40,138</b>

### UNIVERSITY

	Total £000	Freehold Land & Buildings £000	Plant, Machinery & Equipment £000
Cost			
At 1 August 2003	196,659	161,869	34,790
Additions at Cost	57,263	45,861	11,402
Disposals at Cost	(291)	(175)	(116)
At 31 July 2004	<b>253,631</b>	207,555	46,076
Depreciation			
At 1 August 2003	58,359	36,489	21,870
Charge for the Year	10,208	5,172	5,036
Eliminated on Disposals	(119)	(89)	(30)
At 31 July 2004	<b>68,448</b>	41,572	26,876
Net Book Value at 31 July 2004	<b>185,183</b>	165,983	19,200
Net Book Value at 31 July 2003	<b>138,300</b>	125,380	12,920

### 11. INVESTMENTS

	Consolidated		University	
	2004 £000	2003 £000	2004 £000	2003 £000
Group Undertakings	0	0	278	278
Associated Undertakings	1,384	0	0	0
Other Equity Investments	369	354	369	354
	<b>1,753</b>	354	<b>647</b>	632
Provision for Diminution in Value	(118)	(92)	(118)	(92)
	<b>1,635</b>	<b>262</b>	<b>529</b>	<b>540</b>



## notes to the accounts

(continued)

### 11. INVESTMENTS - continued

The University holds 9,831 shares of £1 each (representing 35% of the total shares issued) in the University of Warwick Science Park Limited. This University investment and the results of this company have been consolidated into the accounts of the University using the equity basis of accounting for the first time in 2003/04. The University also holds a 1% debenture loan of £820,710 in the Company. This investment is considered to be a contingent asset and is therefore included in the University accounts at nil value. This will be reviewed on an annual basis.

Other Equity investments includes:

CVCP Properties plc	50,766 ordinary shares of £1.00 each
Protherics plc	9,198 6% unsecured convertible loan notes
New Opportunities Investment Trust plc	3,199 redeemable ordinary shares of £0.05 each

The University also holds investments in:

#### The Mercia Fund

This is a limited partnership between the Universities of Birmingham and Warwick and the General Partner, Mercia Fund Management Limited. The investment comprises of a capital contribution of £100 and a grant of £199,900. The Universities each hold one Class 'B' share of £1 (there are 2 Class 'B' shares in issue) in Mercia Fund Management Limited. All the Class 'A' shares are held by West Midlands Enterprise Limited.

#### MNW Limited

33 ordinary shares of £1 each being 33.33% of issued ordinary shares.

#### Dig-e-Print Limited

25,000 ordinary shares being 5.94% of issued ordinary shares. 133,220 ordinary shares of £1 each and 91,668 Class 'A' ordinary shares of £1 each and 196,141 Class 'B' ordinary shares of 50p each have been issued.

#### Multimetaphase Limited

50,000 ordinary shares being 21.91% of issued share capital. 125,000 ordinary shares of 1p each, 43,182 Class 'A' ordinary shares of 1p each and 60,000 redeemable preference shares of £1 each have also been issued.

#### Neurosolutions Limited

150 ordinary shares of £1 each being 20.69% of issued ordinary shares.

#### Novolytics Limited

800 ordinary shares of 10p each being 24.17% of issued ordinary shares. 4,680 non-voting redeemable preference shares have also been issued.

#### Septegen Limited

300 ordinary shares of 10p each being 23.08% of issued ordinary shares.

#### Shibden Technologies Limited

3,000 ordinary shares of 10p each being 11.18% of issued ordinary shares.

#### Streamline Computing Limited

12,500 ordinary shares of 10p each being 18.85% of issued ordinary shares.

#### Warwick Control Technologies Limited

16,200 Class 'A' ordinary shares of 1p each being 14.70% of issued share capital. 68,596 Class 'A' ordinary shares of 1p each and 41,600 Class 'B' ordinary shares of 1p each have been issued.

## notes to the accounts

(continued)

### 11. INVESTMENTS - continued

#### Warwick Dynamics Limited

15 ordinary shares of £1 each being 15.00% of issued ordinary shares.

#### Warwick Effect Polymers Limited

2,888 ordinary shares of £1 each and 59,360 redeemable preference shares of £1 each being 25.89% of issued ordinary shares and 100.00% of redeemable preference shares (non-voting).

#### Warwick Moulding Technology Limited

18,000 ordinary shares of 1p each being 22.50% of issued ordinary shares.

#### Warwick Sensor Technologies Limited

18,000 ordinary shares of 1p each being 23.08% of issued ordinary shares.

#### Advance SiS Limited

8,000 ordinary shares of 1p each being 24.56% of issued ordinary shares.

#### Decision Technology Limited

160 ordinary shares of 10p each being 16.00% of issued ordinary shares.

#### Incentec Limited

5,000 ordinary shares of 10p each being 23.08% of issued ordinary shares.

#### Insight Solutions Limited

15 ordinary shares of £1 each being 15.00% of issued ordinary shares.

#### Sarissa Biomedical Limited

29,500 ordinary shares of 1p each being 20.96% of total issued shares of which there are 80,000 ordinary shares of 1p each and 60,715 preference shares of 1p each.

#### Therapo Systems Limited

5,000 ordinary shares of £1 each being 25.00% of issued ordinary shares.

#### Warwick Audio Technologies Limited

1,060 ordinary shares of 10p each being 19.62% of issued ordinary shares.

All the companies listed above are incorporated in Great Britain and registered in England. The results of these companies have not been consolidated into the accounts on the basis of materiality. This will be reviewed on an annual basis.

### 12. ENDOWMENT ASSET INVESTMENTS

	Consolidated		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Balance at 1 August 2003	2,138	2,691	0	0
Additions	167	44	0	0
Disposals	(410)	(138)	0	0
Appreciation of endowment asset investments	26	6	0	0
Increase / (Decrease) in Short Term Assets	298	(465)	0	0
Transfer out of endowments	(96)	0	0	0
<b>Balance at 31 July 2004</b>	<b>2,123</b>	<b>2,138</b>	<b>0</b>	<b>0</b>

## notes to the accounts

(continued)

### 12. ENDOWMENT ASSET INVESTMENTS - continued

	Consolidated		University	
	2004 £000	2003 £000	2004 £000	2003 £000
Composed of:				
Fixed Interest Stocks	291	306	0	0
Equities	721	923	0	0
Short Term Assets	1,111	909	0	0
<b>Total Endowment Asset Investments</b>	<b>2,123</b>	<b>2,138</b>	<b>0</b>	<b>0</b>

### 13. DEBTORS

	Consolidated		University	
	2004 £000	2003 £000	2004 £000	2003 £000
<b>Amounts falling due within one year:</b>				
Trade Debtors	13,179	12,134	9,930	9,808
VAT and Other Taxes	4,093	2,977	0	34
Amounts owed by group undertakings	0	0	3,944	3,330
Amounts owed by associated undertakings	107	81	107	81
Prepayments and accrued income	15,180	11,170	13,579	10,647
Short Term Loans	146	135	146	135
<b>Amounts falling due after one year:</b>				
Debtors and prepayments	1,123	1,268	1,123	1,268
Amounts owed by group undertakings	0	0	18,422	13,217
<b>Total Debtors</b>	<b>33,828</b>	<b>27,765</b>	<b>47,251</b>	<b>38,520</b>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		University	
	2004 £000	2003 £000	2004 £000	2003 £000
Mortgages and Unsecured Loans	1,987	1,399	1,987	1,399
Payments Received in Advance	26,630	23,987	25,062	23,788
Trade Creditors	9,642	9,878	7,898	8,315
Social Security and Other Taxation Payable	4,547	3,491	2,998	2,680
Accruals	9,157	12,474	6,795	9,284
Amounts owed to group undertakings	0	0	9,886	5,356
Amounts owed to associated undertakings	5	36	0	32
Other Creditors	2,117	1,777	0	0
<b>Total Creditors</b>	<b>54,085</b>	<b>53,042</b>	<b>54,626</b>	<b>50,854</b>

## notes to the accounts

(continued)

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		University	
	2004 £000	2003 £000	2004 £000	2003 £000
Mortgages secured on residential and other property	53,034	22,869	53,034	22,869
Unsecured loans	1,737	1,889	1,737	1,889
Other Creditors	253	337	0	0
Amounts owed to group undertakings	0	0	22,570	10,295
	<b>55,024</b>	<b>25,095</b>	<b>77,341</b>	<b>35,053</b>

### 16. FINANCIAL INSTRUMENTS AND BORROWINGS

At 31 July 2004 the consolidated borrowings are analysed as follows:

#### (a) Borrowings analysed by maturity date

	Totally Repayable			
	Total £000	Between one and two years £000	Between two and five years £000	After five years £000
<b>Amounts falling due within one year (Note 14):</b>				
Mortgages and Unsecured Loans	1,987	0	0	1,987
<b>Amounts falling due after more than one year (Note 15):</b>				
Mortgages secured on residential and other property	53,034	0	0	53,034
Unsecured Loans	1,737	0	0	1,737
	<b>56,758</b>	<b>0</b>	<b>0</b>	<b>56,758</b>

This note shows the expected dates of final capital repayments.

The University's borrowings are in respect of University House and certain student and staff residences. The University takes professional advice on the hedging of interest rates on its borrowings, with a view to reducing the risk of unexpected increases in finance costs. It therefore makes decisions to fix or hedge through the use of interest rate swaps, or caps the rates on certain borrowings from time to time.

This approach resulted in borrowings as at 31 July 2004 of £36 million on fixed rates, £13 million on capped rates and £8 million on floating rates.

## notes to the accounts

(continued)

### 16. FINANCIAL INSTRUMENTS AND BORROWINGS - continued

(b) Borrowings analysed by interest rate after taking account of various financial instruments

	Total	Capped and Floating	Fixed Borrowings		
			Principal	Weighted Average Interest	Weighted Average Period
	£000	£000	£000		Years
Secured Loans	54,869	18,853	36,016	6.11%	21.00
Unsecured Loans	1,889	1,889	0		
	<b>56,758</b>	20,742			

Secured loans are secured on the residential property to which the borrowing relates. Capped and floating rate borrowings bear interest based on LIBOR.

### 17. PROVISIONS FOR LIABILITIES AND CHARGES

	Consolidated	University
	£000	£000
Early retirements provision		
At 1 August 2003	417	417
Utilised in Year	(157)	(157)
Transferred from Income & Expenditure Account	712	435
	<b>972</b>	<b>695</b>

At 31 July 2004

## notes to the accounts

(continued)

### 18. DEFERRED CAPITAL GRANTS

	Consolidated			University		
	Total	Funding Council	Other Grants & Benefactions	Total	Funding Council	Other Grants & Benefactions
	£000	£000	£000	£000	£000	£000
<b>At 1 August 2003:</b>						
Buildings	37,157	21,842	15,315	31,617	21,842	9,775
Equipment	6,335	2,966	3,369	6,024	2,966	3,058
<b>Total</b>	<b>43,492</b>	<b>24,808</b>	<b>18,684</b>	<b>37,641</b>	<b>24,808</b>	<b>12,833</b>
<b>On Acquisition:</b>						
Buildings	28,969	0	28,969	0	0	0
Equipment	659	0	659	0	0	0
<b>Total</b>	<b>29,628</b>	<b>0</b>	<b>29,628</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Received:</b>						
Buildings	4,508	4,074	434	4,508	4,074	434
Equipment	3,814	1,948	1,866	3,702	1,948	1,754
<b>Total</b>	<b>8,322</b>	<b>6,022</b>	<b>2,300</b>	<b>8,210</b>	<b>6,022</b>	<b>2,188</b>
<b>Released to Income &amp; Expenditure:</b>						
Buildings (Notes 1, 3 & 4)	1,545	770	775	1,175	770	405
Equipment (Notes 1, 3 & 4)	2,370	909	1,461	2,176	909	1,267
<b>Total (Note 8)</b>	<b>3,915</b>	<b>1,679</b>	<b>2,236</b>	<b>3,351</b>	<b>1,679</b>	<b>1,672</b>
<b>At 31 July 2004:</b>						
Buildings	69,089	25,146	43,943	34,950	25,146	9,804
Equipment	8,438	4,005	4,433	7,550	4,005	3,545
<b>Total</b>	<b>77,527</b>	<b>29,151</b>	<b>48,376</b>	<b>42,500</b>	<b>29,151</b>	<b>13,349</b>

The University could be required to repay deferred capital grants in respect of exchequer funded assets should these be disposed of and any proceeds arising from such disposals are not re-invested in other University assets.

## notes to the accounts

(continued)

19. ENDOWMENTS	Consolidated	
	£000	
At 1 August 2003	2,138	
Additions	392	
Appreciation of Endowment Asset Investments	26	
Income for Year	72	
Expenditure for Year	(409)	
Transfers out of Endowments	(96)	
At 31 July 2004	<b>2,123</b>	
Representing:		
Fellowship and Scholarship Funds	191	
Prize Funds	20	
Chair and Lectureship Funds	628	
Other Funds	1,284	
<b>Total</b>	<b>2,123</b>	
20. RESERVES	Income and Expenditure	
	Consolidated	University
	£000	
Balance at 1 August 2003	91,181	76,890
Consolidation of Associate Investment (Note 11)	1,384	0
Surplus after Depreciation of Assets at Cost and after Taxation	4,194	2,294
Balance at 31 July 2004	<b>96,759</b>	<b>79,184</b>
21. INCOME AND EXPENDITURE ACCOUNT RESERVES	2004	2003
	£000	
Committed Reserves:		
Academic Departmental Funds	19,793	15,341
Other Departmental Funds	2,256	2,314
Long Term Maintenance Provision	2,132	2,132
Residential Renewals Fund	1,392	1,899
Other Renewals Funds	519	1,036
Other Committed and Earmarked Reserves	0	724
	26,092	23,446
General Reserves - Associate Investment	1,384	0
Other Reserves	69,283	67,735
	<b>96,759</b>	<b>91,181</b>

## notes to the accounts

(continued)

### 22. LEASE OBLIGATIONS

	Consolidated		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Operating lease commitments in respect of buildings for the 2004 financial year, on leases expiring:				
Within one year	0	0	0	0
Between one and five years	149	23	126	0
Over five years	2,101	1,715	743	491
	<b>2,250</b>	<b>1,738</b>	<b>869</b>	<b>491</b>

### 23. CAPITAL COMMITMENTS

	Consolidated		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Commitments contracted at 31 July	6,899	22,577	6,699	20,192
Authorised but not contracted at 31 July	18,330	41,792	18,330	41,792
	<b>25,229</b>	<b>64,369</b>	<b>25,029</b>	<b>61,984</b>

### 24. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003/04	2002/03
	£000	£000
Surplus Before Tax	4,200	4,731
Depreciation (Note 10)	11,309	8,973
Credit of Goodwill (Note 9)	(151)	0
(Gain) / Loss on Disposal of Tangible Fixed Assets	(523)	859
Deferred Capital Grants Released to Income (Note 18)	(3,915)	(3,556)
Other Interest Receivable (Note 5)	(989)	(942)
Interest Payable (Note 7)	2,439	1,728
Decrease in Stocks	112	40
Increase in Debtors	(3,532)	(1,176)
(Decrease) / Increase in Creditors	(4,511)	15,943
Increase / (Decrease) in Provisions (Note 17)	555	(421)
Increase in Investments Provisions	26	0
	<b>5,020</b>	<b>26,179</b>

### 25. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2003/04	2002/03
	£000	£000
Income from Endowments (Note 19)	72	76
Other Interest Receivable (Note 5)	989	942
Interest Payable (Note 7)	(2,439)	(1,728)
	<b>(1,378)</b>	<b>(710)</b>



## notes to the accounts

(continued)

### 26. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2003/04 £000	2002/03 £000
Tangible Assets Acquired (Note 10)	(48,105)	(34,953)
Investments Acquired (Note 11)	(15)	(2)
Endowment Asset Investments Acquired (Note 12)	(167)	(44)
Disposal of Tangible Assets	695	0
Receipts from Sales of Endowment Assets (Note 12)	410	138
Deferred Capital Grants Received (Note 18)	8,322	12,486
Endowments Received (Note 19)	392	227
Endowments transferred to Income and Expenditure Account (Note 19)	(409)	(862)
	<b>(38,877)</b>	<b>(23,010)</b>

### 27. ANALYSIS OF CHANGES IN NET FUNDS / (DEBT)

	At 1 August 2003 £000	Other Changes £000	Cash Flows £000	At 31 July 2004 £000
Cash at Bank and in Hand	13,821	0	(4,938)	8,883
Short-Term Deposits	9,000	0	3,000	12,000
Endowment Assets (Note 12)	909	(96)	298	1,111
Debt due within one year (Note 14)	(1,399)	0	(588)	(1,987)
Debt due after one year (Note 15)	(24,758)	0	(30,013)	(54,771)
<b>Net Debt</b>	<b>(2,427)</b>	<b>(96)</b>	<b>(32,241)</b>	<b>(34,764)</b>

### 28. ANALYSIS OF CHANGES IN CONSOLIDATED FINANCING

	Mortgages & Loans £000
Balances at 1 August 2002	27,663
New Leases / Loans	0
Capital Repayments	(1,506)
Net Amount Acquired in Year	(1,506)
Balances at 31 July 2003	26,157
New Leases / Loans	32,000
Capital Repayments	(1,399)
Net Amount Acquired in Year	30,601
Balances at 31 July 2004 (Note 16)	<b>56,758</b>

## notes to the accounts

(continued)

### 29. PENSION SCHEMES

#### Universities Superannuation Scheme (USS)

The University participates in the USS, which is a funded defined benefit pension scheme where contributions are held in trust separately from the University. The main results and assumptions of the most recent valuation of the USS are as follows:

	USS
Latest actuarial valuation date	31 March 2002
Valuation method	Projected Unit
Value of notional assets	£19,938m
Funding level from accrued benefits	101.0%
Investment return per annum (past service and future service respectively)	5.0% 6.0%
Salary scale increases per annum	3.70%
Pension increases per annum	2.70%

The contributions payable by the University during the accounting period were equal to 14% of total pensionable salaries. The pensions charge recorded by the University during the accounting period was equal to the contributions payable, taking into account benefit improvements subsequent to the valuation and the spreading of surplus over future service lives of employees.

FRS 17

The USS is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The University will therefore account for its pension costs on the defined contribution basis as permitted by FRS17.

#### University of Warwick Pension Scheme (UWPS)

The University operates a defined benefit scheme in the UK. University contributions are charged to the Income and Expenditure Account so as to spread the cost of pensions over employees' working lives with the University. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. A valuation as at 5 April 2004 is currently underway. The main results and assumptions of the most recent valuation of the UWPS are as follows:

	UWPS
Latest actuarial valuation date	5 April 2001
Valuation method	Projected Unit
Value of notional assets	£52,143m
Funding level from accrued benefits	108.0%
Investment return per annum (pre-retirement and post-retirement respectively)	6.25% 5.5%
Salary scale increases per annum	4.25%
Pension increases per annum (subject to limited price indexation)	2.25%

Company contributions were increased to 16% of pensionable salaries with effect from 1 April 2004. An additional contribution of £232,473 was paid in July 2004 towards funding the deficit disclosed in the May 2003 updated assessment.

The pension cost for the Scheme was £2.8 million (2003: £3.3 million). There was a provision of £nil (2003: £nil) in the Balance Sheet representing the difference between the amount charged in the Income and Expenditure Account and the amount paid into the scheme.



## notes to the accounts

(continued)

### 29. PENSION SCHEMES - continued

Analysis of the amount charged to the Income and Expenditure Account

	2004 £000	2003 £000
Service cost	3,253	2,567
Past service cost	0	0
<b>Total operating charge</b>	<b>3,253</b>	<b>2,567</b>

Analysis of net return on pension scheme

	2004 £000	2003 £000
Expected return on pension scheme assets	3,892	3,527
Interest on pension liabilities	(3,767)	(3,304)
<b>Net return</b>	<b>125</b>	<b>223</b>

Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses

	2003/04 £000	2002/03 £000
Actual return less expected return on assets	1,205	99
Experience gains and losses on liabilities	68	45
Changes in assumptions	2,410	(7,847)
Actuarial gain / (loss)	3,683	(7,703)
Adjustment due to surplus cap	0	0
<b>Net gain / (loss) recognised</b>	<b>3,683</b>	<b>(7,703)</b>

Movement in liability during the year

	2003/04 £000	2002/03 £000
Deficit in scheme at 1 August	(15,042)	(8,327)
Movement in year: Current service cost	(3,253)	(2,567)
Contributions	2,811	3,332
Past service costs	0	0
Net return on assets	125	223
Actuarial gain / (loss)	3,683	(7,703)
<b>Deficit in scheme at 31 July</b>	<b>(11,676)</b>	<b>(15,042)</b>

## notes to the accounts

(continued)

### 29. PENSION SCHEMES - continued

History of experience of gains and losses	2003/04 £000	2002/03 £000
Actual return less expected return on scheme	1,205	99
% of scheme assets:	2.0%	0.2%
Experience gains and losses on liabilities	68	45
% of scheme liabilities:	0.1%	0.1%
Changes in assumptions	2,410	(7,847)
Total amount recognised in Statement of Total Recognised Gains and Losses	3,683	(7,703)
% of scheme liabilities:	5.2%	(11.5%)

The University's contribution to the various schemes in the years 2003/04 and 2002/03 were:

	2003/04 £000	2002/03 £000
Universities Superannuation Scheme (USS)	8,652	7,565
University of Warwick Pension Scheme (UWPS)	2,777	3,271
National Health Service Pensions Agency (NHSPA)	114	38
Local Government Superannuation Scheme (LGSS)	11	14
Others	48	48
	<b>11,602</b>	<b>10,936</b>

Due to the low value of contributions and small number of participants in LGSS, NHSPA and other schemes no disclosures have been made under FRS17 on the grounds of materiality.

### 30. SUBSIDIARY COMPANIES AND ASSOCIATED BODIES

The University owns 100% of the issued share capital of the following companies which are registered in England and operating in the UK, unless dormant as stated:

	<u>No. of £1 Ordinary Shares</u>
Warwick University Training Limited	4
Warwick University Services Limited	125,000
Warwick Retail Limited	1
Graduate Residences of Warwick Limited (Dormant)	3
Warwick Conferences Limited (Dormant)	2
The University of Warwick Press Limited (Dormant)	2
Warwick Learning Limited (Dormant)	200
Jobs for the Academic Community Limited (Dormant)	1

## notes to the accounts

(continued)

### 30. SUBSIDIARY COMPANIES AND ASSOCIATED BODIES - continued

The University is the sole member of Horticulture Research International, a private company limited by guarantee and an exempt charity. This company has a 100% owned dormant subsidiary HRI Limited. The consolidated accounts include the results of Horticulture Research International.

In addition, the consolidated accounts include the accounts of The University of Warwick Foundation, an exempt Charity, and its wholly owned subsidiary UW Construction Limited.

At 31 July 2004 the University held 51.0% of voting shares and 50.5% of non-voting shares in AdsFab Limited, being 153,000 £1 ordinary 'C' shares (non-voting) and 51 £1 ordinary 'A' shares (voting). The consolidated accounts include the accounts of AdsFab Limited.

#### University of Warwick Science Park (Note 11)

During the year, the University group of companies made purchases from the Science Park of £201k (2003: £129k). The University recharged costs to the Science Park of £1.3m (2003: £920k), mainly in relation to salaries. In May 2003, the University entered into a land swap agreement relating to the letting and development of land to the University of Warwick Science Park Limited and the letting of an adjacent plot back to the University. The future rent payable by the University under this agreement is disclosed within the figures in note 22.

#### Other Associated Bodies

The University is a co-guarantor of West Midlands Manufacturing Consortium Limited, a private company limited by guarantee and Midlands Technology Network Limited. In the event of these companies being wound up, the University would be required to contribute £1 for each company. The results of the companies have not been consolidated into the accounts of the University on the basis of materiality.

### 31. RELATED PARTIES

Due to the nature of the University's operations and the composition of the University's Council (being drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

The University's Chair of Council, Mr John Leighfield, is a director and shareholder of RM plc, a company supplying software services and systems to the UK education sector. He holds 148,000 class 'A' ordinary shares being 0.12% of shares issued.

The Southern Universities Purchasing Consortium tendered for and entered into a 3 year supply contract with RM plc on 1 April 2001. The contract is due for re-tender during 2004. In the financial year 2003/2004 the University spent £1,013,417 on goods and services supplied by RM plc.

Mr Brian Woods-Scawen, who is a member of Council and of the Audit Committee, was a board member of Advantage West Midlands, the Regional Development Agency for the West Midlands, until 31st December 2003. He has no personal interest or involvement in any of the projects that Advantage West Midlands operate with the University of Warwick.

## notes to the accounts

(continued)

### 32. CONTINGENT LIABILITIES

#### VAT:

The University has entered into four funding arrangements which have subsequently been challenged by Customs and Excise. The consolidated accounts include debtors of £3,458k which have not yet been reimbursed by Customs and Excise as a result of this challenge. The University has taken advice and is confident that all the above amounts are recoverable. However, if the challenge should prove to be successful and other recovery methods are unsuccessful then these amounts will be capitalised.

#### Clawback on HRI site freehold land:

On 31 March 2004 the University acquired the freehold land and buildings at Wellesbourne and Kirton, on which HRI is based, from The Secretary of State for Environment, Food and Rural Affairs (DEFRA). Under the terms of the agreement with the Department for Environment, Food and Rural Affairs (DEFRA), if any part of the acquired land and buildings are disposed of by the University within an agreed clawback period then the University will be liable to pay 50% of the increase in value of the property over to the Department for Environment, Food and Rural Affairs (DEFRA).

The terms of the clawback can be summarised as follows:	Consideration	Clawback Period
Wellesbourne land and property	£2,509,000	15 years
Kirton land and property	£52,500	20 years

#### Pension Scheme Benefits for Part Time Employees:

As a result of a ruling by the European Court of Justice (ECJ) in the Preston case relating to indirect sex discrimination, the employer has an obligation to provide pension scheme benefits for part-time employees. There is therefore a potential liability to provide additional benefits for service before the pension scheme rules were changed to allow access for part-time employees.

The extent of the liability will depend on the service completed by those part-time employees who have registered a valid claim for benefits within the necessary timescales. It is not currently known with certainty how many part-time employees have registered and whether any financial impact that may materialise will be significant. Therefore no provision has been made, but the financial statements include this disclosure as a prudent approach to the potential liability.

### 33. ACCESS FUNDS

	2003/04 £000	2002/03 £000
Opening fund balance	34	12
Funding Council grants received in year	402	488
Interest Earned	4	5
	<hr/>	<hr/>
	440	505
Disbursed to Students	(405)	(471)
Audit Fees	0	0
	<hr/>	<hr/>
Balance Unspent at 31 July	<b>35</b>	34

Funding Council grants are available solely for students; the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

## notes to the accounts

(continued)

### 34. TEACHER TRAINING AGENCY (TTA)

<b>(a) Student Bursaries</b>	2003/04	2002/03
	£000	£000
Opening fund balance	120	133
Net Teacher Training Agency grants received in year	2,093	2,015
	<hr/>	<hr/>
Disbursed to students	2,213	2,148
Administration fee	(1,979)	(1,990)
	(39)	(38)
	<hr/>	<hr/>
<b>Balance Unspent at 31 July owing to the Teacher Training Agency</b>	<b>195</b>	120
	<hr/> <hr/>	<hr/> <hr/>
<b>(b) Ethnic Minority Recruitment</b>	2003/04	2002/03
	£000	£000
Opening fund balance	0	0
Net Teacher Training Agency grants received in year	19	0
	<hr/>	<hr/>
Disbursed to students	19	0
Support payments to schools	0	0
Development	(1)	0
Administration	(1)	0
	(6)	0
	<hr/>	<hr/>
<b>Balance Unspent at 31 July owing to the Teacher Training Agency</b>	<b>11</b>	0
	<hr/> <hr/>	<hr/> <hr/>
<b>(c) Student Associate Scheme</b>	2003/04	2002/03
	£000	£000
Opening fund balance	0	0
Net Teacher Training Agency grants received in year	157	0
	<hr/>	<hr/>
Disbursed to students	157	0
Support Payments to Schools	(77)	0
Administration	(31)	0
	(46)	0
	<hr/>	<hr/>
<b>Balance Unspent at 31 July owing to the Teacher Training Agency</b>	<b>3</b>	0
	<hr/> <hr/>	<hr/> <hr/>

Teacher Training Agency grants are available solely for students or school for student support; the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.



## notes to the accounts

(continued)

### 35. CONSOLIDATED FIVE YEAR RESULTS

	2003/04	2002/03	2001/02	2000/01	1999/00
	£000	reanalysed £000	reanalysed £000	£000	restated £000
<b>Income</b>					
Funding Council Grants	61,280	55,545	50,591	46,513	44,568
Academic Fees & Support Grants	64,357	57,706	49,353	42,262	39,442
Research Grants & Contracts	40,086	30,357	28,057	26,316	25,090
Other Operating Income	77,650	67,531	62,337	58,130	54,494
Endowment Income & Interest Receivable	1,023	857	1,141	1,230	1,701
<b>Total Income</b>	<b>244,396</b>	<b>211,996</b>	<b>191,479</b>	<b>174,451</b>	<b>165,295</b>
<b>Expenditure</b>					
Staff Costs	124,243	109,463	99,539	92,881	87,214
Depreciation	11,309	8,973	7,423	6,748	6,538
Other Operating Expenses	102,542	87,887	77,408	68,470	64,620
Interest Payable	2,439	1,728	1,908	2,410	2,244
<b>Total Expenditure</b>	<b>240,533</b>	<b>208,051</b>	<b>186,278</b>	<b>170,509</b>	<b>160,616</b>
<b>Surplus on Continuing Operations</b>	<b>3,863</b>	<b>3,945</b>	<b>5,201</b>	<b>3,942</b>	<b>4,679</b>
Transfer from Accumulated Income within Specific Endowments	337	786	0	0	0
Equity Minority Interest	(6)	(12)	135	0	0
<b>Surplus for the Financial Year</b>	<b>4,194</b>	<b>4,719</b>	<b>5,336</b>	<b>3,942</b>	<b>4,679</b>
<b>Assets</b>					
Fixed Assets	228,591	161,592	136,469	128,676	117,359
Endowment Asset Investments	2,123	2,138	2,691	2,981	3,254
Current Assets	55,811	51,664	49,110	47,711	42,510
<b>Liabilities</b>					
Current Liabilities	54,085	53,042	37,110	34,689	28,535
Long Term Liabilities	55,024	25,095	26,590	28,079	29,938
Provisions	972	417	838	797	223
<b>Net Assets</b>	<b>176,444</b>	<b>136,840</b>	<b>123,732</b>	<b>115,803</b>	<b>104,427</b>
<b>Capital Expenditure</b>					
Land and Buildings	36,351	26,329	8,945	13,990	8,159
Plant, Machinery & Equipment	11,754	8,624	6,469	3,920	1,854
<b>Total Capital Expenditure</b>	<b>48,105</b>	<b>34,953</b>	<b>15,414</b>	<b>17,910</b>	<b>10,013</b>

## indicators of financial health

	2003/04	2002/03 reanalysed	2001/02 reanalysed	2000/01	1999/00 restated
<b>INDICATORS RELATING TO SOURCES OF INCOME</b>					
(a) % Ratio of Total HEFCE & TTA Grants to Total Income	25.07%	26.20%	26.42%	26.66%	26.96%
(b) % Ratio of Total Full Time Home & EC Fees to Total Income	5.30%	5.89%	6.24%	6.68%	6.74%
(c) % Ratio of Total Overseas Student Fees to Total Income	7.22%	7.22%	7.20%	6.78%	6.23%
(d) % Ratio of Total Research Grant and Contract Income to Total Income	16.40%	14.32%	14.65%	15.09%	15.18%
(e) % Ratio of Total Other Services Rendered Income to Total Income	2.87%	2.96%	3.87%	3.99%	6.46%
(f) % Ratio of Total Residences and Catering Income to Total Income	9.13%	9.67%	10.79%	10.74%	10.87%
(g) % Ratio of Total all Other Income to Total Income	34.01%	33.74%	30.82%	30.07%	27.56%
(h) % Ratio of Surplus to Total Income	1.72%	2.23%	2.79%	2.26%	2.83%
<b>INDICATORS RELATING TO FINANCIAL STRENGTH</b>					
(i) Days Ratio of General Funds to Total Expenditure	146.83	159.97	169.42	173.95	175.71
(j) % Ratio of Long Term Liabilities to Total General Funds	57.87%	27.98%	31.72%	35.53%	39.01%
<b>INDICATORS RELATING TO SHORT TERM LIQUIDITY AND SOLVENCY</b>					
(k) Ratio of Liquid Assets to Current Liabilities	0.39	0.43	0.58	0.55	0.59
(l) Days Ratio of Net Liquid Assets to Total Expenditure	31.69	40.04	41.94	40.52	34.86
(m) Ratio of Current Assets to Current Liabilities	1.03	0.97	1.32	1.38	1.49
(n) Days Ratio of (Decrease)/Increase in Cash & Liquid Resources to Total Expenditure	(2.94)	2.49	4.85	4.63	3.62
(o) Days of Total Income represented by Debtors	50.52	47.80	50.68	58.55	54.69
(p) Days of Total Expenditure represented by Creditors	82.07	93.06	72.71	74.26	64.85

## University address and key advisers

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