

**UNIVERSITY OF WARWICK**

**STATEMENT OF ACCOUNTS FOR THE YEAR ENDED**  
**31 JULY 1999**

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## **TREASURER'S REPORT**

All our revenue streams (with the exception of Endowment Income and Interest Receivable - down £1.4m largely because of the completion of the Lottery funding for the refurbishment of the Arts Centre) showed healthy growth in the financial year 1998/1999. Overall, income was up by almost 8% at £161.1m and, once again, the major part of that growth arose from our earned income activities (including Research Grants and Contracts) which delivered an increase of £10.2m or a shade over 11%. To put that in perspective, these activities fuelled 86% of the total growth in income and, for the first time, their turnover broke through the £100m barrier.

At the start of the year attention was centred on the generation of research income which had, until then, been overseen by the Earned Income Group. A Research Generation Committee was formed to focus entirely on developing research income across the University and the early indications are that it is having success. New grants and contracts awarded (but not necessarily started) increased significantly, in spite of a fall in the total value of new European awards reflecting the 'funding gap' between the end of Framework IV and the start of Framework V, as did the application rates, both of which augur well for the future.

The spread of our earned income operations, including as it does activities as diverse, for example, as the operation of the campus supermarket on the one hand and the Warwick Business School on the other, is a great strength. Hospitality Services had a tough year, its trade being adversely affected by the major refurbishment of its principal facility in the Rootes building, the need to bed down some new outlets and the major capital works, happily now complete, in central areas of the campus. More than counter-balancing that disappointment were the achievements of, amongst others, the Business School, the Warwick Manufacturing Group and the conference centres. Of particular note, in contrast to many other universities, was our continued success in a difficult market, in recruiting overseas students. Income from this source rose from £8.7m to a little over £10m.

The net result was a surplus of £5.2m - down a little on the previous year but, at 3.2% of income, reasonable when viewed against the HEFCE's indicative target of 3%. Looking at the Balance Sheet, Tangible Assets show considerable growth reflecting the £15.2m building works carried out during the year as well as nearly £3m invested in new equipment. Borrowings have risen as a consequence but are still of manageable proportions. Cashflow has benefited from a more vigorous approach to the management of our debtors and creditors.

Two other initiatives of great significance were launched during the year. First, a new finance system provided by SAP was installed and though it did not go live as planned until August, and thus the benefits have yet to be felt, we believe it will provide improved management information of a quality that will further enhance the overall management of the University. This was a major undertaking and I should like to pay tribute to all those involved not only in the Finance Office but across the whole of the University. Few will escape the exercise which has placed great demands on many staff. They will endorse the view that there can be no gain without pain!

The second initiative is, of course, the birth of the Leicester Warwick Medical School. In financial terms it is likely, in the short term, to have a neutral effect but looking further ahead it will, I believe, be seen as being of seminal significance. Again, a great debt is due to those involved in its creation.

In recognition of the potential risks and uncertainties associated with the Year 2000 problem, the University has established a multi-disciplinary group to identify, quantify and address potential risks. The work of the group has concentrated upon mission critical areas of the University's operations including relationships with suppliers, other relevant parties, health and safety issues and computer based systems. In addition to the aforementioned, a contingency plan has recently been developed which considers actions necessary in the period leading up to and immediately after 1 January 2000. Given the complexity of the issue, it is not possible for the University to guarantee that no problems associated with Year 2000 compliance will occur. However, the Council believes that the University will achieve an acceptable state of readiness.

We look ahead with reasonable confidence that, in spite of the difficulties and challenges the sector faces, the University of Warwick's finances, underpinned as they are by our earned income activities whose contribution we forecast will continue to grow, are in a shape that will enable it to maintain its reputation as an innovative and progressive institution.

Peter Dodd  
Treasurer

December 1999

## CORPORATE GOVERNANCE

The following statement is provided to enable readers of the Annual Report and Accounts of the University to obtain a better understanding of governance and legal structure of the University.

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, Wales 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, which was approved by the Privy Council in 1989/90 in its current form.
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 Chairman and Treasurer must be 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 which 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 will be 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 4 times each academic year, much of its detailed work is initially handled by committees, in particular the Finance and General Purposes 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).
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 Pro-Vice-Chancellors 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 maintains a Register of Interests of members of the Council which may be consulted by arrangement with the Registrar.
9. The Statutes of the University specify that the Registrar should act as Secretary of the Council. Any enquiries about the constitution and governance of the University should be addressed to the Registrar.

**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 which 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:

- suitable 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 are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council 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 bi-monthly reviews 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 and Council;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee.

**REPORT OF THE AUDITORS TO THE COUNCIL**  
**OF THE**  
**UNIVERSITY OF WARWICK**

We have audited the financial statements on pages 8 to 21

**Respective Responsibilities of the Council Body and Auditors**

The Council is responsible for preparing the Treasurer's Report, and as described on page 4, 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 Higher Education Institutions. We also report to you whether, in all material respects, 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 income has been applied in accordance with the Royal Charter governing the University of Warwick and where appropriate with the financial memorandum with the Higher Education Funding Council for England and with the Funding Agreement with the Teacher Training Agency.

We also report to you if, in our opinion, the institutions has not kept proper accounting records, the accounting records do not agree with the financial statements, 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 and consider the implications for our report if we become aware of any apparent misstatements or materials inconsistencies with the financial statements.

**Basis of Audit 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 Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the University of Warwick's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which 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.

**Opinion**

In our opinion:

- a. The financial statements give a true and fair view of the state of affairs of the University of Warwick at 31 July 1999, and of the group's surplus of income over expenditure and cash flows for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice on Accounting in Higher Education Institutions.
- b. 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 of Warwick, have been applied for the purposes for which they were received.
- c. Income has been applied in accordance with the Royal Charter Governing the University of Warwick and where appropriate with the financial memorandum dated July 1997 with the Higher Education Funding Council for England and with the Funding Agreement with the Teacher Training Agency.

PricewaterhouseCoopers  
Chartered Accountants  
Birmingham.

20 December 1999

## **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: Accounting in Higher Education Institutions (SORP) and applicable Accounting Standards.

### **2. Basis of Consolidation**

The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertakings, including the University Foundation, for the financial year to 31 July 1998. The consolidated financial statements do not include those of the University of Warwick Students' Union nor Warwick Students' Union Services Ltd. and its subsidiary company, as these are separate organisations in which the University has no control or significant influence over policy decisions.

### **3. Recognition of Income**

Income from Specific Endowments and Donations, Research Grants, Contracts and Other Services Rendered is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short-term deposits and General Endowment Asset Investments is credited to the Income and Expenditure Account on a receivable basis.

### **4. 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. Staff not eligible for membership of USS 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.

### **5. Foreign Currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rate. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

### **6. 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.

### **7. Land and Buildings**

Land and buildings are stated at cost. Buildings are depreciated over their expected useful lives of 50 years, and leasehold land over the life of the lease. Where buildings are acquired with the aid of 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.

### **8. Equipment**

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. All other equipment is capitalised. Capitalised equipment is stated at cost and depreciated over 5 years. Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grant is treated as a grant received in advance and released to income over 5 years.

## **9. Investments**

Endowment Asset Investments are included in the Balance Sheet at market value. Current Asset Investments are included at the lower of cost and net realisable value.

## **10. Stocks**

Stocks include goods for resale in catering departments, bars and retail outlets and are valued at the lower of cost and net realisable value. Stocks of consumable materials are written off to revenue as incurred.

## **11. Long-term Maintenance**

Included in the income and expenditure account is an annual charge for long-term maintenance calculated so as to equalise annual costs on the basis of the University's long-term maintenance plan. The charge is credited to a provision against which actual expenditure on long-term maintenance is met.

## **12. 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 are subject to corporation tax.

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**For the Year Ended 31 July 1999**

	Note	<u>1998/99</u> £000	<u>1997/98</u> £000 As restated
<b>INCOME</b>			
Higher Education Funding Council (England) & Teacher Training Agency Grants	1	44,218	42,641
Academic Fees and Support Grants	2	37,422	32,880
Research Grants and Contracts	3	25,177	22,807
Other Operating Income	4	52,732	47,813
Endowment Income and Interest Receivable	5	1,704	3,104
Total Income		<u>161,253</u>	<u>149,245</u>
<b>EXPENDITURE</b>			
Staff Costs	6	80,323	74,441
Depreciation	12	6,233	5,319
Other Operating Expenses	7	67,498	62,364
Interest Payable	8	1,962	1,530
Total Expenditure	10	<u>156,016</u>	<u>143,654</u>
Surplus after Depreciation of Assets at Cost and before Tax		5,237	5,591
Taxation	11	0	0
Surplus after Depreciation of Assets at Cost and Tax		<u>5,237</u>	<u>5,591</u>

**NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS**  
**For the Year Ended 31 July 1999**

		<u>1998/99</u> £000	<u>1997/98</u> £000 As restated
Surplus after Depreciation of Assets at Cost and Tax		5,237	5,591
Difference between an Historical Cost Depreciation Charge and the Actual Depreciation Charge for the Year calculated on the Revalued amount.	22	6	6
Historical Cost Surplus after Tax		<u>5,243</u>	<u>5,597</u>

The consolidated income and expenditure of the University and its subsidiaries relate wholly to continuing operations.

The consolidated surplus includes £3,437k that has been dealt with in the accounts of the University.

**BALANCE SHEET AS AT 31 JULY 1999**

		Consolidated		University	
	Note	1999 £000	1998 £000 As restated	1999 £000	1998 £000 As restated
FIXED ASSETS					
Tangible Assets	12	113,905	101,959	99,433	89,823
Investments	13	51	139	176	176
		113,956	102,098	99,609	89,999
ENDOWMENT ASSET INVESTMENTS					
	14	2,899	2,002	0	0
CURRENT ASSETS					
Stocks		638	553	599	517
Debtors	15	22,555	22,213	30,014	26,446
Short Term Deposits		8,000	10,006	8,000	10,000
Cash at Bank and in Hand		7,172	4,750	3,064	4,509
		38,365	37,522	41,677	41,472
CREDITORS: AMOUNTS FALLING DUE					
WITHIN ONE YEAR	16	(26,326)	(24,162)	(29,248)	(28,480)
NET CURRENT ASSETS		12,039	13,360	12,429	12,992
TOTAL ASSETS LESS CURRENT LIABILITIES		128,894	117,460	112,038	102,991
CREDITORS: AMOUNTS FALLING DUE					
AFTER MORE THAN ONE YEAR	17	(25,695)	(19,585)	(25,321)	(18,939)
PROVISIONS FOR LIABILITIES AND CHARGES	19	(366)	(605)	(366)	(605)
TOTAL ASSETS LESS LIABILITIES		102,833	97,270	86,351	83,447
DEFERRED CAPITAL GRANTS	20	(26,018)	(26,590)	(22,457)	(22,990)
TOTAL NET ASSETS		76,815	70,680	63,894	60,457
Represented by:					
ENDOWMENTS					
Specific	21	2,863	1,976	0	0
General	21	36	26	0	0
		2,899	2,002	0	0
RESERVES					
Revaluation Reserve	22	278	284	0	0
Income and Expenditure Account	23	73,638	68,394	63,894	60,457
		73,916	68,678	63,894	60,457
TOTAL FUNDS		76,815	70,680	63,894	60,457

The financial statements on pages 8 to 23 were approved by the Council on 20 December 1999, and signed on its behalf by:  
Professor Sir Brian Follett, Vice-Chancellor  
P Dodd, Treasurer

**CONSOLIDATED CASH FLOW STATEMENT**  
For the Year Ended 31 July 1999

	Note	<u>1998/99</u> £000	<u>1997/98</u> £000
Net Cash Inflow/(Outflow) from Operating Activities	27	11,016	6,023
Returns on Investments and Servicing of Finance	28	(519)	(292)
Taxation	11	0	0
Capital Expenditure and Financial Investment	29	(16,796)	(10,141)
Cash Inflow/(Outflow) before Use of Liquid Resources and Financing		(6,299)	(4,410)
Management of Liquid Resources(net contributions to/withdrawals from short term investments)		2,095	(4,011)
Financing	30	6,569	8,760
Increase/(Decrease) in Cash		2,365	339

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)**

	<u>1998/99</u> £000	<u>1997/98</u> £000
Increase/(Decrease) in Cash in the Period	2,365	339
Increase/(Decrease) in Short Term Deposits	(2,095)	4,011
New Loan	(7,900)	(12,350)
Repayment of Debt	1,331	3,590
Change in Net Funds/(Debt)	(6,299)	(4,410)
Net Funds/(Debt) at 1 August	(4,731)	(321)
Net Funds/(Debt) at 31 July	(11,030)	(4,731)

**STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES**  
For the Year Ended 31 July 1999

	Note	<u>1998/99</u> £000	<u>1997/98</u> £000 As restated
Surplus after Depreciation of Assets at Valuation and Tax		5,237	5,591
Appreciation of Endowment Asset Investments	21	28	105
Endowment Income Retained for Year	21	(489)	(1,681)
New Endowments	21	1,358	1,735
Unrealised Surplus on Revaluation of Properties		0	0
TOTAL RECOGNISED GAINS RELATING TO THE YEAR		6,134	5,750
Prior Year Adjustment		2,199	0
TOTAL RECOGNISED GAINS SINCE LAST ACCOUNTS		8,333	5,750

# NOTES TO THE ACCOUNTS

<b>1. HIGHER EDUCATION FUNDING COUNCIL (ENGLAND) &amp; TEACHER TRAINING AGENCY GRANTS</b>		<b>1998/99</b>	<b>1997/98</b>
		<b>£000</b>	<b>£000</b>
Recurrent Grants			
Higher Education Funding Council:			
Teaching		21,483	20,901
Research		17,222	15,575
Teacher Training Agency		3,161	3,257
Specific Grants:			
Joint Research Equipment Initiative		170	27
Specialised Research Collection in the Humanities		26	25
C.V.E. Development		313	305
Minority Subject		22	22
Development of Teaching and Learning		100	55
Teaching and Learning Technology Programme		75	25
Backlog Maintenance		0	1,126
C.T.I. Centre		52	51
Joint Information Systems Committee		393	276
Others		30	0
Deferred Capital Grants Released in Year			
Buildings (Note 20)		326	288
Equipment (Note 20)		845	708
		<b>44,218</b>	<b>42,641</b>
<b>2. ACADEMIC FEES AND SUPPORT GRANTS</b>		<b>1998/99</b>	<b>1997/98</b>
		<b>£000</b>	<b>£000</b>
Full-time Students		10,545	10,332
Full-time Students charged overseas fees		10,086	8,705
Part-time fees		742	731
Research Training Support Grants		545	473
Short Course Fees		15,368	12,475
Other Fees		136	164
		<b>37,422</b>	<b>32,880</b>
<b>3. RESEARCH GRANTS AND CONTRACTS</b>		<b>1998/99</b>	<b>1997/98</b>
		<b>£000</b>	<b>£000</b>
<b>Income</b>			
Research Councils		9,877	9,465
Central Government, Local Authorities and Public Corporations		4,402	3,629
Industry and Commerce		4,727	4,249
Charitable Bodies		2,515	2,174
European Union		2,943	2,629
Overseas		380	417
Others		310	223
Endowments		23	21
		<b>25,177</b>	<b>22,807</b>
<b>Expenditure</b>			
Research Councils		7,776	7,471
Central Government, Local Authorities and Public Corporations		3,738	2,985
Industry and Commerce		3,812	3,396
Charitable Bodies		2,450	2,097
European Union		2,575	2,366
Overseas		335	348
Others		255	218
Endowments		23	21
		<b>20,964</b>	<b>18,902</b>

Income from Research Grants and Contracts includes Deferred Capital Grants released in the year - see also Note 20

#### 4. OTHER OPERATING INCOME

	<u>1998/99</u>	<u>1997/98</u>
	£000	£000
Residences, Catering and Conferences	16,156	15,256
Other Services Rendered	8,995	8,391
Released from Deferred Capital Grants (Note 20)	313	310
Retail Operations	10,675	9,673
Post -Experience Centres	10,748	9,233
Other Income	5,845	4,950
	<u>52,732</u>	<u>47,813</u>

#### 5. ENDOWMENT INCOME AND INTEREST RECEIVABLE

	<u>1998/99</u>	<u>1997/98</u>
	£000	£000
Chairs and Lectureships	39	(37)
Fellowships, Scholarships and Prizes	85	114
General	441	1,723
Income from Short Term Investments	1,139	1,304
	<u>1,704</u>	<u>3,104</u>

#### 6. STAFF

	<u>1998/99</u>	<u>1997/98</u>
	£000	£000
Staff Costs:		
Wages and Salaries	67,502	62,677
Social Security Costs	5,459	5,021
Other Pension Costs	7,362	6,743
	<u>80,323</u>	<u>74,441</u>

Emoluments of the Vice-Chancellor  
(excluding the University's pension contributions to USS but including benefits-in-kind).  
The University's pension contributions to USS for the Vice-Chancellor  
are paid at the same rates as for other academic staff and amounted to 15,626 (1997/98 - 14,906).

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).

£110,000 - £119,999	1	0
£100,000 - £109,999	0	1
£90,000 - £99,999	2	1
£80,000 - £89,999	6	8
£70,000 - £79,999	12	7
£60,000 - £69,999	19	11
£50,000 - £59,999	66	35

There were no amounts paid as compensation for loss of office to higher paid staff.

#### 7. OTHER OPERATING EXPENSES

	<u>1998/99</u>	<u>1997/98</u>
	£000	£000
		As restated
Residences, Catering and Conferences Operating Expenses	6,574	6,369
Consumables and Laboratory Expenditure	19,221	16,844
Books, Periodicals and Binding	1,701	1,486
Fellowships, Scholarships and Prizes	1,030	544
Heat, Light, Water and Power	1,762	1,740
Repairs and General Maintenance	3,671	6,055
Long-Term Maintenance	1,954	1,034
Grants to University of Warwick Students' Union	929	924
Rents, Rates and Insurance	690	684
Auditors' Remuneration	31	28
Auditors' Remuneration in respect of Non-Audit Services	109	59
Retail Operations	8,213	7,427
Post - Experience Centres	3,201	3,146
Other Expenses	18,412	16,024
	<u>67,498</u>	<u>62,364</u>

# 8. INTEREST PAYABLE

	1998/99 £000	1997/98 £000
Bank and other loans wholly repayable within five years	0	0
Loans not wholly repayable within five years	1,883	1,424
Finance Leases	79	106
	<u>1,962</u>	<u>1,530</u>

# 9. RESTRUCTURING COSTS

	1998/99 £000	1997/98 £000
Premature Retirement Compensation Scheme	1,169	819

# 10. ANALYSIS OF 1998/99 EXPENDITURE BY ACTIVITY

	Staff Costs £000	Depreciation £000	Other Operating Expenses £000	Interest Payable £000	Total £000
Academic Departments	43,871	1,070	19,221	0	64,162
Academic Services	4,261	204	5,191	0	9,656
Research Grants and Contracts	11,691	1,493	7,780	0	20,964
Residences, Catering and Conferences	5,524	1,005	6,574	1,754	14,857
Premises	3,642	1,716	7,275	0	12,633
Administration	5,749	247	3,891	0	9,887
Retail Operations	2,032	7	8,213	129	10,381
Post -Experience Centres	2,470	416	3,700	79	6,665
Other Expenses	1,083	75	5,653	0	6,811
Total per Income and Expenditure Account	<u>80,323</u>	<u>6,233</u>	<u>67,498</u>	<u>1,962</u>	<u>156,016</u>

The depreciation charge has been funded by:

Deferred Capital Grants Released (Note 20)	2,977
Revaluation Reserve Released (Note 22)	6
General Income	3,250
	<u>6,233</u>

# 11. TAXATION

	1998/99	1997/98
UK Corporation Tax payable on the Profits of University of Warwick Training Ltd. and University of Warwick Services Ltd.	0	0

# 12. TANGIBLE ASSETS

## Consolidated

	Freehold £000	Land and Buildings Long Leasehold £000	Equipment £000	Leased Equipment £000	Total £000
Cost					
At 1 August 1998	116,238	0	14,187	3,709	134,134
Additions at Cost	15,196	0	2,983	0	18,179
At 31 July 1999	<u>131,434</u>	<u>0</u>	<u>17,170</u>	<u>3,709</u>	<u>152,313</u>
Depreciation					
At 1 August 1998	23,105	0	6,052	3,018	32,175
Charge for Year	2,620	0	3,383	230	6,233
At 31 July 1999	<u>25,725</u>	<u>0</u>	<u>9,435</u>	<u>3,248</u>	<u>38,408</u>
Net Book Value at 31 July 1999	<u>105,709</u>	<u>0</u>	<u>7,735</u>	<u>461</u>	<u>113,905</u>
Net Book Value at 1 August 1998	<u>93,133</u>	<u>0</u>	<u>8,135</u>	<u>691</u>	<u>101,959</u>

## 12. TANGIBLE ASSETS (CONTINUED)

Included within Fixed Assets is land relating to the site of Scarman House, a post-experience centre. Title to the Scarman House building, valued at £6.8m, is currently held by Barclays Mercantile and will revert to the University in 2011. As such the building will not be included in the consolidated accounts until this date.

The consolidated expenditure on Land and Buildings in 1998/99 was:-

	£000
Student Residences	5,868
Retail Services/Student Union	883
Major Refurbishments	1,604
Hospitality Services	3,592
Business School Development	1,578
Computer Sciences	388
Other	1,283
	<u>15,196</u>

### University

	Land and Buildings			Leased	Total
	Freehold	Long	Equipment	Equipment	
	£000	Leasehold	£000	£000	£000
Cost					
At 1 August 1998	103,906	0	13,196	0	117,102
Additions at Cost	12,350	0	2,815	0	15,165
At 31 July 1999	<u>116,256</u>	<u>0</u>	<u>16,011</u>	<u>0</u>	<u>132,267</u>
Depreciation					
At 1 August 1998	21,822	0	5,458	0	27,280
Charge for Year	2,352	0	3,202	0	5,554
At 31 July 1999	<u>24,174</u>	<u>0</u>	<u>8,660</u>	<u>0</u>	<u>32,834</u>
Net Book Value at 31 July 1999	<u>92,082</u>	<u>0</u>	<u>7,351</u>	<u>0</u>	<u>99,433</u>
Net Book Value at 1 August 1998	<u>82,084</u>	<u>0</u>	<u>7,739</u>	<u>0</u>	<u>89,823</u>

## 13. INVESTMENTS

	Consolidated		University	
	1999	1998	1999	1998
	£000	£000	£000	£000
Fixed Interest and Equities at Market Value	0	88	0	0
Investment in Subsidiary Companies at Cost	0	0	125	125
Investment in CVCP Properties PLC at Cost	51	51	51	51
	<u>51</u>	<u>139</u>	<u>176</u>	<u>176</u>

## 14. ENDOWMENT ASSET INVESTMENTS

	Consolidated		University	
	1999	1998	1999	1998
	£000	£000	£000	£000
Balance at 1 August	2,002	1,843	0	0
Additions	870	269	0	0
Disposals	(114)	(281)	0	0
Appreciation/Depreciation on Disposals/Revaluation	28	105	0	0
Increase/(Decrease) in Cash Balances	113	66	0	0
Balance at 31 July	<u>2,899</u>	<u>2,002</u>	<u>0</u>	<u>0</u>
Composed of :-				
Fixed Interest Stocks	121	75	0	0
Equities	1,377	638	0	0
Bank Balances	<u>1,401</u>	<u>1,289</u>	<u>0</u>	<u>0</u>
Total Endowment Asset Investments	<u>2,899</u>	<u>2,002</u>	<u>0</u>	<u>0</u>
Fixed Interest and Equities at Cost	<u>1,232</u>	<u>574</u>	<u>0</u>	<u>0</u>

**15. DEBTORS**

	<u>Consolidated</u>		<u>University</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£000	£000	£000	£000
Amounts falling due within one year:				
Prepayments and accrued Income	14,216	14,881	16,414	18,150
	5,997	5,419	7,232	6,983
Amounts falling due after one year:				
Debtors and prepayments	0	0	0	0
	2,342	1,913	6,368	1,313
	<u>22,555</u>	<u>22,213</u>	<u>30,014</u>	<u>26,446</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>Consolidated</u>		<u>University</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£000	£000	£000	£000
Bank Overdraft	1,289	1,120	0	0
Mortgages and Unsecured Loans	1,149	834	1,281	960
Obligations Under Finance Leases (Note 25)	279	267	0	0
Payments Received on Account	6,820	5,306	6,617	5,134
Creditors	6,867	4,130	12,696	10,631
Social Security and Other Taxation Payable	2,047	3,458	2,047	3,458
Accruals and Deferred Income	7,875	9,047	6,607	8,297
	<u>26,326</u>	<u>24,162</u>	<u>29,248</u>	<u>28,480</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>Consolidated</u>		<u>University</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£000	£000	£000	£000
Mortgages secured on residential and other property	21,765	15,090	21,765	15,090
Unsecured loans	2,503	2,664	3,556	3,849
Payments received on account	809	941	0	0
	<u>25,077</u>	<u>18,695</u>	<u>25,321</u>	<u>18,939</u>
Accruals (Operating Leases)	0	0	0	0
Obligations Under Finance Leases (Note 25)	618	890	0	0
	<u>618</u>	<u>890</u>	<u>0</u>	<u>0</u>
	<u>25,695</u>	<u>19,585</u>	<u>25,321</u>	<u>18,939</u>

**18. FINANCIAL INSTRUMENTS AND BORROWINGS**

The University's borrowings are in respect of certain student residences and the Scarman House management training centre. 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.

At 31 July 1999, the consolidated borrowings are analysed as follows:

(a) Borrowings analysed by maturity date

	<u>Total</u>	<u>Totally Repayable</u>		
		<u>Between</u>	<u>Between</u>	<u>After five</u>
		<u>one and</u>	<u>two and</u>	<u>years</u>
		<u>two years</u>	<u>five years</u>	
	£000	£000	£000	£000
Amounts falling due within one year (note 16):				
Mortgages and Unsecured Loans	1,149	10	3	1,136
Obligations under Finance Leases	279	279	-	-
Amounts falling due after more than one year (note 17):				
Mortgages secured on residential and other property	21,765	-	-	21,765
Unsecured Loans	2,503	10	6	2,487
Obligations under Finance Leases	618	618	-	-
<u>Total borrowing</u>	<u>26,314</u>	<u>917</u>	<u>9</u>	<u>25,388</u>

# 18. FINANCIAL INSTRUMENTS AND BORROWINGS (CONTINUED)

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

	Total	Capped and Floating	Fixed Interest Rate	Fixed Borrowings Weighted Average Interest Period for which Interest is Fixed	Weighted Average Period for which Interest is Fixed
	£000	£000	£000	%	Years
Secured Loans	22,753	7,267	15,486	7.32	8.34
Unsecured Loans	2,664	2,644	20	0.00	2.00
Obligations under Finance Leases	897	448	449	6.07	2.00
Total Borrowing	<u>26,314</u>	<u>10,359</u>	<u>15,955</u>	<u>7.28</u>	<u>8.15</u>

Secured loans are secured on the residential property to which the borrowing relates.

Capped and floating rate borrowings bear interest based on LIBOR.

# 19. PROVISIONS FOR LIABILITIES AND CHARGES

	University and Consolidated
At 1 August 1998	£000
Utilised in Year	605
Transfer from Income & Expenditure Account	(1,403)
	<u>1,164</u>
At 31 July 1999	<u>366</u>

# 20. DEFERRED CAPITAL GRANTS

	University	Consolidated	Consolidated
	Funding Council & Benefactions £000	Other Grants & Benefactions £000	Funding Council & Benefactions £000
	£000	£000	£000
At 1 August 1998			
Buildings	6,696	10,340	6,696
Equipment	2,325	3,629	2,325
Total	<u>9,021</u>	<u>13,969</u>	<u>9,021</u>
Cash Received			
Buildings	763	(31)	763
Equipment	685	988	685
Total	<u>1,448</u>	<u>957</u>	<u>1,448</u>
Released to Income and Expenditure			
Buildings (Notes 1,3, & 4)	326	270	326
Equipment (Notes 1,3, & 4)	845	1,497	845
Total (Note 10)	<u>1,171</u>	<u>1,767</u>	<u>1,171</u>
At 31 July 1999			
Buildings	7,133	10,039	7,133
Equipment	2,165	3,120	2,165
Total	<u>9,298</u>	<u>13,159</u>	<u>9,298</u>

# 21. ENDOWMENTS

	Consolidated	General	Total
	Specific £000	£000	£000
At 1 August 1998			
Additions	1,976	26	2,002
Appreciation of Endowment Asset Investments	1,299	59	1,358
Income for Year	28	0	28
Transferred to Income and Expenditure Account (Notes 3 & 5)	97	2	99
	<u>(537)</u>	<u>(51)</u>	<u>(588)</u>
At 31 July 1999	<u>2,863</u>	<u>36</u>	<u>2,899</u>

## 22. REVALUATION RESERVE

	<u>Consolidated</u>		<u>University</u>	
	1999 £000	1998 £000	1999 £000	1998 £000
Revaluations				
At 1 August	302	302	0	0
Revaluation in Year	0	0	0	0
At 31 July	302	302	0	0
Contributions to Depreciation				
At 1st August	18	12	0	0
Released in Year (Note 10)	6	6	0	0
At 31st July	24	18	0	0
Net Revaluation Amount				
At 31 July	278	284	0	0
At 1 August	284	290	0	0

## 23. INCOME AND EXPENDITURE ACCOUNT

	<u>Consolidated</u> £000	<u>University</u> £000
Balance at 1st August as previously reported	66,196	58,258
Prior year adjustment following FRS 12	2,199	2,199
Balance at 1st August as restated	68,395	60,457
Surplus/(Deficit) after Depreciation of Assets at Valuation and Tax	5,237	3,437
Released from Revaluation Reserve	6	0
Historical Cost Surplus/(Deficit) after Tax	5,243	3,437
Balance at 31st July	73,638	63,894

## 24. INCOME AND EXPENDITURE ACCOUNT RESERVES

	1999 £000	1998 £000 As restated
Committed Reserves:		
Research and Teaching Development Funds	424	291
Study Leave	(19)	41
Catering and Conferences	(78)	1,607
Residential Renewals and Improvements	2,823	2,175
Other Renewals	921	907
Premature Retirement Compensation Scheme	24	30
Departmental Expenses	5,186	5,046
Departmental Funds	5,818	4,271
Long Term Maintenance Provision	2,176	2,199
Others	1,108	1,548
	18,383	18,115
Other Reserves:	55,255	50,279
	73,638	68,394

## 25. LEASE OBLIGATIONS

	<u>Consolidated</u>		<u>University</u>	
	1999 £000	1998 £000	1999 £000	1998 £000
Obligations under finance leases fall due as follows:				
Between one and five years	618	890	0	0
Over five years	0	0	0	0
Total over one year (Note 17)	618	890	0	0
Within one year (Note 16)	279	267	0	0
	897	1,157	0	0
Operating lease commitments in respect of buildings for the 1999 financial year, on leases expiring:				
Within one year	0	0	0	0
Between one and five years	17	11	0	0
Over five years	955	939	0	0
	972	950	0	0

## 26. CAPITAL COMMITMENTS

	<u>Consolidated</u>		<u>University</u>	
	1999 £000	1998 £000	1999 £000	1998 £000
Commitments contracted at 31 July	3,136	12,861	2,069	12,861
Authorised but not contracted at 31 July	10,462	13,752	10,462	13,752
	13,598	26,613	12,531	26,613

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

	<u>1998/99</u> £000	<u>1997/98</u> £000
Surplus before tax	5,237	As restated 5,591
Depreciation (Note 12)	6,233	5,319
Deferred Capital Grants Released to Income (Note 20)	(2,977)	(2,608)
Investment Income	(1,727)	(3,125)
Interest Payable	1,962	1,530
Decrease/(Increase) in Stocks	(85)	(70)
Decrease/(Increase) in Debtors	(528)	(3,665)
Increase/(Decrease) in Creditors	3,140	3,443
Increase in Provisions	(239)	(392)
Net Cash Inflow from Operating Activities	11,016	6,023

## 28. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	<u>1998/99</u> £000	<u>1997/98</u> £000
Income from Endowments (Note 21)	99	139
Income from Short Term Investments	1,371	1,079
Interest Paid	(1,989)	(1,510)
	(519)	(292)

**29. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	1998/99 £000	1997/98 £000
Tangible Assets Acquired (Other than Leased Equipment)	(19,806)	(16,425)
Endowment Asset Investments Acquired (Note 14)	(870)	(269)
Total Fixed and Endowment Asset Investments Acquired	(20,676)	(16,694)
Long Term Investments Acquired	0	0
Receipts from Sales of Endowment Assets (Note 14)	114	281
Receipts from Disposal of Fixed Assets	3	2
Deferred Capital Grants Received (Note 20)	2,405	4,535
Endowments Received (Note 21)	1,358	1,735
	(16,796)	(10,141)

**30. ANALYSIS OF CHANGES IN CONSOLIDATED FINANCING DURING THE YEAR**

	Total £000	Finance Leases £000	Mortgages & Loans £000
Balances at 1 August 1997	10,985	1,416	9,569
New Leases/Loans	12,350	0	12,350
Capital Repayments	(3,590)	(259)	(3,331)
Net Amount Acquired in Year	8,760	(259)	9,019
Balances at 31 July 1998	19,745	1,157	18,588
New Leases/Loans	7,900	0	7,900
Capital Repayments	(1,331)	(260)	(1,071)
Net Amount Acquired in Year	6,569	(260)	6,829
Balances at 31 July 1999	26,314	897	25,417

**31. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	At 1 August £000	Cash Flows £000	At 31 July £000
Cash at Bank and in Hand			
Endowment Assets	1,289	112	1,401
Others	4,750	2,422	7,172
	6,039	2,534	8,573
Short-Term Deposits	10,095	(2,095)	8,000
Bank Overdrafts	(1,120)	(169)	(1,289)
Debt due within one year	(1,101)	(327)	(1,428)
Debt due after one year	(18,644)	(6,242)	(24,886)
	(4,731)	(6,299)	(11,030)

## 32. PENSION SCHEMES

- (a) The latest actuarial valuation available at the time of these accounts of the Universities Superannuation Scheme was at 31 March 1996.  
The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return of investments and the rates of increase in salary and pensions. It was assumed that the investment return would be 8.5% per annum, that salary scale increases would be 6.5% per annum, and that pensions would increase by 5% per annum.  
At the date of the last actuarial valuation, which was carried out using the projected unit method, the market value of the assets of the scheme was £12,087 million and the actuarial value of the assets was sufficient to cover 108% of the benefits which had accrued to members after allowing for expected future increases in earnings. The level of contributions paid by the employing institutions takes into account this actuarial deficiency.  
The pension contribution charged in the accounts was 14% of pensionable salaries.
- (b) The last actuarial valuation of the University's own pension scheme was at 6 April 1998. The pension costs were assessed using the projected unit method. The major financial assumptions used were that the long term investment returns would average 8.5% per annum compound, that long term earnings increases would average 7% per annum compound and that pensions would increase at a rate of 5% per annum compound.  
The actuarial value of the assets was sufficient to cover 106% of the benefits which had accrued to members after allowing for expected future increases in earnings. To reduce this surplus the University is paying contributions at the rate of 14% of pensionable earnings from 1 January 1999. (The rate was 8% for the period 1 October 1995 to 31 December 1998). This rate will rise to 15.25% in January 2002 subject to the next valuation in 2001. The market value of the scheme's assets at 5 April 1999 was £48,866,240.  
The University's contributions to the various schemes in the years 1997/98 and 1998/99 were:

	1998/99	1997/98
	£000	£000
Universities Superannuation Scheme	5,655	5,248
University of Warwick Pension Scheme	1,669	847
Local Government Superannuation Scheme	23	24
Others	10	10
	<u>7,357</u>	<u>6,129</u>

## 33. SUBSIDIARY COMPANIES

The University owns 100% of the issued share capital of 4 £1 ordinary shares of Warwick University Training Ltd. and 100% of the 125000 £1 ordinary shares of Warwick University Services Ltd., companies registered in England and operating post-experience centres in the UK. The University also holds 9831 shares of £1 each (representing 35% of the total shares issued) and a 1% debenture loan of £820,710 issued by University of Warwick Science Park Limited. The investment has been included in the accounts at nil value. The University also owns the entire issued share capital of Warwick Retail Services Limited, The University of Warwick Press Limited and Graduate Residences of Warwick Limited, all dormant companies, and 1 £1 ordinary share in Microbial Systems Limited, a biotechnology company, whose activities have been excluded from the consolidated accounts on the grounds of immateriality.

## 34. CONTINGENT LIABILITIES

The University owns the entire issued share capital, consisting of ordinary shares, in Warwick University Training Limited, a company incorporated on 24 November 1989 in England. The Company's principal activity is the operation of Scarman House, a post-experience management training centre. Scarman House commenced its operations on 24 June 1991.  
On 9 February 1990 Warwick University Training Limited entered into leases in respect of Scarman House and is contracted to make lease payments for 20 years commencing on 1 August 1992. The payments under the leases are dependent upon the total construction costs, including land and buildings, plant and equipment and capitalised interest, totalling approximately £10.1m. The University has guaranteed the payments due under the lease agreements.

## 35. ACCESS FUNDS

	1998/99	1997/98
	£000	£000
Funding Council Grants	390	190
Interest Earned	7	2
	<u>397</u>	<u>192</u>
Disbursed to Students	(397)	(192)
Audit Fees	0	0
	<u>0</u>	<u>0</u>
Balance Unspent at 31 July	0	0

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.

**36. SUBSEQUENT EVENTS**

On 8 October 1999, the University drew down the second and final tranche of a £14.2m loan from Barclays Bank plc. This amount, £6.3m, is secured on certain student residences and is repayable in equal quarterly instalments over the remaining 24 years of the original 25 year agreement.

**37. RELATED PARTIES**

The University has no related party transactions requiring disclosure under FRS 8.

**38. PRIOR YEAR ADJUSTMENT**

The financial statements for the year ended 31 July 1998 have been adjusted to reflect the following prior year adjustment. The impact on retained surpluses and net assets is as follows:

	Historic cost surplus for the year ended	Net Assets	Income and expenditure at
	31 July 1998	31 July 1998	31 July 1998
	£000	£000	£000
As previously reported	5,016	68,481	66,195
Long Term Maintenance Provision	581	2,199	2,199
As restated	5,597	70,680	68,394

During the year Financial Reporting Standard No 12 (Provisions contingent liabilities and assets) was introduced for accounting periods ending on or after 23 March 1999. The long-term maintenance provision no longer satisfies the definition of "provisions" included in the standard and for this reason, adjustments have been made in respect of prior years.

The impact of this change in accounting policy on the operating result for 1999 is to increase the surplus by £115k.

**INDICATORS OF FINANCIAL HEALTH****INDICATORS RELATING TO SOURCES OF INCOME**

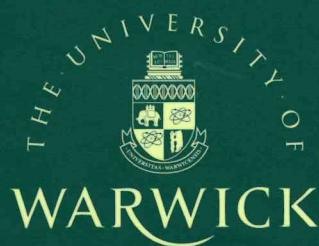
	1998/99	1997/98	1996/97	1995/96	1994/95
(a) % Ratio of Total HEFC & TTA Grants to Total Income	27.42%	28.57%	29.28%	30.71%	33.69%
(b) % Ratio of Total Full-time Home & EC Fees to Total Income	6.54%	6.92%	7.25%	7.51%	7.75%
(c) % Ratio of Total Overseas Student Fees to Total Income	6.25%	5.83%	5.98%	5.60%	5.54%
(d) % Ratio of Total Research Grant and Contract Income to Total Income	15.61%	15.28%	15.51%	14.69%	13.95%
(e) % Ratio of Total Other Services Rendered Income to Total Income	5.58%	5.62%	3.96%	4.71%	4.38%
(f) % Ratio of Total Residences and Catering Income to Total Income	10.02%	10.22%	9.69%	9.14%	8.89%
(g) % Ratio of Total all Other Income to Total Income	28.57%	27.56%	28.33%	27.64%	25.80%
(h) % Ratio of Surplus/(Deficit) to Total Income	3.25%	3.75%	2.81%	3.04%	4.25%

**INDICATORS RELATING TO FINANCIAL STRENGTH**

(i) Days Ratio of General Funds to Total Expenditure	172.36	173.84	165.69	160.56	162.07
(j) % Ratio of Long Term Liabilities to Total General Funds	36.82%	30.23%	19.76%	20.98%	24.44%

**INDICATORS RELATING TO SHORT TERM LIQUIDITY AND SOLVENCY**

(k) Ratio of Liquid Assets to Current Liabilities	0.58	0.61	0.57	0.81	1.32
(l) Days Ratio of Net Liquid Assets to Total Expenditure	32.48	34.65	25.33	44.37	75.73
(m) Ratio of Current Assets to Current Liabilities	1.46	1.55	1.45	1.47	1.92
(n) Days Ratio of Increase/(Decrease) in Cash & Liquid Resources to Total Expenditure	0.63	0.00	(18.19)	(20.96)	25.61
(o) Days of Total Income represented by Debtors	51.05	54.32	47.92	44.74	37.31
(p) Days of Total Expenditure represented by Creditors	61.59	61.39	57.79	72.50	67.35



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