

REPORT OF THE AUDITORS TO COUNCIL

In our opinion the accounts and notes set out on pages 2 to 17 give a true and fair view of the state of affairs of the University of Warwick at 31 July 1976 and of the income and expenditure for the year ended on that date, according to the historical cost convention.

We have examined the records of monies expended during the year out of non-recurrent grants made to the University for specific purposes. In our opinion the grants have been properly applied for the purposes intended.

Coventry and London
16 November 1976

Coopers & Lybrand
Chartered Accountants.

**STATEMENT OF FIXED ASSETS
AS AT 31 JULY 1976**

1975 £		£
21,205,771	Accumulated Fixed Assets at cost (Note 2)	23,211,293
154,486	Less amounts attributable to disposal of fixed assets	223,139
<u>£21,051,285</u>		<u>£22,988,154</u>
	Financed by:	
13,370,368	Grants from the University Grants Committee for capital projects (Note 2)	14,438,047
1,713,185	Grants from the University Grants Committee for Furniture and Equipment (Note 2)	2,010,329
2,568,684	Grants from Foundation Fund and other sources (Note 2)	2,741,651
2,802,329	Loans from Foundation Fund and other sources (Notes 2 and 3)	3,020,309
751,205	Capital expenditure financed by ordinary revenue of University (Note 2)	1,000,957
<u>21,205,771</u>		<u>23,211,293</u>
154,486	Less amounts attributable to disposal of fixed assets	223,139
<u>£21,051,285</u>		<u>£22,988,154</u>

P. H. GAYWARD
Finance Officer, University of Warwick

**STATEMENT OF NET ASSETS
AS AT 31 JULY 1976**

1975	£	£	£
—	Loan to University of Warwick Foundation	150,000	
264,866	Loan Debtors	<u>128,037</u>	278,037
Current Assets			
119,466	Amounts due from University Grants Committee for capital projects	118,993	
89,419	Current account with University of Warwick Foundation	—	
959,540	Other debtors and prepayments	537,323	
63,845	Stocks	75,490	
500,350	Medium term loans	600,000	
345,161	Money at call and short notice	800,675	
6,182	Bank balance and cash	17,066	
66,657	Deposit account with H.M. Paymaster General (Note 4)	92,936	
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2,150,620		2,242,483	
Less			
Current Liabilities			
1,204,716	Creditors and accrued liabilities (Note 8)	1,003,614	
—	Current Account with University of Warwick Foundation	118,403	
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1,204,716		1,122,017	
945,904			1,120,466
£ 1,210,770			£ 1,398,503
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Represented by:			
87,266	Unexpended furniture and equipment grant (Note 4)		150,344
372,710	Special Reserve (Note 5)		413,749
303,905	General Fund (Note 6)		281,112
446,889	Renewals Fund (Note 7)		553,298
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£ 1,210,770			£ 1,398,503
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**INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1976**

1975	£	£
4,577,791		
807,143		
365,999		
109,332		
—		
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5,860,265		
Income (Page 5)		
	Grants from University Grants Committee	5,816,130
	Other grants	913,846
	Students' fees	733,872
	Other income	186,869
	Withdrawal from Special Reserve	<u>34,682</u>
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		7,685,399
Expenditure (Pages 6 and 7)		
3,294,352	Academic	4,297,009
349,186	Library	441,337
167,841	General educational expenditure	202,120
513,843	Administration and central services	700,244
934,279	Premises	1,384,233
336,518	Staff and student facilities and amenities	363,543
116,431	Miscellaneous expenditure	152,603
97,815	Capital expenditure met from income	128,425
—	Allocation to Special Reserve	<u>38,678</u>
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5,810,265		7,708,192
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£ 50,000 CR	Deficit balance transferred to General Fund (Note 6)	£ 22,793
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INCOME, YEAR ENDED 31 JULY 1976			
1975		£	£
£			
	Grants from University Grants Committee		
4,235,000	Block recurrent	5,548,272	
151,800	Salaries supplementation	—	
190,991	Rates	267,858	
4,577,791			5,816,130
	Other grants		
676,531	Grants for research (including from Foundation Fund)	803,456	
130,612	Other grants (including from Foundation Fund)	110,390	
807,143			913,846
365,999	Students' fees		733,872
	Other Income		
15,575	Investment income (gross)	24,331	
93,757	Miscellaneous income	162,538	
109,332			186,869
—	Withdrawal from Special Reserve		34,682
£ 5,860,265	Total Income		£ 7,685,399

EXPENDITURE, YEAR ENDED 31 JULY 1976			
1975		£	£
£			
	Academic		
1,745,151	Salaries of academic staff	2,354,354	
467,617	Salaries and wages of other staff	597,224	
658,445	Expenditure of research grants	805,261	
329,183	Other expenses	357,091	
93,956	Computer Unit	183,079	
3,294,352			4,297,009
	Library		
174,341	Salaries and wages	225,989	
	Books, periodicals and binding:		
133,330	Financed from recurrent funds	160,265	
9,800	Financed from outside funds	12,355	
31,715	Other expenses	42,728	
349,186			441,337
	General Educational Expenditure		
29,494	Examinations	30,939	
4,437	Fellowships, scholarships and prizes	9,082	
5,849	Staff attendance at conferences	7,220	
11,476	Contribution to University Central Council on Admissions	17,399	
35,598	Vacation grants expenditure	43,369	
80,987	Other expenses	94,111	
167,841			202,120
	Administration and Central Services		
382,999	Salaries and wages	516,185	
24,434	Advertising and recruitment	27,922	
75,911	Printing, stationery and postage	95,480	
30,499	Other expenses	60,657	
513,843			700,244
4,325,222			5,640,710
	forward		

EXPENDITURE, YEAR ENDED 31 JULY 1976 – continued

1975		£	£
4,325,222	forward		5,640,710
Premises			
192,141	Rent and rates	268,129	
60,703	Telephones	115,949	
18,551	Insurance	24,819	
191,551	Heat, light, water and power	230,081	
281,037	Cleaning and other running costs	388,108	
204,769	Repairs and maintenance (Note 10)	357,147	
		<hr/>	
948,752			1,384,233
Staff and Student Facilities and Amenities			
36,113	Careers Advisory Service	46,047	
11,409	Lodgings Office	18,380	
17,750	University Health Service	18,274	
76,360	Grants to Union of Students	104,598	
23,949	Rootes Hall (Page 8)	34,796	
24,064	Deficit on catering (Page 8)	24,908	
132,400	Other expenses	116,040	
		<hr/>	
322,045			363,543
Miscellaneous Expenditure			
10,642	Hospitality and entertainment	14,088	
44,371	Non-recurrent expenditure	45,572	
39,023	Provision for renewals	50,874	
22,395	Miscellaneous	42,069	
		<hr/>	
116,431			152,603
97,815	Capital Expenditure met from Income		128,425
–	Allocation to Special Reserve		38,678
			<hr/>
£ 5,810,265	Total Expenditure		£ 7,708,192

ROOTES HALL
INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 1976

1975		£	£
5,116	Income		
	Miscellaneous		1,791
	Less:		
	Expenditure		
9,711	Salaries and wages	13,391	
16,460	Cleaning	19,807	
1,434	Equipment, tools and materials	2,475	
1,460	Other expenses	914	
		<hr/>	
29,065			36,587
£ 23,949	Net Expenditure for the year (Page 7)		£ 34,796

CATERING ACCOUNT INCOME AND EXPENDITURE YEAR ENDED 31 JULY 1976			
		£	£
	Income		
	Food and beverages	482,646	
	Wines and spirits	110,875	
	Miscellaneous	1,409	
		<hr/>	
			594,930
	Less:		
	Expenditure		
	Salaries and wages	192,781	
	Food and beverages	302,860	
	Wines and spirits	73,853	
	Equipment purchases, hire and maintenance	11,268	
	Materials, linen and laundry	13,586	
	Heat, light, water and power	7,730	
	Other expenses	17,760	
		<hr/>	
			619,838
£ 24,064	Deficit for the year (Page 7)		£ 24,908

RESIDENTIAL ACCOMMODATION ACCOUNT

YEAR ENDED 31 JULY 1976

Total 1975 £		Total 1976 £	Rootes Residences £	Student Houses £	Tocil Flats £	Whitefields £	Cryfield Hall £	Cryfield Flats £	International House £
Income									
494,513	Students' residential fees	617,425	200,639	65,793	155,453	50,019	60,582	71,819	13,120
88,304	Vacation lettings	120,198	104,726	3,120	1,289	6,264	1,984	69	2,746
33,016	Miscellaneous	45,041	30,675	8,533	1,982	—	3,012	—	839
<u>615,833</u>		<u>782,664</u>	<u>336,040</u>	<u>77,446</u>	<u>158,724</u>	<u>56,283</u>	<u>65,578</u>	<u>71,888</u>	<u>16,705</u>
Expenditure									
163,327	Salaries and wages	215,091	140,617	22,831	13,743	5,094	21,059	6,397	5,350
86,987	Heat, light, water and power	99,536	31,919	19,796	20,198	5,730	9,833	9,833	2,227
23,586	Linen and laundry	25,659	17,125	2,566	1,192	466	3,137	514	659
19,709	Equipment, tools and utensils	21,581	7,870	2,319	5,868	2,459	1,143	1,714	208
63,205	Internal maintenance and repairs	88,182	29,135	12,684	19,475	6,599	8,732	9,705	1,852
52,135	Provision for furniture and equipment renewal	54,153	16,866	10,357	9,250	3,100	6,625	6,625	1,330
11,119	Other expenses	28,510	15,358	8,375	677	242	2,277	1,370	211
195,765	Capital loan repayments and interest	249,952	65,094	11,055	62,199	24,644	39,857	39,857	7,246
<u>615,833</u>		<u>782,664</u>	<u>323,984</u>	<u>89,983</u>	<u>132,602</u>	<u>48,334</u>	<u>92,663</u>	<u>76,015</u>	<u>19,083</u>
<u>—</u>	Result for the year	<u>—</u>	<u>12,056 CR</u>	<u>12,537 DR</u>	<u>26,122 CR</u>	<u>7,949 CR</u>	<u>27,085 DR</u>	<u>4,127 DR</u>	<u>2,378 DR</u>

**CAPITAL EXPENDITURE ON LAND,
AND METHOD**

	Expenditure in year ended 31 July 1976 £	Total Expenditure to 31 July 1976 £
Arts Centre	63,663	1,141,460
Arts, Stage I	79,646	1,134,954
Benefactors	322	236,386
Computer Centre	59,270	818,046
Computer	322,537	459,808
Cryfield Hall & Flats	40,997	930,631
Engineering & Molecular Sciences Stage I	54,980	3,701,117
Engineering Stage II	64,568	858,929
Engineering	—	—
Molecular Sciences	—	—
First Buildings	131,725	1,699,412
Freehold Land	9,500	108,669
Library, Stage I	16,956	1,481,139
Mathematics Research Centre	890	57,582
Miscellaneous Buildings	304,700	1,916,356
Motor Vehicles	20,117	97,635
Physics, Stage I	34,701	1,718,565
Rootes Residences	11,050	1,443,241
Rootes Social Building	62,554	985,632
Senate House	47,975	556,065
Site Works & Services	37,535	1,190,957
Social Studies	544,274	573,055
Sports Centre	2,841	329,275
Sports Pavilion & Playing Fields	383	115,894
Students Union	82,271	678,329
Tocil Flats	8,923	730,736
Whitefields	3,144	247,420
Total	2,005,522	23,211,293

Financed from:		
Grants from University Grants Committee	1,246,747	16,330,300
Grants from Foundation Fund & other sources	172,967	2,741,651
Loans from Foundation Fund & other sources	217,980	3,020,309
Contribution from Revenue	249,752	1,000,957
Reimbursements receivable	118,076	118,076
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Total	2,005,522	23,211,293

**BUILDINGS AND EQUIPMENT,
OF FINANCING**

Acquisition of Land and Buildings	Works	Fees and Expenses	Furniture Books and Equipment	Equipment for Teaching and Research
£	£	£	£	£
—	870,589	164,497	106,374	—
—	666,625	108,402	151,910	208,017
—	194,135	26,866	15,385	—
—	227,668	40,246	35,894	514,238
—	—	—	—	459,808
—	824,096	79,426	27,109	—
—	1,664,807	200,117	92,602	—
—	617,902	117,490	79,675	—
—	—	—	—	1,136,283
—	—	—	—	651,170
—	967,329	96,252	207,199	428,632
94,550	—	14,119	—	—
—	958,100	124,629	386,518	11,892
—	38,842	7,196	10,286	1,258
289,810	983,231	201,849	368,482	72,984
—	—	—	97,635	—
—	623,326	110,624	162,739	821,876
—	1,130,748	163,294	149,199	—
—	785,196	71,357	129,079	—
—	343,760	63,713	148,592	—
—	1,017,473	173,484	—	—
—	496,803	67,254	8,998	—
—	251,672	46,639	30,964	—
—	98,293	7,461	10,140	—
—	512,777	95,604	69,948	—
—	591,738	9,098	129,900	—
—	148,224	6,126	93,070	—
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384,360	14,013,334	1,995,743	2,511,698	4,306,158

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196,274	9,367,816	1,544,671	1,799,277	3,422,262
141,000	1,366,620	203,087	147,048	883,896
41,476	2,529,656	156,301	292,876	—
5,610	721,763	1,087	272,497	—
—	27,479	90,597	—	—
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384,360	14,013,334	1,995,743	2,511,698	4,306,158

NOTES ON THE ACCOUNTS

(These notes form part of the Accounts)

1. Accounting Policies

(a) Capital expenditure on buildings

Capital expenditure on buildings and claims by contractors are not brought into the annual accounts until they have been agreed and paid.

(b) Depreciation

No depreciation has been provided on fixed assets since their replacement will be financed by appropriations from the renewals fund, grants and loans.

(c) Reserves, Commitments and Allocations

Reserves are made for goods received and/or services rendered prior to the end of the financial year but not invoiced before the year-end and also include commitments entered into for minor works and certain items of non-recurrent expenditure allocated and unspent during the current and previous years. (See note 8)

Commitments entered into are goods ordered but not received at the year-end. These commitments and certain allocations for specific purposes (other than those referred to above) are not included under expenditure. (See note 6)

(d) Investment Income

The gross figure of investment income is credited to the income and expenditure account after transfers of notional interest have been made to part of the renewals fund, the special reserve and the furniture and equipment fund.

(e) Loans from the Foundation Fund

Loans from the Foundation Fund are repayable over fixed terms. Interest is payable on these loans out of residential and trading income.

(f) Loan Debtors

Loan debtors are loans in respect of capital and certain minor projects recoverable either by way of future surpluses on the related projects or by way of future loans or mortgages.

(g) Debtors and Prepayments

Specific provisions are made for any debts considered to be doubtful and known bad debts are written off.

(h) Taxation

No current or deferred taxation has been provided as the University is a charity in accordance with Section 4 of the Charities Act 1960.

(i) Stocks

Stocks are valued at the lower of cost and net realisable value.

(j) Medium Term Loans

Medium term loans is money placed in excess of seven days and up to two years.

(k) Salaries and Wages

The amounts shown for salaries and wages include allowances, superannuation and national insurance contributions.

NOTES ON THE ACCOUNTS - Continued

(l) University Bookshop

The University bookshop accounts do not form part of the University's accounts.

2. Capital expenditure incurred since the establishment of the University has been financed as follows:

	Grants from University Grants Committee	Grants and Loans from Foundation Fund and other sources	Contributions from Revenue	Total
	£	£	£	£
Freehold Land	10,971	93,148	4,550	108,669
Buildings	10,147,775	4,282,480	598,186	15,028,441
Playing Fields	31,848	33,522	—	65,370
Site Works and services	1,036,243	28,990	125,724	1,190,957
Furniture, books and equipment	5,221,539	1,323,820	272,497	6,817,856
	16,448,376	5,761,960	1,000,957	23,211,293

3. Loans from Foundation Fund and other sources

	Total £	Repaid £	Outstanding £
Foundation Fund	2,174,948	212,723	1,962,225
Building Societies (Secured)	747,300	4,060	743,240
Other Sources	98,061	20,011	78,050
	3,020,309	236,794	2,783,515

4. Grants for Furniture and Equipment

Balance 31 July 1975	£ 87,266
Grants and receipts during the year	363,046
	450,312
Expenditure during the year	299,968
Balance 31 July 1976	150,344

Of the grants and receipts during the year £92,936 (1975 £66,657) is held for the time being by H.M. Paymaster General.

NOTES ON THE ACCOUNTS - Continued

5. Special Reserve	£
Balance 31 July 1975	372,710
Grants and receipts for the year	75,721
	<u>448,431</u>
Transfer to income and expenditure account	34,682
Balance 31 July 1976	<u>413,749</u>

The Special Reserve has been set up to meet possible non-recurrent costs and liabilities and future expenditure for purposes to be approved. The balance at 31 July, 1976 includes £37,043 (1975 £34,682) which has been allocated for 1976/77 non-recurrent expenditure.

6. General Fund	£
Balance 31 July 1975	303,905
Deficit balance from Income and Expenditure account for the year ended 31 July, 1976	22,793
Balance 31 July 1976	<u>281,112</u>

The balance at 31 July 1976 includes commitments and allocations totalling £55,282 (1975 £108,563) carried forward to 1976/77.

7. Renewals Fund	£
Balance 31 July 1975	446,889
Provision for renewals made from revenue during the year	158,174
	<u>605,063</u>
Allocations to meet expenditure during the year	51,765
Balance 31 July 1976	<u>553,298</u>

The renewals fund has been established to set aside sums required to finance the replacement of furniture and equipment not financed by the University Grants Committee.

8. Included in creditors and accrued liabilities are specific items amounting to £32,262 (1975 £28,464) provided from revenue for future expenditure, and also surplus balances amounting to £78,990 (1975 £64,349) accumulated externally by academic departments and available for future expenditure by them.

9. The University of Warwick Foundation Fund is vested in and administered separately by the Trustees. It does not therefore form part of these accounts. The balance of this fund at 31 July 1976 amounted to £2,137,714 (1975 £2,097,924).

10. A satisfactory settlement has been reached of the dispute relating to the failure of the external tiling. The University's residual contribution of £47,000 is included under repairs and maintenance. (Page 7)

UNIVERSITY BOOKSHOP
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1976

1975		£	£
112,978	Sales		162,668
	Less:		
	Cost of Sales		
34,580	Stock at 1 August 1975	46,621	
92,633	Purchase of books and stationery	133,599	
		<u>180,220</u>	
127,213	Less: Stock at 31 July 1976	58,978	
46,621			<u>121,242</u>
80,592			
32,386	Gross Surplus		41,426
	Administration		
21,950	Salaries	29,312	
1,360	Other expenses	2,883	
1,125	Administration charges	1,626	
4,762	Interest charges	5,657	
29,197			<u>39,478</u>
	Premises		
1,300	Rent	1,300	
200	Electricity	250	
253	Cleaning	254	
1,753			<u>1,804</u>
	Other Items		
184	Books and publications	420	
300	Subscriptions	339	
970	Depreciation	731	
439	Security	331	
249	Miscellaneous	388	
2,142			<u>2,209</u>
33,092	Total Expenses		<u>43,491</u>
£ 706	Deficit for the year		<u>£ 2,065</u>

UNIVERSITY BOOKSHOP
BALANCE SHEET AS AT 31 JULY 1976

1975		£	£
		£	£
	Fixed Assets		
5,604	Fixtures and fittings at cost	6,557	
4,620	Less accumulated depreciation	<u>5,351</u>	
<u>984</u>			1,206
	Current Assets		
46,621	Stock in hand	58,978	
4,065	Debtors	7,336	
305	Cash in hand	305	
<u>50,991</u>		<u>66,619</u>	
	Less:		
	Current Liabilities		
<u>3,174</u>	Creditors	<u>3,684</u>	
47,817			<u>62,935</u>
<u>£ 48,801</u>			<u>£ 64,141</u>
	Represented by:		
51,922	Loans from University of Warwick Foundation and other sources		68,027
	Less:		
	General Fund -		
3,715	Balance as at 1 August 1975	3,121	
706	Add deficit for the year	<u>2,065</u>	
4,421		5,186	
1,300	Less rent treated as repayment of loan	<u>1,300</u>	
<u>3,121</u>			<u>3,886</u>
<u>£ 48,801</u>			<u>£ 64,141</u>