

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 1977, 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
15 November 1977



Chartered Accountants

**STATEMENT OF FIXED ASSETS
AS AT 31 JULY 1977**

1976 £		£
23,211,293	Accumulated Fixed Assets at Cost (Note 2)	25,528,946
223,139	Less amounts attributable to disposal of fixed assets	275,569
£22,988,154		£25,253,377
	Financed by:	
13,590,624	Grants from the University Grants Committee for capital projects (Note 2)	14,797,079
1,961,912	Grants from the University Grants Committee for Furniture and Equipment (Note 2)	2,222,312
3,524,895	Grants from Foundation Fund and other sources (Note 2)	3,844,945
3,020,309	Loans from Foundation Fund and other sources (Notes 2 and 3)	3,216,713
1,000,957	Capital expenditure financed by ordinary revenue of University (Note 2)	1,221,445
112,596	Capital expenditure temporarily financed by ordinary revenue of University (Note 2)	226,452
23,211,293		25,528,946
223,139	Less amounts attributable to disposal of fixed assets	275,569
£22,988,154		£25,253,377


Finance Officer, University of Warwick

**STATEMENT OF NET ASSETS
AS AT 31 JULY 1977**

1976 £	£	£
128,037	Loan Debtors	149,814
112,596	Projects Temporarily Unfinanced	259,172
Current Assets		
6,397	Amounts due from University Grants Committee for capital projects	107,254
31,597	Current account with University of Warwick Foundation	197,650
537,323	Other debtors and prepayments	654,975
75,490	Stocks	100,524
600,000	Medium term loans	—
800,675	Money at call and short notice	1,300,423
17,066	Bank balance and cash	3,512
92,936	Deposit account with H.M. Paymaster General (Note 4)	304,469
2,161,484		2,668,807
Less:		
Current Liabilities		
1,003,614	Creditors and accrued liabilities (Note 8)	1,000,819
—	Bank overdraft	45,189
1,003,614		1,046,008
1,157,870		1,622,799
£ 1,398,503		£2,031,785
Represented by:		
150,344	Unexpended furniture and equipment grant (Note 4)	263,939
413,749	Special Reserve (Note 5)	594,828
281,112	General Fund (Note 6)	540,450
553,298	Renewals Fund (Note 7)	632,568
£1,398,503		£2,031,785

**INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1977**

1976 £	£	£
Income (Page 5)		
5,816,130	Grants from University Grants Committee	6,843,098
913,846	Other grants	1,026,614
733,872	Students' fees	1,024,977
186,869	Other income	301,248
34,682	Withdrawal from Special Reserve	37,043
7,685,399		9,232,980
Expenditure (Pages 6 and 7)		
4,297,009	Academic	5,020,451
441,337	Library	509,352
202,120	General educational expenditure	236,303
700,244	Administration and central services	762,523
1,384,233	Premises	1,614,868
363,543	Staff and student facilities and amenities	429,965
152,603	Miscellaneous expenditure	104,988
128,425	Capital expenditure met from income	120,192
38,678	Allocation to Special Reserve	175,000
7,708,192		8,973,642
(£22,793)	Surplus (deficit) balance transferred to General Fund (Note 6)	£ 259,338

INCOME, YEAR ENDED 31 JULY 1977

1976 £		£	£
	Grants from University Grants Committee		
5,548,272	Block recurrent	6,490,249	
267,858	Rates	352,849	
<u>5,816,130</u>			6,843,098
	Other grants		
803,456	Grants for research (including from Foundation Fund)	940,462	
110,390	Other grants (including from Foundation Fund)	86,152	
<u>913,846</u>			1,026,614
733,872	Students' fees		1,024,977
	Other Income		
24,331	Investment income	72,442	
162,538	Miscellaneous income	228,806	
<u>186,869</u>			301,248
34,682	Withdrawal from Special Reserve		37,043
<u>£ 7,685,399</u>	Total income		<u>£9,232,980</u>

EXPENDITURE, YEAR ENDED 31 JULY 1977

1976 £		£	£
	Academic		
2,354,354	Salaries of academic staff	2,704,359	
597,224	Salaries and wages of other staff	693,162	
805,261	Expenditure of research grants	940,222	
357,091	Other expenses	469,729	
183,079	Computer Unit	212,979	
<u>4,297,009</u>			5,020,451
	Library		
225,989	Salaries and wages	274,984	
	Books, periodicals and binding:		
160,265	Financed from recurrent funds	183,535	
12,355	Financed from outside funds	9,098	
42,728	Other expenses	41,735	
<u>441,337</u>			509,352
	General Educational Expenditure		
30,939	Examinations	32,275	
9,082	Fellowships, scholarships and prizes	12,321	
7,220	Staff attendance at conferences	6,629	
17,399	Contribution to University Central Council on Admissions	16,432	
43,369	Vacation grants expenditure	43,369	
94,111	Other expenses	125,277	
<u>202,120</u>			236,303
	Administration and Central Services		
516,185	Salaries and wages	557,333	
27,922	Advertising and recruitment	29,290	
95,480	Printing, stationery and postage	93,735	
60,657	Other expenses	82,165	
<u>700,244</u>			762,523
<u>5,640,710</u>	forward		<u>6,528,629</u>

EXPENDITURE, YEAR ENDED 31 JULY 1977 - continued

1976 £	£	£	1976 £
5,640,710	forward	6,528,629	
	Premises		1,791
268,129	Rent and rates	352,849	
115,949	Telephones	130,886	
24,819	Insurance	36,864	13,391
230,081	Heat, light, water and power	320,115	19,807
388,108	Cleaning and other running costs	419,226	2,475
357,147	Repairs and maintenance	354,928	914
<u>1,384,233</u>		<u>1,614,868</u>	<u>36,587</u>
	Staff and Student Facilities and Amenities		<u>£34,796</u>
46,047	Careers Advisory Service	47,505	
18,880	Lodgings Office	23,789	
18,274	University Health Service	23,240	
104,598	Grants to Union of Students	144,700	
34,796	Rootes Hall (Page 8)	37,343	
24,908	Deficit on catering	-	
116,040	Other expenses	153,388	1976 £
<u>363,543</u>		<u>429,965</u>	482,646
	Miscellaneous Expenditure		110,875
14,088	Hospitality and entertainment	14,359	1,409
45,572	Non-recurrent expenditure	22,769	<u>594,930</u>
50,874	Provision for renewals	39,823	
42,069	Miscellaneous	28,037	192,781
<u>152,603</u>		<u>104,988</u>	302,860
128,425	Capital Expenditure met from Income	120,192	73,853
38,678	Allocation to Special Reserve	175,000	11,268
<u>£7,708,192</u>	Total Expenditure	<u>£8,973,642</u>	13,586
			7,730
			17,760
			<u>619,838</u>
			<u>(£24,908)</u>

ROOTES HALL
INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 1977

	£	£
Income		
Miscellaneous		2,098
Less:		
Expenditure		
Salaries and wages	13,896	
Cleaning	21,013	
Equipment, tools and materials	2,562	
Other expenses	1,970	
	<u>39,441</u>	<u>£37,343</u>
Net Expenditure for the year (Page 7)		<u>£37,343</u>

CATERING ACCOUNT
INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 1977

	£	£
Income		
Food and beverages	618,206	
Wines and spirits	137,410	
Miscellaneous	1,871	
	<u>757,487</u>	
Less:		
Expenditure		
Salaries and wages	223,515	
Food and beverages	387,722	
Wines and spirits	95,207	
Equipment, purchases, hire and maintenance	37,089	
Materials, linen and laundry	-	
Heat, light, water and power	-	
Other expenses	13,154	
	<u>756,687</u>	
Surplus (deficit) for the year		<u>£ 800</u>

RESIDENTIAL ACCOMMODATION ACCOUNT

YEAR ENDED 31 JULY 1977

Total 1976 £		Total 1977 £	Rootes Residences £	Student Houses £	Tocil Flats £	Whitefields £	Cryfield Hall £	Hurst Flats £	International House £
Income									
617,425	Students' residential fees	692,515	236,702	77,939	163,046	54,714	68,820	77,087	14,207
120,198	Vacation lettings	159,682	137,217	4,418	6,390	4,655	2,999	—	4,003
45,041	Miscellaneous	35,911	20,184	10,544	1,462	—	2,820	—	901
<u>782,664</u>		<u>888,108</u>	<u>394,103</u>	<u>92,901</u>	<u>170,898</u>	<u>59,369</u>	<u>74,639</u>	<u>77,087</u>	<u>19,111</u>
Expenditure									
215,091	Salaries and wages	237,875	154,165	25,803	19,518	4,591	22,102	5,133	6,563
99,536	Heat, light, water and power	118,994	40,100	24,544	21,800	7,100	11,250	11,250	2,950
25,659	Linen and laundry	27,128	14,611	3,725	2,704	463	4,768	598	259
21,581	Equipment, tools and utensils	24,399	11,856	4,411	2,257	919	2,614	1,866	476
88,182	Internal maintenance and repairs	126,883	42,153	26,469	22,785	7,671	12,380	13,280	2,145
54,153	Provision for furniture and equipment renewals	54,653	16,866	10,857	9,250	3,100	6,625	6,625	1,330
28,510	Other expenses	22,789	6,817	9,566	1,770	1,893	815	1,874	54
249,952	Capital loan repayment and interest	275,387	89,986	11,069	64,287	24,820	38,623	38,622	7,980
<u>782,664</u>		<u>888,108</u>	<u>376,554</u>	<u>116,444</u>	<u>144,371</u>	<u>50,557</u>	<u>99,177</u>	<u>79,248</u>	<u>21,757</u>
<u>—</u>	Result for the year	<u>—</u>	<u>17,549 (CR)</u>	<u>23,543 (DR)</u>	<u>26,527 (CR)</u>	<u>8,812 (CR)</u>	<u>24,538 (DR)</u>	<u>2,161 (DR)</u>	<u>2,646 (DR)</u>

**CAPITAL EXPENDITURE ON LAND,
AND METHOD**

	Expenditure in year ended 31 July 1977	Total Expenditure to 31 July 1977
	£	£
Land, Buildings and Equipment		
Arts Centre	153,099	1,294,559
Arts, Stage I	62,944	1,197,898
Benefactors	1,483	237,869
Computer Centre	15,904	833,950
Computer	32,400	492,208
Cryfield Hall and Flats	542,323	1,472,954
Engineering and Molecular Sciences Stage I	60,631	3,761,748
Engineering, Stage II	152,494	1,011,423
Engineering	—	—
Molecular Sciences	—	—
First Buildings	47,258	1,746,670
Freehold Land	—	108,669
Library, Stage I	48,959	1,530,098
Mathematics Research Centre	2,467	60,049
Miscellaneous Buildings	3,702 CR	1,912,654
Motor Vehicles	10,509	108,144
Physics, Stage I	74,551	1,793,116
Rootes Residences	13,242	1,456,483
Rootes Social Building	74,910	1,060,542
Senate House	18,620	574,685
Site Works & Services	50,993	1,241,950
Social Studies	857,923	1,430,978
Sports Centre	58,215	387,490
Sports Pavilion & Playing Fields	191	116,085
Students Union	35,506	713,835
Tocil Flats	4,836	735,572
Whitefields	1,897	249,317
	2,317,653	25,528,946

Source of Finance:		
Grants from University Grants Committee	1,354,259	17,019,391
Grants from Foundation Fund and other sources	320,050	3,844,945
Loans from Foundation Fund and other sources	196,404	3,216,713
Contribution from Revenue	220,488	1,221,445
Temporarily financed from Revenue	226,452	226,452
	2,317,653	25,528,946

**BUILDINGS AND EQUIPMENT,
OF FINANCING**

Acquisition of Land and Buildings	Works	Fees and Expenses	Furniture Books and Equipment	Equipment for Teaching and Research
£	£	£	£	£
—	1,006,954	171,916	115,689	—
—	667,367	109,552	154,387	266,592
—	195,618	26,866	15,385	—
—	228,976	40,246	36,255	528,473
—	—	—	—	492,208
—	1,333,471	83,917	55,566	—
—	1,678,371	200,087	105,535	—
—	666,288	131,665	100,522	—
—	—	—	—	1,205,369
—	—	—	—	685,334
94,550	972,087	96,252	209,339	468,992
—	—	14,119	—	—
—	1,002,289	124,682	391,235	11,892
—	38,842	7,196	12,653	1,358
289,810	934,281	208,324	407,037	73,202
—	—	—	108,144	—
—	632,726	110,624	165,008	884,758
—	1,140,361	163,355	152,767	—
—	804,275	71,357	184,910	—
—	343,885	67,095	163,705	—
—	1,052,447	177,214	12,289	—
—	1,277,331	104,089	49,558	—
—	308,809	47,289	31,392	—
—	98,293	7,461	10,331	—
—	528,758	109,290	75,787	—
—	591,738	9,098	134,736	—
—	148,224	7,101	93,992	—
384,360	15,651,391	2,088,795	2,786,222	4,618,178

Grants from University Grants Committee	196,274	10,520,574	1,564,266	1,944,948	2,793,329
Grants from Foundation Fund and other sources	141,000	1,505,402	215,356	158,338	1,824,849
Loans from Foundation Fund and other sources	41,476	2,694,616	161,764	318,857	—
Contribution from Revenue	5,610	850,696	1,087	364,052	—
Temporarily financed from Revenue	—	80,103	146,322	27	—
	384,360	15,651,391	2,088,795	2,786,222	4,618,178

NOTES ON THE ACCOUNTS

(These notes form part of the Accounts)

1. Accounting Policies

(a) Accruals concept

The accruals concept is followed in these accounts with the exception of:-

- (i) Minor projects financed from revenue are brought into the annual accounts when initially committed (See note 8).
- (ii) Capital expenditure on buildings and claims by contractors (other than (i) above) are not brought into the annual accounts until they have been agreed and paid.
- (iii) Surpluses accumulated externally by the academic departments are not shown in the income and expenditure account but are carried forward in creditors for future expenditure by those departments (See note 8).
- (iv) Stocks of materials held by the academic departments are excluded from the annual accounts. Other stocks are valued at the lower of cost and net realisable value.

(b) Projects Temporarily Unfinanced

Expenditure on capital and other projects which temporarily have been financed by the University but which it is hoped will eventually be financed from other sources.

(c) Depreciation

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

(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) Medium Term Loans

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

(j) Salaries and Wages

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

NOTES ON THE ACCOUNTS - Continued

(k) 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	11,214,422	4,612,948	892,912	16,720,282
Playing Fields	31,848	33,522	-	65,370
Site Works and services	1,024,574	19,995	186,357	1,230,926
Furniture, books and equipment	4,737,576	2,302,045	364,078	7,403,699
	17,019,391	7,061,658	1,447,897	25,528,946

3. Loans from Foundation Fund and other sources

	Total £	Repaid £	Outstanding £
Foundation Fund	2,363,867	316,081	2,047,786
Building Societies (Secured)	747,300	6,584	740,716
Other Sources	105,546	27,540	78,006
	3,216,713	350,205	2,866,508

4. Grants for Furniture and Equipment

	£
Balance 31 July 1976	150,344
Grants and receipts during the year	383,318
	533,662
Expenditure during the year	269,723
Balance 31 July 1977	263,939

Of the grants and receipts during the year £304,469 (1976 £92,936) is held for the time being by H.M. Paymaster General.

**UNIVERSITY BOOKSHOP
BALANCE SHEET AS AT 31 JULY 1977**

1976		£	£
	Fixed Assets		
6,557	Furniture and fittings at cost	7,658	
5,351	Less accumulated depreciation	6,201	
1,206			1,457
	Current Assets		
58,978	Stock	47,815	
7,336	Debtors	21,910	
305	Cash in hand	305	
66,619		70,030	
	Less:		
	Current Liabilities		
3,684	Creditors	3,575	
62,935			66,455
£64,141			£67,912
	Represented by:		
	Loans from University of Warwick Foundation and other sources		77,424
68,027			
	Less:		
	General Fund		
3,121	Balance as at 1 August, 1976	3,886	
2,065	Add deficit for the year	6,926	
5,186		10,812	
1,300	Less rent treated as repayment of loan	1,300	
3,886		9,512	
£64,141			£67,912