

REPORT OF THE AUDITORS TO COUNCIL

In our opinion the accounts and notes set out on pages 2 to 14 give a true and fair view of the funds of the University of Warwick and the loans outstanding at 31st July 1978 and of the income and expenditure on revenue and capital account for the year ended on that date, according to the historical cost convention.

We have examined the records of moneys 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
13 November 1978

Coopers & Lybrand
Chartered Accountants

**STATEMENT OF FUNDS
AS AT 31 JULY 1978**

1977	£	£	£
149,814	Loan Debtors		309,414
259,172	Projects Temporarily Unfinanced		128,443
Current Assets			
107,254	Amounts due from University Grants Committee for capital projects	25,892	
197,650	Current account with University of Warwick Foundation	36,984	
654,975	Other debtors and prepayments	878,368	
100,524	Stocks	113,096	
1,300,423	Money at call and short notice	1,910,350	
3,512	Bank balance and cash	26,593	
304,469	Deposit account with H.M. Paymaster General (Note 4)	91,397	
<u>2,668,807</u>		<u>3,082,680</u>	
Less:			
Current Liabilities			
1,000,819	Creditors and accrued liabilities (Note 11)	1,656,143	
45,189	Bank overdraft	—	
<u>1,046,008</u>		<u>1,656,143</u>	
<u>1,622,799</u>			1,426,537
<u>£2,031,785</u>			<u>£1,864,394</u>
Represented by:			
263,939	Unexpended furniture and equipment grant (Note 4)		137,228
594,828	Special Reserve (Note 5)		182,631
540,450	General Fund (Note 6)		308,156
632,568	Renewals Fund (Note 7)		718,292
—	Major Repairs and Replacements Fund (Note 8)		222,000
—	New Developments and Innovations Fund (Note 9)		205,000
—	Sabbatical Leave Fund (Note 10)		91,087
<u>£ 2,031,785</u>			<u>£ 1,864,394</u>

C. BRUMMITT
Finance Officer

**INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1978**

1977	£	£
6,843,098	Income (page 4)	
1,107,562	Grants from University Grants Committee	6,433,352
1,024,977	Other grants	1,260,702
220,300	Students' fees	2,700,214
37,043	Other income	225,452
	Withdrawal from Special Reserve	45,835
<u>9,232,980</u>		<u>10,665,555</u>
5,020,451	Expenditure (pages 5 and 6)	
509,352	Academic	6,044,104
236,303	Library	658,494
762,523	General educational expenditure	242,108
1,614,868	Administration and central services	913,130
429,965	Premises	2,001,666
104,988	Staff and student facilities and amenities	428,830
120,192	Miscellaneous expenditure	234,844
175,000	Capital expenditure met from income	78,586
	Allocation to Special Reserve	—
<u>8,973,642</u>		<u>10,601,762</u>
£ 259,338	Surplus balance transferred to General Fund (Note 6)	£ 63,793

INCOME, YEAR ENDED 31 JULY 1978

1977		£	£
	Grants from University Grants Committee		
6,490,249	Block recurrent	6,433,352	
352,849	Rates		
<u>6,843,098</u>			6,433,352
	Other grants		
940,462	Grants for research (including from Foundation Fund)	1,077,980	
167,100	Other grants (including from Foundation Fund)	182,722	
<u>1,107,562</u>			1,260,702
1,024,977	Students' fees		2,700,214
	Other income		
72,442	Investment income (gross)	69,598	
147,858	Miscellaneous income	155,854	
<u>220,300</u>			225,452
37,043	Withdrawal from Special Reserve		45,835
<u>£ 9,232,980</u>	Total Income		<u>£ 10,665,555</u>

EXPENDITURE, YEAR ENDED 31 JULY 1978

1977		£	£
	Academic		
2,704,359	Salaries of academic staff	3,343,187	
693,162	Salaries and wages of other staff	801,804	
940,222	Expenditure of research grants	1,063,719	
469,729	Other expenses	588,314	
212,979	Computer Unit	247,120	
<u>5,020,451</u>			6,044,104
	Library		
274,984	Salaries and wages	319,581	
183,535	Books, periodicals and binding:		
9,098	Financed from recurrent funds	289,153	
41,735	Financed from outside funds	11,446	
	Other expenses	38,314	
<u>509,352</u>			658,494
	General Educational Expenditure		
32,275	Examinations	30,796	
12,321	Fellowships, scholarships and prizes	31,946	
6,629	Staff attendance at conferences	4,842	
16,432	Contribution to University Central Council on Admissions	13,479	
43,369	Vacation grants and field courses	35,752	
125,277	Other expenses	125,293	
<u>236,303</u>			242,108
	Administration and Central Services		
557,333	Salaries and wages	624,518	
29,290	Advertising and recruitment	32,211	
93,735	Printing, stationery and postage	89,730	
82,165	Other expenses	166,671	
<u>762,523</u>			913,130
6,528,629	forward		<u>7,857,836</u>

EXPENDITURE, YEAR ENDED 31 JULY 1978 - continued

1977		£	£
£	forward		7,857,836
6,528,629			
	Premises		
352,849	Rates	292,969	
130,886	Telephones	157,940	
36,864	Insurance	33,388	
320,115	Heat, light, water and power	408,398	
419,226	Cleaning and other running costs	478,767	
354,928	Repairs and maintenance	408,204	
—	Provision for major repairs and replacements	222,000	
<u>1,614,868</u>			2,001,666
	Staff and Student Facilities and Amenities		
47,505	Careers Advisory Service	47,141	
23,789	Lodgings Office	30,439	
23,240	University Health Service	23,497	
144,700	Grants to Union of Students	183,245	
37,343	Rootes Hall (page 7)	38,707	
153,388	Other expenses	105,801	
<u>429,965</u>			428,830
	Miscellaneous Expenditure		
14,359	Hospitality and entertainment	14,695	
22,769	Non-recurrent expenditure	89,276	
39,823	Provision for renewals	45,970	
28,037	Miscellaneous	84,903	
<u>104,988</u>			234,844
120,192	Capital Expenditure met from Income	78,586	
175,000	Allocation to Special Reserve	—	
<u>£ 8,973,642</u>	Total Expenditure		<u>£ 10,601,762</u>

ROOTES HALL
INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 1978

1977		£	£
£			
2,098	Income		
	Miscellaneous		4,189
	Less:		
	Expenditure		
13,896	Salaries and wages	17,231	
21,013	Cleaning	22,877	
2,562	Equipment, tools and materials	976	
1,970	Other expenses	1,812	
<u>39,441</u>			42,896
<u>£ 37,343</u>	Net Expenditure for the year (page 6)		<u>£ 38,707</u>

CATERING ACCOUNT
INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 1978

1977		£	£
£			
618,206	Income		
	Food and beverages	737,433	
137,410	Wines and spirits	183,994	
48,871	Miscellaneous	56,607	
<u>804,487</u>			978,034
	Less:		
	Expenditure		
223,515	Salaries and wages	292,505	
387,722	Food and beverages	454,725	
95,207	Wines and spirits	114,829	
37,089	Equipment, purchases, hire and maintenance	43,077	
10,000	Heat, light, water and power	10,000	
50,154	Other expenses	62,669	
<u>803,687</u>			977,805
<u>£ 800</u>	Surplus for the year		<u>£ 229</u>

RESIDENTIAL ACCOMMODATION ACCOUNT

YEAR ENDED 31 JULY 1978

Total 1977 £		Total 1978 £	Rootes Residences £	Student Houses £	Tocil Flats £	Whitefields £	Cryfield Hall £	Hurst Flats £	Redfern Flats £	International House £	Westwood £
Income											
733,954	Students' residential fees	969,040	290,552	92,329	197,416	71,490	86,609	93,274	71,521	22,237	43,612
118,243	Conferences and holiday lettings	147,506	128,347	—	—	—	6,196	6,311	5,246	—	1,406
35,911	Other income	10,816	4,364	515	2,795	—	1,077	—	—	309	1,756
888,108		1,127,362	423,263	92,844	200,211	71,490	93,882	99,585	76,767	22,546	46,774
Expenditure											
237,875	Salaries and wages	297,017	172,414	25,105	21,780	4,992	20,813	10,840	4,263	8,166	28,644
118,994	Heat, light, water and power	167,859	49,605	26,387	31,330	8,715	14,265	14,265	13,682	3,610	6,000
27,128	Linen and laundry	33,287	18,860	2,288	1,477	480	4,209	1,211	723	1,039	3,000
24,399	Equipment, tools and materials	32,108	16,623	4,088	3,268	1,359	2,838	1,650	1,191	746	345
126,883	Internal maintenance and repairs	141,905	43,247	21,527	26,785	9,017	12,696	13,260	9,945	2,740	2,688
54,653	Provision for furniture and equipment renewals	69,672	18,550	12,000	10,175	3,410	7,287	7,287	5,000	1,463	4,500
22,789	Other expenses	54,915	21,771	6,384	8,628	2,882	3,587	4,905	4,846	258	1,654
275,387	Capital loan repayment and interest	330,599	123,640	10,998	56,144	22,283	38,622	38,623	33,070	7,217	2
888,108		1,127,362	464,710	108,777	159,587	53,138	104,317	92,041	72,720	25,239	46,833
—	Surplus/Deficit for the year	—	41,447(D)	15,933(D)	40,624(S)	18,352(S)	10,435(D)	7,544(S)	4,047(S)	2,693(D)	59(D)

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 11)
- (ii) 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 11)
- (iii) 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, due allowance being made for obsolete and slow moving items.

(b) Capital Expenditure

Capital expenditure on land, buildings and equipment and the sources of funding for the current year are disclosed in the notes on the accounts. Capital expenditure in previous years is excluded from the accounts.

(c) 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.

(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) Salaries and Wages

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

(j) University Bookshop

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

NOTES ON THE ACCOUNTS - Continued

2. Capital Expenditure during the year ended 31 July 1978 has been financed as follows:

	Capital Expenditure £	Source of Finance £	
Buildings	556,584	University Grants	
Playing Fields	7,494	Committee	678,225
Site Works & services	52,552	Grants & Loans from	
Furniture, books		Foundation Fund &	
and equipment	853,633	other sources	236,952
		Contributions from	
		revenue	555,086
	1,470,263		1,470,263

3. Loans from Foundation Fund and Building Societies

At 31 July 1978 loans outstanding to the Foundation Fund were £2,081,917 (1977 £2,047,786) and secured loans repayable to Building Societies were £734,233 (1977 £740,716).

4. Grants for Furniture and Equipment

	£
Balance 1 August 1977	263,939
Grants and receipts during the year	341,910
	605,849
Expenditure during the year	468,621
	137,228

Of the grants and receipts during the year £91,397 (1977 £304,469) is held for the time being by H.M. Paymaster General.

5. Special Reserve

	£	£
Balance 1 August 1977		594,829
Grants and receipts for the year		39,800
		634,629
Transfer to income and expenditure account	45,835	
Allocations to meet capital over-expenditure		
during the year	406,163	451,998
		182,631
Balance 31 July 1978		

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 1978 includes £39,800 (1977 £45,835) which has been allocated for 1978/79 non-recurrent expenditure.

NOTES ON THE ACCOUNTS - Continued

6.	General Fund	£	£
	Balance 1 August 1977		540,450
	Surplus on Income and Expenditure account for the year ended 31 July 1978		<u>63,793</u>
			604,243
	Allocations to:		
	New Developments and Innovations Fund	205,000	
	Sabbatical Leave Fund	<u>91,087</u>	<u>296,087</u>
	Balance 31 July 1978		<u>308,156</u>
	The balance at 31 July 1978 includes commitments and allocations totalling £109,026 (1977 £133,948) carried forward to 1978/79.		
7.	Renewals Fund	£	£
	Balance 1 August 1977		632,568
	Provision for renewals made from revenue during the year		<u>162,140</u>
			794,708
	Allocations to meet expenditure during the year		<u>76,416</u>
	Balance 31 July 1978		<u>718,292</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.	Major Repairs and Replacements Fund	£	£
	Provision made from revenue during the year		<u>222,000</u>
	Balance 31 July 1978		<u>222,000</u>
	The major repairs and replacements fund has been established to meet expenditure on buildings requiring major renovations.		
9.	New Developments and Innovations Fund	£	£
	Allocation from General Fund		<u>205,000</u>
	Balance 31 July 1978		<u>205,000</u>
	The new developments and innovations fund has been established to meet non-recurrent expenses essential in the initial development of new subjects.		
10.	Sabbatical Leave Fund	£	£
	Allocation from General Fund		<u>91,087</u>
	Balance 31 July 1978		<u>91,087</u>
	The sabbatical leave fund represents the savings accruing from salaries of staff on unpaid leave of absence since 1966 and is available for funding sabbatical leave.		
11.	Included in creditors and accrued liabilities are specific items amounting to £181,140 (1977 £46,688) provided from revenue for future expenditure, and also surplus balances amounting to £102,397 (1977 £96,474) accumulated externally by academic departments.		
12.	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 1978 amounted to £2,249,195 (1977 £2,057,615).		
13.	Coventry College of Education As from 1 April 1978 the Coventry College of Education merged with the University and now forms part of the University.		

UNIVERSITY BOOKSHOP
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1978

	1977	£	£
	£		
210,044	Sales	279,432	
—	Grant from University of Warwick	<u>10,928</u>	290,360
	Less:		
	Cost of Sales		
58,978	Stock at 1 August 1977	47,815	
150,036	Purchase of books and stationery	<u>206,553</u>	
209,014		254,368	
47,815	Less: Stock at 31 July 1978	<u>38,272</u>	
161,199			<u>216,096</u>
48,845	Gross Surplus		74,264
	Administration		
37,150	Salaries	40,486	
3,636	Other expenses	2,886	
2,052	Administration charges	2,794	
8,426	Interest charges	<u>4,692</u>	
51,264			50,858
	Premises		
1,300	Rent	1,300	
300	Electricity	350	
302	Cleaning	<u>305</u>	
1,902			1,955
	Other Items		
626	Books and publications	266	
310	Subscriptions	498	
850	Depreciation	5,097	
455	Security	772	
364	Miscellaneous	<u>378</u>	
2,605			<u>7,011</u>
55,771	Total Expenses		59,824
£ (6,926)	Surplus for the year		<u>£ 14,440</u>

UNIVERSITY BOOKSHOP
BALANCE SHEET AS AT 31 JULY 1978

1977		£		£
£				
	Fixed Assets			
7,658	Fixtures and fittings at cost	11,297		
6,201	Less accumulated depreciation	11,297		
<u>1,457</u>				
	Current Assets			
47,815	Stock in hand	38,272		
21,910	Debtors	33,919		
305	Cash in hand	305		
<u>70,030</u>		<u>72,496</u>		
	Less:			
	Current Liabilities			
3,575	Creditors	28,043		
<u>66,455</u>				<u>44,453</u>
<u>£67,912</u>				<u>£44,453</u>
	Represented by:			
77,424	Loans from University of Warwick Foundation and other sources		40,543	
3,900	Capital Expenditure financed from revenue		—	
<u>81,324</u>			<u>40,543</u>	
	General Fund			
(6,486)	Balance as at 1 August 1977	(13,412)		
(6,926)	Less surplus for the year	14,440		
<u>(13,412)</u>		<u>1,028</u>		
—	Add Grant from University	2,882		
<u>(13,412)</u>			<u>3,910</u>	
<u>£ 67,912</u>				<u>£ 44,453</u>