

REPORT OF THE AUDITORS TO COUNCIL

In our opinion the accounts and notes set out on pages 2 to 15 give a true and fair view of the funds of the University of Warwick and the loans outstanding at 31st July 1979, 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.

Coopers & Lybrand

Coventry
12 November 1979

Chartered Accountants

**STATEMENT OF NET ASSETS
AS AT 31 JULY 1979**

1978		1979
£	£	£
309,414	Loan Debtors	120,708
128,443	Projects Temporarily Unfinanced	158,836
	Current Assets	
25,892	Amounts due from Univeristy Grants Committee for capital projects	2,275
36,984	Current account with University of Warwick Foundation	-
878,368	Other debtors and prepayments	1,038,906
113,096	Stocks	100,775
1,910,350	Money at call and short notice	1,710,000
26,593	Bank balance and cash	24,241
91,397	Deposit account with H.M. Paymaster General (Note 4)	-
<u>3,082,680</u>		<u>2,876,197</u>
	Less:	
	Current Liabilities	
1,656,143	Creditors and accrued liabilities (Note 11)	1,687,518
-	Current account with University of Warwick Foundation	171,820
<u>1,656,143</u>		<u>1,859,338</u>
1,426,537		
<u>£1,864,394</u>		<u>1,016,859</u>
		<u>£1,296,403</u>
	Represented by:	
137,228	Unexpended furniture and equipment grant (Note 4)	46,664
182,631	Special Reserve (Note 5)	163,790
308,156	General Fund (Note 6)	107,717 DR
222,000	Major Repairs and Replacements Fund (Note 8)	209,272
244,395	Renewals Fund (Note 7)	274,752
473,897	Renewals Fund: Residential and Catering (Note 7)	410,091
205,000	New Developments and Innovations Fund (Note 9)	205,000
91,087	Sabbatical Leave Fund (Note 10)	94,551
<u>£1,864,394</u>		<u>£1,296,403</u>



FINANCE OFFICER

**INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1979**

1978		1979
£	£	£
	Income (page 4)	
6,433,352	Grants from University Grants Committee	8,001,000
1,166,770	Other grants	1,492,910
2,700,214	Students' fees	3,098,519
319,384	Other income	444,650
45,835	Withdrawal from Special Reserve	39,800
<u>10,665,555</u>		<u>13,076,879</u>
	Expenditure (pages 5 and 6)	
6,044,104	Academic	7,848,478
658,494	Library	775,452
242,108	General educational expenditure	275,542
913,130	Administration and central services	951,129
2,001,666	Premises	2,572,994
428,830	Staff and student facilities and amenities	518,802
234,844	Miscellaneous expenditure	411,257
78,586	Capital expenditure met from income	135,634
<u>10,601,762</u>		<u>13,489,288</u>
£ (63,793)	Deficit/(Surplus) balance transferred to General Fund (Note 6)	<u>£ 412,409</u>

INCOME, YEAR ENDED 31 JULY 1979

1978 £		1979 £
	Grants from University Grants Committee	
6,433,352	Block recurrent	8,001,000
	Other grants	
1,077,980	Grants for research (including from Foundation Fund)	1,300,457
182,722	Other grants (including from Foundation Fund)	192,453
<u>1,260,702</u>		
2,700,214	Students' fees	1,492,910
	Other Income	3,098,519
69,598	Investment income (gross)	205,676
155,854	Miscellaneous income	<u>238,974</u>
<u>225,452</u>		
45,835	Withdrawal from Special Reserve	444,650
<u>£ 10,665,555</u>	Total Income	<u>£ 13,076,879</u>

EXPENDITURE, YEAR ENDED 31 JULY 1979

1978 £		1979 £
3,343,147	Academic	
801,804	Salaries of academic staff	4,500,721
1,063,719	Salaries and wages of other staff	1,059,823
588,314	Expenditure of research grants	1,288,528
247,120	Other expenses	730,557
	Computer Unit	268,849
<u>6,044,104</u>		
319,581	Library	
	Salaries and wages	401,752
289,153	Books, periodicals and binding:	
11,446	Financed from recurrent funds	322,708
38,314	Financed from outside funds	7,139
	Other expenses	43,853
<u>658,494</u>		
30,796	General Educational Expenditure	
31,946	Examinations	46,446
4,842	Fellowships, scholarships and prizes	19,020
13,479	Staff attendance at conferences	9,412
	Contribution to University Central Council on Admissions	13,800
35,752	Vacation Grants and Field Courses	52,993
125,293	Other expenses	133,871
<u>242,108</u>		
624,518	Administration and Central Services	
32,211	Salaries and wages	679,680
89,730	Advertising and recruitment	67,774
166,671	Printing, stationery and postage	100,552
	Other expenses	103,123
<u>913,130</u>		
7,857,836	forward	951,129
		<u>9,850,601</u>

EXPENDITURE, YEAR ENDED 31 JULY 1979 - continued

1978		1979
£	£	£
7,857,836	forward	9,850,601
	Premises	
292,969	Rates	613,859
157,940	Telephones	162,378
33,388	Insurance	35,894
408,398	Heat, light, water and power	537,326
478,767	Cleaning and other running costs	632,211
408,204	Repairs and maintenance	591,326
222,000	Provision for major repairs and replacements	—
<u>2,001,666</u>		<u>2,572,994</u>
	Staff and Student Facilities and Amenities	
47,141	Careers Advisory Service	62,689
30,439	Lodgings Office	23,902
23,497	University Health Service	29,281
183,245	Grants to Union of Students	222,755
38,707	Rootes Hall	39,872
105,801	Other expenses	140,303
<u>428,830</u>		<u>518,802</u>
	Miscellaneous Expenditure	
14,695	Hospitality and entertainment	20,775
54,276	Non-recurrent expenditure	98,273
35,000	Allocation for furniture and equipment (Note 4)	50,000
45,970	Provision for renewals	49,350
51,300	Debt Charges	124,131
33,603	Miscellaneous	68,728
<u>234,844</u>		<u>411,257</u>
78,586	Capital Expenditure met from Income	135,634
<u>£10,601,762</u>	Total Expenditure	<u>£13,489,288</u>

CATERING ACCOUNT
INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 1979

	1978	1979
	£	£
Income		
Food and Beverages	905,971	
Wines and spirits	214,900	
Miscellaneous	87,449	
	<u>1,208,320</u>	
Less:		
Expenditure		
Salaries and wages	342,753	
Food and beverages	567,243	
Wines and spirits	128,469	
Equipment purchases, hire and maintenance	49,996	
Heat, light, water and power	10,000	
Provision for renewals and improvements (Note 7)	43,000	
Other expenses	66,648	
	<u>1,208,109</u>	
Surplus for the year	<u>£ 229</u>	<u>£ 211</u>

RESIDENTIAL ACCOMMODATION ACCOUNT

Total 1978 £		Total 1979 £	Rootes Residences £	Student Houses £
Income				
969,040	Students' residential fees	1,079,118	300,568	64,597
147,506	Conferences and holiday lettings	189,864	165,022	—
10,816	Other Income	36,590	7,166	5,616
<u>1,127,362</u>		<u>1,305,572</u>	<u>472,756</u>	<u>70,213</u>
Expenditure				
297,017	Salaries and wages	386,114	180,363	20,075
167,859	Heat, light, water and power	211,722	52,930	23,250
33,287	Linen and laundry	36,249	21,960	2,240
32,108	Equipment, tools and materials	47,653	17,082	4,547
141,905	Internal maintenance and repairs	176,630	45,640	19,130
69,672	Provision for furniture and equipment renewals (Note 7)	90,400	18,550	11,470
54,915	Other expenses	56,904	14,350	9,482
330,599	Capital loan repayment and interest	299,900	91,380	13,119
<u>1,127,362</u>		<u>1,305,572</u>	<u>442,255</u>	<u>103,313</u>
<u>—</u>	Surplus/Deficit for the year	<u>—</u>	<u>30,501(S)</u>	<u>33,100(D)</u>

YEAR ENDED 31 JULY 1979

Tocil Flats £	Whitefields £	Cryfield Hall £	Hurst Flats £	Redfern Flats £	International House £	Westwood £
211,431	78,571	85,446	98,258	75,377	20,619	144,251
—	—	6,033	7,014	10,446	—	1,349
3,728	—	973	—	—	714	18,393
<u>215,159</u>	<u>78,571</u>	<u>92,452</u>	<u>105,272</u>	<u>85,823</u>	<u>21,333</u>	<u>163,993</u>
20,053	4,555	27,632	15,924	5,154	7,892	104,466
38,490	9,300	14,905	14,850	15,147	3,850	39,000
1,000	864	4,770	656	1,181	1,110	2,468
6,227	3,301	3,065	4,250	2,757	757	5,667
31,140	10,480	13,480	15,420	11,560	2,780	27,000
10,180	3,410	7,290	7,290	6,250	1,460	24,500
5,371	469	82 CR	3,516	3,294	227	20,277
63,700	17,651	38,460	38,459	29,407	7,724	—
<u>176,161</u>	<u>50,030</u>	<u>109,520</u>	<u>100,365</u>	<u>74,750</u>	<u>25,800</u>	<u>223,378</u>
<u>38,998(S)</u>	<u>28,541(S)</u>	<u>17,068(D)</u>	<u>4,907(S)</u>	<u>11,073(S)</u>	<u>4,467(D)</u>	<u>59,385(D)</u>

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 and estates departments are excluded from the annual accounts. Other stocks are valued at the lower of cost and net realisable value.

(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 and the special reserve.

(e) Loans from 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 1979 has been financed as follows:-

	Capital Expenditure		Source of Finance
	£		£
Buildings	428,117	University Grants	792,391
Playing Fields	33,506	Committee	
Site Works and Services	42,465	Grants & Loans from	454,777
Furniture, books and equipment	1,229,950	Foundation Fund & other sources	
		Contributions from revenue	486,870
	1,734,038		1,734,038

3. Loans from Foundation Fund and Building Societies

At 31 July 1979 loans outstanding to the Foundation Fund were £1,909,456 (1978 £2,081,917) and secured loans repayable to Building Societies were £722,454 (1978 £734,233)

4. Grants for Furniture and Equipment

	£
Balance 1 August 1978	137,228
Grants and receipts and allocation during the year	491,897
	629,125
Expenditure during the year	582,461
	46,664

Of the grants and receipts during the year NIL (1978 £91,397) is held for the time being by H.M. Paymaster General.

5. Special Reserve

	£	£
Balance 1 August 1978		182,631
Grants and receipts for the year		23,424
		206,055
Transfer to income and expenditure account	39,800	
Allocations to meet expenditure during the year	2,465	42,265
		163,790

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 1979 includes £21,167 (1978 £39,800) which has been allocated for 1979/80 non-recurrent expenditure.

NOTES ON THE ACCOUNTS - Continued

6. General Fund	£	£
Balance 1 August 1978		308,156
Deficit on Income and Expenditure account for the year ended 31 July 1979	412,409	
Allocations to Sabbatical Leave Fund	<u>3,464</u>	<u>415,873</u>
Balance 31 July 1979		<u>107,717 DR</u>

The debit balance at 31 July 1979 excludes commitments and allocations totalling £37,281 (1978 £109,026) carried forward to 1979/80.

7. Renewals Fund	Residential and Catering	Other
	£	£
Balances 1 August 1978	470,129	248,163
Provision for renewals made from revenue during the year	<u>133,400</u>	<u>63,535</u>
	603,529	311,698
Allocations to meet expenditure during the year	<u>193,438</u>	<u>36,946</u>
Balances 31 July 1979	<u>410,091</u>	<u>274,752</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	£
Balance 1 August 1978	222,000
Allocations to meet expenditure during the year	<u>12,728</u>
Balance 31 July 1979	<u>209,272</u>

The major repairs and replacements fund has been established to meet expenditure on buildings requiring major renovations. The balance at 31 July 1979 includes commitments totalling £151,734 (1978 Nil).

9. New Developments and Innovations Fund	£
Balance 1 August 1978	205,000
Balance 31 July 1979	<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. The balance at 31 July 1979 includes commitments totalling £35,000 (1978 Nil).

NOTES ON THE ACCOUNTS - Continued

10. Sabbatical Leave Fund	£	£
Balance 1 August 1978		91,087
Allocation from General Fund:		
Savings accruing from salaries of staff as unpaid leave of absence during the year	49,578	
Less replacement teaching costs during the year	<u>46,114</u>	<u>3,464</u>
Balance 31 July 1979		<u>94,551</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 £78,530 (1978 £181,140) provided from revenue for future expenditure, surplus balances amounting to £104,380 (1978 £102,397) accumulated externally by academic departments, and provision for possible augmentation of pension funds £57,814 (1978 £9,975).
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.
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. The accounts for the year ended 31 July 1979 include for the first time a full-year's operation of the merged institutions.
14. Rates
Following the change in the University Grants Committee financing of rates the University now accounts for rates on a basis consistent with the local authorities rating year. As a result of this change and an adjustment with regard to the former Coventry College of Education, this year's income and expenditure account includes a once and for all additional charge of approximately £130,000.

**UNIVERSITY BOOKSHOP
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1979**

1978		1979	
£	£	£	£
279,432	Sales	332,392	
10,928	Grant from University of Warwick	—	
—	Miscellaneous Income	357	
290,360			332,749
	Les:		
	Cost of Sales		
47,815	Stock at 1 August 1978	38,272	
206,553	Purchase of books and stationery	253,018	
254,368		291,290	
38,272	Less: stock at 31 July 1979	62,165	
216,096			229,125
74,264	Gross Surplus		103,624
	Administration		
40,486	Salaries	44,272	
2,886	Other expenses	4,382	
2,794	Administration charges	3,268	
4,692	Interest charges	5,271	
50,858			57,193
	Premises		
1,300	Rent	1,300	
350	Electricity	350	
305	Cleaning	300	
1,955			1,950
	Other Items		
266	Books and publications	163	
498	Subscriptions	367	
5,097	Depreciation	90	
772	Security	683	
378	Miscellaneous	235	
7,011			1,538
59,824	Total Expenses		60,681
£14,440	Surplus for the year		£42,943

**UNIVERSITY BOOKSHOP
BALANCE SHEET AS AT 31 JULY 1979**

1978		1978	1979
£	£	£	£
	Fixed Assets		
11,297	Fixtures and fittings at cost	11,387	
11,297	Less accumulated depreciation	11,387	
	Current Assets		
38,272	Stock in hand	62,165	
33,919	Debtors	17,912	
305	Cash in hand	305	
72,496		80,382	
	Less:		
	Current Liabilities		
28,043	Creditors	14,045	
44,453			66,337
£44,453			£66,337
	Represented by:		
40,543	Loan from University of Warwick		19,484
	General Fund:		
(13,412)	Balance as at 1 August 1978	3,910	
14,440	Add surplus for the year	42,943	
1,028		46,853	
2,882	Add grant from University	—	
3,910			46,853
£44,453			£66,337