

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

We have audited the accounts on pages 2 to 14 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

We draw attention to the accounting policies set out on page 9 which set out the bases on which these accounts have been prepared.

In our opinion the accounts give a true and fair view of the income and expenditure of the University for the year ended 31 July 1980 and of its funds at that date.

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  
17 November 1980

Coopers & Lybrand  
Chartered Accountants

**STATEMENT OF NET ASSETS  
AS AT 31 JULY 1980**

1979		1980
£	£	£
120,708	<b>Loan Debtors</b>	72,794
158,836	<b>Projects Temporarily Unfinanced</b>	119,483
-	<b>Investments at cost</b> (Market Value £475,822)	481,802
	<b>Current Assets</b>	
2,275	Amounts due from University Grants Committee for capital projects	75,660
-	Current account with University of Warwick Foundation	250,650
1,038,906	Other debtors and prepayments	1,212,044
100,775	Stocks	71,017
1,710,000	Money at call and short notice	1,329,315
24,241	Bank balance and cash	48,628
-	Deposit account with H.M. Paymaster General (Note 4)	20,474
<u>2,876,197</u>		<u>3,007,788</u>
	Less:	
	<b>Current Liabilities</b>	
1,687,518	Creditors and accrued liabilities (Note 11)	1,493,428
171,820	Current account with University of Warwick Foundation	-
<u>1,859,388</u>		<u>1,493,428</u>
<u>1,016,859</u>		
£ 1,296,403		£ 2,188,439
	<b>Represented by</b>	
46,664	Unexpended furniture and equipment grant (Note 4)	31,270
163,790	Special Reserve (Note 5)	185,372
107,717 DR	General Fund (Note 6)	95,911 DR
209,272	Major Repairs and Replacements Fund (Note 8)	77,478
274,752	Renewals Fund (Note 7)	232,503
410,091	Renewals Fund: Residential and Catering (Note 7)	509,275
205,000	New Developments and Innovations Fund (Note 9)	197,783
94,551	Sabbatical Leave Fund (Note 10)	125,669
-	Psychology Building Fund	500,000
-	Arden Conversion Fund	200,000
-	Energy Conservation Fund	150,000
-	Arts Centre Conversion Fund	55,000
-	Landscaping Fund	20,000
<u>£ 1,296,403</u>		<u>£ 2,188,439</u>

**REVENUE INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 JULY 1980**

1979		1980
£	£	£
8,001,000	<b>Income (page 4)</b>	
1,492,910	Grants from University Grants Committee	10,725,000
3,098,519	Other Grants	2,258,314
444,650	Students' fees	3,465,220
39,800	Other income	643,008
	Withdrawal from Special Reserve	21,167
<u>13,076,879</u>		<u>17,112,709</u>
	<b>Expenditure (pages 5 and 6)</b>	
7,848,478	Academic	10,014,927
775,452	Library	800,885
275,542	General educational expenditure	288,481
951,129	Administration and central services	1,211,991
2,572,994	Premises	2,869,152
518,802	Staff and student facilities and amenities	586,732
411,257	Miscellaneous expenditure	908,011
135,634	Capital expenditure met from income	389,606
<u>13,489,288</u>		<u>17,069,785</u>
£ (412,409)	Surplus /(Deficit) balance transferred to General Fund (Note 6)	£ 42,924

**INCOME**  
**YEAR ENDED 31 JULY 1980**

1979		1980
£		£
	<b>Grants from University Grants Committee</b>	
8,001,000	Block recurrent	10,725,000
	<b>Other Grants</b>	
	Grants for research (including from	
1,300,457	Foundation Fund)	2,012,507
192,453	Other grants (including from	245,807
	Foundation Fund)	
<u>1,492,910</u>		<u>2,258,314</u>
3,098,519	<b>Students' fees</b>	3,465,220
	<b>Other Income</b>	
	Investment income (gross)	314,053
205,676	Miscellaneous income	328,955
238,974		
<u>444,650</u>		<u>643,008</u>
39,800	Withdrawal from Special Reserve	21,167
<u>£ 13,076,879</u>	<b>Total Income</b>	<u>£ 17,112,709</u>

**EXPENDITURE**  
**YEAR ENDED 31 JULY 1980**

1979		1980
£		£
	<b>Academic</b>	
4,500,721	Salaries of academic staff	5,570,354
1,059,823	Salaries and wages of other staff	1,212,608
1,288,528	Expenditure of research grants	1,998,236
730,557	Other expenses	923,001
268,849	Computer Unit	310,728
<u>7,848,478</u>		<u>10,014,927</u>
	<b>Library</b>	
401,752	Salaries and wages	486,263
	Books, periodicals and binding:	
322,708	Financed from recurrent funds	255,189
7,139	Financed from outside funds	8,489
43,853	Other expenses	50,944
<u>775,452</u>		<u>800,885</u>
	<b>General Educational Expenditure</b>	
46,446	Examinations	43,431
19,020	Fellowships, scholarships and prizes	19,915
9,412	Staff attendance at conferences	9,415
	Contribution to University Central	
13,800	Council on Admissions	21,487
52,993	Vacation Grants and Field Courses	53,134
133,871	Other expenses	141,099
<u>275,542</u>		<u>288,481</u>
	<b>Administration and Central Services</b>	
679,680	Salaries and wages	833,417
67,774	Advertising and recruitment	77,342
100,552	Printing, stationery and postage	138,007
103,123	Other expenses	163,225
<u>951,129</u>		<u>1,211,991</u>
<u>9,850,601</u>	forward	<u>12,316,284</u>

EXPENDITURE, YEAR ENDED 31 JULY 1980 - continued

1979 £		£	1980 £
9,850,601	forward		12,316,284
	<b>Premises</b>		
613,859	Rates	581,741	
162,378	Telephones	184,599	
35,894	Insurance	40,883	
537,326	Heat, light, water and power	632,362	
632,211	Cleaning and other running costs	856,244	
591,326	Repairs and maintenance	573,323	
<u>2,572,994</u>			2,869,152
	<b>Staff and Student Facilities and Amenities</b>		
62,689	Careers Advisory Service	73,609	
23,902	Lodgings Office	27,163	
29,281	University Health Service	33,019	
222,755	Grants to Union of Students	236,084	
39,872	Rootes Hall	47,751	
140,303	Other expenses	169,106	
<u>518,802</u>			586,732
	<b>Miscellaneous Expenditure</b>		
20,775	Hospitality and entertainment	23,053	
-	Extension of Arts Building for Psychology	500,000	
50,000	Allocation for furniture and equipment	-	
98,273	Non-recurrent expenditure	85,057	
49,350	Provision for renewals	105,350	
124,131	Debt Charges	139,196	
68,728	Miscellaneous	55,355	
<u>411,257</u>			908,011
135,634	Capital Expenditure met from Income		389,606
<u>£ 13,498,288</u>	<b>Total Expenditure</b>		<u>£ 17,069,785</u>

CATERING ACCOUNT  
INCOME AND EXPENDITURE  
YEAR ENDED 31 JULY 1980

1979 £		£	1980 £
	<b>Income</b>		
905,971	Food and Beverages	1,058,514	
214,900	Wines and spirits	237,865	
87,449	Miscellaneous	72,010	
<u>1,208,320</u>			1,368,389
	<b>Less:</b>		
	<b>Expenditure</b>		
342,753	Salaries and wages	380,010	
567,243	Food and Beverages	621,784	
128,469	Wines and spirits	139,536	
49,996	Equipment purchases, hire and maintenance	48,141	
10,000	Heat, light, water and power	11,500	
43,000	Provision for renewals and improvements (Note 7)	82,195	
66,648	Other expenses	78,126	
<u>1,208,109</u>			1,361,292
<u>£ 211</u>	<b>Surplus for the year</b>		<u>£ 7,097</u>

**RESIDENTIAL ACCOMMODATION ACCOUNT  
YEAR ENDED 31 JULY 1980**

1979 £		1980 £
	<b>Income</b>	
1,079,118	Students' residential fees	1,191,657
189,864	Conferences and holiday lettings	201,540
36,590	Other income	39,606
<u>1,305,572</u>		<u>1,432,803</u>
	<b>Expenditure</b>	
386,114	Salaries and wages	429,076
211,722	Heat, light, water and power	269,747
36,249	Linen and laundry	52,772
47,653	Equipment, tools and materials	42,573
176,630	Internal maintenance and repairs	193,610
90,400	Provision for furniture and equipment renewals (Note 7)	103,000
56,904	Other expenses	54,812
299,900	Capital loan repayment and interest	287,213
<u>1,305,572</u>		<u>1,432,803</u>

**NOTES ON THE ACCOUNTS**

**1. Accounting Policies**

**Revenue Income and Expenditure**

This account includes all revenue grants, fees and other income received and receivable for the year.

All revenue expenditure for the year is charged to this account including allocations to meet future expenditure which is chargeable against the revenue of the current year. Major allocations for future expenditure are transferred to funds created for that purpose. Minor allocations are carried forward in creditors.

Income from research grants is included to the extent of expenditure incurred during the year and unexpended grants are carried forward in creditors.

Gross 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.

Catering, Residential Accommodation and Bookshop accounts are detailed separately.

Surpluses accumulated externally by academic departments are carried forward as creditors for future expenditure by those departments.

**Capital Expenditure**

Capital expenditure is written off against grants and loans for specific purposes and the general revenue of the University. Loan interest and capital repayments are made from revenue.

**Debtors and Prepayments**

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

**Stocks**

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

**Specific Funds**

Grants and revenue allocations are taken into funds to meet future expenditure for specific purposes.

**The University of Warwick Foundation Fund**

The University of Warwick Foundation Fund is vested in and administered separately by the Trustees. It does not therefore form part of these accounts.

NOTES ON THE ACCOUNTS - Continued

University Bookshop

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

2. Capital expenditure during the year ended 31 July 1980 has been financed as follows:-

	Capital Expenditure £		Source of Finance £
Buildings	748,856	University Grants	
Playing Fields	23,792	Committee	686,167
Site Works and Services	39,485	Grants & Loans from	
Furniture, books and equipment	1,299,541	Foundation Fund & other sources	1,133,191
		Contributions from revenue & specific funds	292,316
	<u>2,111,674</u>		<u>2,111,674</u>

3. At 31 July 1980 loans in respect of capital expenditure previously incurred and outstanding to the Foundation Fund were £2,202,267 (1979 £1,909,456) and secured loans repayable to Building Societies were £716,719 (1979 £722,454).

4. Grants for Furniture and Equipment	£
Balance 1 August 1979	46,664
Grants and receipts during the year	486,757
	<u>533,421</u>
Expenditure during the year	502,151
Balance 31 July 1980	<u>31,270</u>

Of the grants and receipts during the year £20,474 (1979 NIL) is held for the time being by H.M. Paymaster General.

5. Special Reserve	£	£
Balance 1 August 1979		163,790
Grants and receipts for the year		43,960
		<u>207,750</u>
Transfer to income and expenditure account	21,167	
Expenditure during the year	1,211	22,378
Balance 31 July 1980		<u>185,372</u>

NOTES ON THE ACCOUNTS - Continued

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 1980 includes £26,960 (1979 £21,167) which has been allocated for 1980/81 non-recurrent expenditure.

6. General Fund

	£	£
Balance 1 August 1979		107,717 DR
Surplus on Income and Expenditure account for the year ended 31 July 1980	42,924	
Allocations to Sabbatical Leave Fund	31,118	11,806
Balance 31 July 1980	<u>74,042</u>	<u>95,911 DR</u>

The balance at 31 July 1980 includes commitments and allocations totalling £60,624 (1979 £37,281) carried forward to 1980/81.

7. Renewals Fund

	Residential & Catering £	Other £
Balance 1 August 1979	410,091	274,752
Provision for renewals made from revenue during the year	185,195	111,720
	<u>595,286</u>	<u>386,472</u>
Expenditure during the year	86,011	153,969
Balance 31 July 1980	<u>509,275</u>	<u>232,503</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 1979	209,272
Expenditure during the year	131,794
Balance 31 July 1980	<u>77,478</u>

The major repairs and replacements fund has been established to meet expenditure on buildings requiring major renovations.

**NOTES ON THE ACCOUNTS - Continued**

**9. New Developments and Innovations Fund**

	£
Balance 1 August 1979	205,000
Expenditure during the year	7,217
	<hr/>
Balance 31 July 1980	197,783
	<hr/> <hr/>

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**

	£	£
Balance 1 August 1979		94,551
Savings accruing from salaries of staff as unpaid leave of absence during the year	102,266	
Less replacement teaching costs during the year	71,148	31,118
	<hr/>	<hr/>
Balance 31 July 1980		125,669
		<hr/> <hr/>

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. Creditors and accrued liabilities**

Included in creditors and accrued liabilities are specific items amounting to £20,474 (1979 £78,530) provided from revenue for future expenditure, and also surplus balances amounting to £120,194 (1979 £104,380) accumulated externally by academic departments.

**12. Charitable Status**

The University is a charity in accordance with Section 4 of the Charities Act 1960.

**13. Loan Debtors**

Loan Debtors represent amounts expended on certain capital projects which are recoverable by way of future revenue surpluses generated from those projects.

**14. Projects Temporarily Unfinanced**

Projects temporarily unfinanced represent amounts expended by the University on certain capital and other projects which will eventually be financed from other sources.

**UNIVERSITY BOOKSHOP  
INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 JULY 1980**

1979	£	1980	£
332,392		Sales	366,389
357		Miscellaneous Income	508
			<hr/>
332,749		Less:	366,897
		Cost of Sales	
38,272		Stock at 1 August 1979	62,165
253,018		Purchases of books and stationery	261,038
			<hr/>
291,290			323,203
62,165		Less Stock at 31 July 1980	61,589
			<hr/>
229,125			261,614
		<b>Gross Surplus</b>	<hr/> <b>105,283</b>
103,624		<b>Administration</b>	
		Salaries	54,144
44,272		Other expenses	3,623
4,382		Administration charges	3,707
3,268		Interest charges	2,793
5,271			<hr/>
			64,267
57,193		<b>Premises</b>	
		Rent	1,300
1,300		Electricity	350
350		Cleaning	300
300			<hr/>
			1,950
1,950		<b>Other Items</b>	
		Books and publications	187
163		Subscriptions	380
367		Depreciation	10,796
90		Security	810
683		Miscellaneous	675
235			<hr/>
			12,848
1,538		<b>Total Expenses</b>	<hr/> <b>79,065</b>
			<hr/>
60,681		<b>Surplus for the year</b>	<b>£ 26,218</b>
			<hr/> <hr/>
£ 42,943			

**UNIVERSITY BOOKSHOP**  
**BALANCE SHEET AS AT 31 JULY 1980**

1979		1980
£	£	£
	<b>Fixed Assets</b>	
11,387	Fixtures and fittings at cost	22,183
11,387	Less accumulated depreciation	22,183
	<b>Current Assets</b>	
62,165	Stock in hand	61,589
17,912	Debtors	27,233
305	Cash in hand	410
80,382		89,232
	Less:	
	<b>Current Liabilities</b>	
14,045	Creditors	5,261
£ 66,337		£ 83,971
	<b>Represented by:</b>	
19,484	Loan from University of Warwick	5,700
	<b>General Fund:</b>	
3,910	Balance as at 1 August 1979	46,853
-	Prior year provision no longer required	5,200
42,943	Add surplus for the year	26,218
46,853		78,271
£ 66,337		£ 83,971