

UNIVERSITY OF WARWICK

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 JULY
1985

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ACCOUNTING POLICIES

Income

Income represents all revenue grants, fees and other income receivable for the year.

Research Grants

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

Capital Expenditure

Capital expenditure, to the extent it is not covered by specific grants and loans, is written off in the income and expenditure account. Loan interest and capital repayments are charged to the income and expenditure account.

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.

Committed Balances

Committed balances represent amounts set aside for future expenditure on building and other projects which have been specifically approved by the end of the financial year. These balances are based on financial budgets and timetables covering the precise projects involved.

Specific Reserves

Specific reserves represent amounts set aside for future expenditure on projects which have been identified requiring funds but where no definite financial commitment has been made.

General Reserves

Any surplus or deficit of income over expenditure after allowing for allocations to committed balances and specific reserves is carried forward in general reserves.

Taxation

No current or deferred taxation has been provided as the University is a charity registered under the Charities Act 1960, and thereby exempt from United Kingdom taxation on its income.

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.

REVENUE INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 1985

INCOME

1984		1985
£		£
	Grants from University Grants Committee	
17,484,330	Block recurrent	17,618,917
	Other Grants	
	Grants for research (including from	
4,191,273	Foundation Fund)	4,805,694
	Other grants (including from	
320,845	Foundation Fund)	439,781
<u>4,512,118</u>		<u>5,245,475</u>
4,012,814	Students' fees	4,375,834
	Other Income	
624,296	Investment income (gross)	760,600
1,668,299	Miscellaneous income	1,773,767
<u>2,292,595</u>		<u>2,534,367</u>
<u>£ 28,301,857</u>	Total Income	<u>£ 29,774,593</u>

EXPENDITURE

1984		1985
£		£
	Academic	
8,820,907	Salaries of academic staff	9,465,734
1,947,954	Salaries & wages of other staff	2,135,702
4,039,688	Expenditure of research grants	4,599,136
2,324,072	Other expenses	2,718,314
492,943	Computer Unit	565,308
<u>17,625,564</u>		<u>19,484,194</u>
	Library	
712,007	Salaries and wages	766,074
	Books, periodicals and binding:	
395,192	Financed from recurrent funds	454,073
8,747	Financed from outside funds	4,913
133,145	Other expenses	96,049
<u>1,249,091</u>		<u>1,321,109</u>
	General Educational Expenditure	
49,223	Examinations	51,570
33,954	Fellowships, scholarships and prizes	25,526
13,666	Staff attendance at conferences	20,475
	Contribution to University Central	
26,745	Council on Admissions	27,284
228,158	Other expenses	242,421
<u>351,746</u>		<u>367,276</u>
	Administration and Central Services	
1,267,795	Salaries and wages	1,284,119
125,736	Advertising and recruitment	144,840
209,431	Printing, stationery and postage	257,446
344,181	Other expenses	199,365
<u>1,947,143</u>		<u>1,885,770</u>
<u>21,173,544</u>	forward	<u>23,058,349</u>

EXPENDITURE - Continued

1984		1985
£	£	£
21,173,544	forward	23,058,349
Premises		
942,877	Rates	1,028,830
273,889	Telephones	208,603
69,496	Insurance	77,042
868,562	Heat, light, water and power	955,258
978,016	Cleaning and other running costs	1,048,017
1,561,246	Repairs and maintenance	1,261,027
<u>4,694,086</u>		<u>4,578,777</u>
Staff and Student Facilities and Amenities		
113,013	Careers Advisory Service	123,608
42,034	Lodgings Office	47,455
45,563	University Health Service	51,556
329,700	Grants to Union of Students	339,750
211,606	Other expenses	214,516
<u>741,916</u>		<u>776,885</u>
Miscellaneous Expenditure		
27,613	Hospitality and entertainment	16,590
183,124	Non-recurrent expenditure	28,600
89,267	Debt charges	103,229
134,728	Miscellaneous	247,259
279,000	Provision for replacement of Telephone Exchange	100,000
75,000	Allocation to Furniture & Equipment Fund	90,000
<u>788,732</u>		<u>585,678</u>
865,896	Capital Expenditure met from Income	456,755
37,683	Surplus for the year	318,149
<u>£ 28,301,857</u>		<u>£ 29,774,593</u>

EXPENDITURE - Continued

1984		1985
£	£	£
37,683	Surplus for the year	318,149
Allocations to Specific Reserves		
83,170	Renewals Fund	87,400
70,000	Research & Innovations Fund	160,000
54,200	Study Leave Fund	55,000
-	Catering Improvements	213,000
<u>207,370</u>		<u>515,400</u>
Withdrawals from Specific Reserves		
45,595	Renewals Fund	91,727
80,807	Research & Innovations Fund	72,890
50,035	Study Leave Fund	39,161
<u>176,437</u>		<u>203,778</u>
<u>30,933</u>		<u>311,622</u>
£ 6,750	Surplus balance transferred to General Fund	£ 6,527

**SUPPLEMENTARY ACCOUNTS
YEAR ENDED 31 JULY 1985**

1984		1985
£	£	£
1,725,802	Catering Account	
	Income	2,086,007
	Expenditure	
585,658	Staffing	661,884
938,113	Food & Drink	1,104,757
105,277	Improvements & Renewals	41,797
139,854	Other expenses	143,053
1,768,902		1,951,491
(43,100)	Surplus/(Deficit) for the year	134,516
(43,100)	Surplus/(Deficit) for the year	134,516
62,177	Allocation to Renewals & Improvements Fund	176,313
105,277	Withdrawal for Renewals & Improvement Fund	41,797
(43,100)		134,516
-		-
	Any surplus or deficit on trading is transferred to the Renewals & Improvements Fund to finance such expenditure.	
	Residential Account	
1,973,717	Income	2,058,003
	Expenditure	
564,283	Salaries & Wages	603,629
379,348	Heat, Light, Water & Power	398,685
411,490	Maintenance & Repairs	439,122
324,054	Loan Interest & Repayments	293,369
245,130	Other Expenses	255,694
1,924,305		1,990,499
£ 49,412	Surplus for the year	£ 67,504

SUPPLEMENTARY ACCOUNTS - Continued

1984		1985
£	£	£
49,412	Surplus for the year	67,504
182,705	Allocation to Renewals Fund	211,599
133,293	Withdrawal from Renewals Fund	144,095
49,412		67,504
-		-
	Any surplus or deficit on trading is transferred to the Loan Repayments Account.	
	Arts Centre Account	
531,377	Income	583,573
	Expenditure	
323,577	Production Costs	340,102
204,788	Administration	224,294
528,365		564,396
3,012	Surplus for the year	19,177
3,012	Surplus for the year	19,177
3,012	Allocation to Renewal & Development Fund	19,177
-		-
	Any surplus or deficit on trading is transferred to the Renewals & Development Fund to finance such expenditure.	
	Bookshop Account	
542,605	Income	609,347
	Expenses	
84,157	Salaries	83,850
384,853	Purchases	423,992
32,216	Other Expenses	33,286
501,226		541,128
£ 41,379	Surplus for the year	£ 68,219

The surplus has been transferred to the Bookshop Accumulation Fund.

**BALANCE SHEET
AS AT 31 JULY 1985**

1984		1985
£	£	£
45,698	Loan Debtors (Note 6)	39,519
13,671	Projects Temporarily Unfinanced (Note 7)	88,277
530,314	Quoted Investments at Cost (Market Value £550,659)	530,314
Current Assets		
2,687,495	Debtors and prepayments	3,471,296
173,153	Stocks	197,211
6,410,000	Money at call and short notice	7,085,000
41,077	Bank balance and cash	12,229
27,000	Deposit account with H.M. Paymaster General	-
9,338,725		10,765,736
Less:		
Current Liabilities		
3,912,450	Creditors and accrued liabilities (Note 5)	5,471,001
-	Bank Overdraft	405,882
587,787	Current Account with University of Warwick Foundation (Note 8)	78,429
4,500,237		5,955,312
4,838,488		4,810,424
£ 5,428,171		£ 5,468,534
Represented by:		
1,338,188	Specific Reserves	1,917,515
157,092	General Reserves	163,619
3,932,891	Committed Balances	3,387,400
£ 5,428,171		£ 5,468,534

Finance Officer



SPECIFIC RESERVES

	Balance 1 August 1984	Receipts & Allocations during the year	Expenditure during the year	Balance 31 July 1985
	£	£	£	£
Capital Projects				
Contingency Reserve	218,300	-	-	218,300
Residential Renewals & Catering Renewals & Improvements	605,593	387,912	185,892	807,613
Other Renewals	304,257	178,987	117,629	365,615
Major Repairs & Replacements	48,613	-	-	48,613
Research & Innovations	129,701	160,000	72,890	216,811
Study Leave	31,724	55,000	39,161	47,563
Catering Improvements	-	213,000	-	213,000
	£ 1,338,188	£ 994,899	£ 415,572	£ 1,917,515

GENERAL RESERVES

General Fund	157,092	6,527	-	163,619
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COMMITTED BALANCES

	Balance 1 August 1984	Receipts & Allocations during the year	Expenditure during the year	Balance 31 July 1985
	£	£	£	£
Psychology Building	44,757	-	36,616	8,141
Arden Conversion	62,741	-	42,907	19,834
Energy Conservation	12,859	125,600	25,562	112,897
Bookshop Accumulation	182,760	68,219	123,113	127,866
Improved Heating Facilities	135,874	-	88,377	47,497
Heating Mains & Library Tiles	38,569	-	3,576	34,993
Westwood Conversion	10,654	848	11,502	-
Rootes Social Building Improvements	209,459	-	104,192	105,267
Biotechnology Building Social Studies	95,852	573,800	669,652	-
Extension	562,780	-	394,297	168,483
Arts Centre Extension	604,397	6,750	110,227	500,920
Central Computing Facilities	130,000	-	32,833	97,167
Telephone Exchange Replacement	479,000	100,000	10,735	568,265
Information Technology Extension	400,000	400,000	867	799,133
Furniture & Equipment	188,985	1,007,568	1,157,815	38,738
Other Committed Balances	774,204	384,525	400,530	758,199
	<u>£ 3,932,891</u>	<u>£ 2,667,310</u>	<u>£ 3,212,801</u>	<u>£ 3,387,400</u>

SOURCE AND APPLICATION OF FUNDS

For the year ended 31 July 1985

1984		1985
£	£	£
	Source of Funds	
6,750	Surplus for the year	6,527
465,465	Transfers to Specific Reserves	994,899
3,076,137	Transfers to Committed Balances	2,667,310
1,221,030	Grants for Capital Expenditure	2,435,876
30,988	Sale of Investments	-
7,540	Repayment of Loan Debtors	6,179
<u>4,807,910</u>		<u>6,110,791</u>
	Application of Funds	
479,874	Expenditure from Specific Reserves	415,572
1,838,975	Expenditure from Committed Balances	3,212,801
1,221,030	Capital Expenditure	2,435,876
<u>3,539,879</u>		<u>6,064,249</u>
<u>£ 1,268,031</u>		<u>£ 46,542</u>
	Movement in Working Capital	
(32,480)	Increase in:- Projects Temporarily Unfinanced	74,606
1,001,428	Debtors & Prepayments	783,801
3,396	Stocks	24,058
(226,173)	Creditors	(1,558,551)
	Decrease in Current Account with University of Warwick Foundation	509,358
<u>(470,419)</u>		<u>(166,728)</u>
<u>275,752</u>		
	Movement in Net Liquid Funds	
950,000	Increase in Short Term Deposits	675,000
15,279	Decrease in:- Bank Balance & Cash Deposit Account with H.M. Paymaster General	(434,730)
<u>27,000</u>		<u>(27,000)</u>
<u>992,279</u>		<u>213,270</u>
<u>£ 1,268,031</u>		<u>£ 46,542</u>

NOTES ON THE ACCOUNTS

1. The accounts have been prepared in accordance with the statement "Guidance on Recommended Accounting Practice in UK Universities" as issued by the Committee of Vice - Chancellors and Principles, and comparative figures have been restated where necessary to conform with this presentation.

2. Capital expenditure during the year ended 31 July 1985 has been financed as follows:-

	Capital Expenditure		Source of Finance
	£		£
Buildings	2,515,602	University Grants Committee	1,074,685
Furniture and Equipment	2,199,817	Grants & Loans from Foundation Fund & Other Sources	2,044,372
		Contribution from Revenue & Specific Funds	1,596,362
	<u>£ 4,715,419</u>		<u>£ 4,715,419</u>
	<u>£ 4,715,419</u>		<u>£ 4,715,419</u>

3. At 31 July 1985 loans in respect of capital expenditure previously incurred and outstanding to the Foundation Fund were £1,537,744 (1984 £1,613,125) and secured loans repayable to Building Societies were £688,018 (1984 £691,926).

4. For insurance purposes, the buildings and equipment are valued at £128,528,145.

5. Creditors and Accrued Liabilities

Included in creditors and accrued liabilities are specific items amounting to £30,630 (1984 £75,850) provided from revenue for future expenditure, and also surplus balances amounting to £962,129 (1984 £582,046) accumulated externally by academic departments.

6. Loan Debtors

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

7. 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.

8. Current Account with University of Warwick Foundation

The University acts as a paying agent for the Foundation Fund and the current account reflects the net indebtedness between the two parties.

9. The University holds 8,699 shares of £1 each and a 1% debenture loan of £774,180 issued by University of Warwick Science Park Limited. The investment has been included in the accounts at nil value.

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

We have audited the accounts on pages 1 to 13 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 1 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 state of affairs of the University at 31 July 1985 and of its surplus and source and application of funds for the year then ended.

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.

Coopers & Lybrand

**Birmingham
11 November 1985**

Chartered Accountants