

UNIVERSITY OF WARWICK

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
31 JULY 1986

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ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with the "Guidance on Recommended Accounting Practice in UK Universities" as issued by the Committee of Vice-Chancellors and Principals.

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, 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 as 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 1986

INCOME

1985 £000		1986 £000
	Grants from University Grants Committee	
17,619	Block recurrent	20,308
	Other Grants	
	Grants for research (including from Foundation Fund)	
4,806		6,303
	Other grants (including from Foundation Fund)	
440		524
<hr/>		<hr/>
5,246		6,827
4,376	Students' fees	5,046
	Other Income	
	Investment income (gross)	754
760	Miscellaneous income	4,207
1,774		
<hr/>		<hr/>
2,534		4,961
<hr/>		<hr/>
29,775	Total Income	37,142

EXPENDITURE

1985 £000		1986 £000
	Academic	
	Salaries of academic staff	10,650
9,466	Salaries & wages of other staff	2,314
2,136	Expenditure of research grants	6,019
4,599	Other expenses	5,410
2,718	Computing Services	619
565		
<hr/>		<hr/>
19,484		25,012
	Library	
	Salaries and wages	794
766	Books, periodicals and binding:	
	Financed from recurrent funds	503
454	Financed from outside funds	4
5	Other expenses	97
96		
<hr/>		<hr/>
1,321		1,398
	General Educational Expenditure	
	Examinations	54
52	Fellowships, scholarships and prizes	41
26	Staff attendance at conferences	21
20	Contribution to University Central Council on Admissions	31
27	Other expenses	265
242		
<hr/>		<hr/>
367		412
	Administration and Central Services	
	Salaries and wages	1,471
1,284	Advertising and recruitment	164
145	Printing, stationery and postage	348
258	Other expenses	344
199		
<hr/>		<hr/>
1,886		2,327
<hr/>		<hr/>
23,058	forward	29,149

EXPENDITURE - Continued

1985 £000		1986 £000
23,058	forward	29,149
	Premises	
1,029	Rates	1,230
209	Telephones	182
77	Insurance	105
955	Heat, light, water and power	859
1,048	Cleaning and other running costs	1,088
401	Long term repairs and maintenance	1,373
860	Ordinary repairs and maintenance	935
4,579		5,772
	Staff and Student Facilities and Amenities	
124	Careers Advisory Service	128
47	Accommodation Office	47
52	University Health Service	45
340	Grants to Union of Students	360
214	Other expenses	233
777		813
	Miscellaneous Expenditure	
17	Hospitality and entertainment	33
29	Non-recurrent expenditure	60
103	Debt charges	116
247	Miscellaneous	257
100	Provision for replacement of Telephone Exchange	-
90	Allocation to Furniture & Equipment Fund	-
586		466
457	Capital Expenditure met from Income	1,315
318	Surplus/(Deficit) for the year	(373)
29,775		37,142

EXPENDITURE - Continued

1985 £000		1986 £000
318	Surplus/(Deficit) for the year	(373)
	Allocations to Specific Reserves	
(87)	Renewals Fund	(94)
(160)	Research & Innovations Fund	(50)
(55)	Study Leave Fund	(55)
(213)	Catering Improvements	-
(515)		(199)
	Withdrawals from Specific Reserves	
-	Capital Projects	
92	Contingency	218
73	Renewals Fund	127
39	Research & Innovations Fund	82
204	Study Leave Fund	60
(311)		487
7	Surplus/(Deficit) balance transferred to General Reserve	(85)

SUPPLEMENTARY ACCOUNTS

YEAR ENDED 31 JULY 1986

1985 £000	£000	1986 £000
	Catering Account	
2,086		2,331
	Income	
	Expenditure	
662	806	
	Staffing	
1,105	1,181	
	Food & drink	
42	25	
	Improvements & renewals	
143	188	
	Other expenses	
<u>1,952</u>		<u>2,200</u>
134		131
	Surplus for the year	
	Allocation to Renewals & Improvements Fund (156)	
(176)		
	Withdrawal from Renewals & Improvements Fund 25	
42		
<u>(134)</u>		<u>(131)</u>
-		-
	Any surplus or deficit on trading is transferred to the Renewals & Improvements Fund.	
	Residential Account	
2,058		2,181
	Income	
	Expenditure	
604	644	
	Salaries & wages	
399	420	
	Heat, light, water & power	
491	559	
	Maintenance & repairs	
293	290	
	Loan interest & repayments	
256	290	
	Other expenses	
<u>2,043</u>		<u>2,203</u>
15		(22)
	Surplus/(Deficit) for the year	


SUPPLEMENTARY ACCOUNTS - Continued

1985 £000	£000	1986 £000
15		(22)
	Surplus/(Deficit) for the year	
(159)	(170)	
	Allocation to Renewals Fund	
144	192	
	Withdrawal from Renewals Fund	
<u>(15)</u>		<u>22</u>
-		-
	Any surplus or deficit on trading is transferred to the Loan Repayments Account.	
	Arts Centre Account	
583		732
	Income	
	Expenditure	
340	485	
	Production costs	
224	250	
	Administration	
<u>564</u>		<u>735</u>
19		(3)
	Surplus/(Deficit) for the year	
	Withdrawal from/(Allocation to) Renewals & Development Fund	
(19)		3
-		-
	Any surplus or deficit on trading is transferred to the Renewals & Development Fund.	
	Bookshop Account	
609		679
	Income	
	Expenses	
84	91	
	Salaries	
424	472	
	Purchases	
33	38	
	Other expenses	
<u>541</u>		<u>601</u>
68		78
	Surplus for the year	
	The surplus has been transferred to the Bookshop Accumulation Fund.	

BALANCE SHEET

AS AT 31 JULY 1986

1985 £000		£000	1986 £000
40	Loan Debtors (Note 1)		33
88	Projects Temporarily Unfinanced (Note 2)		289
530	Investments at Cost (Market Value £557,000)		533
Current Assets			
3,471	Debtors and prepayments	3,476	
197	Stocks	250	
7,085	Money at call and short notice	5,530	
12	Bank balance and cash	28	
-	Current Account with University of Warwick Foundation (Note 3)	948	
<u>10,765</u>		<u>10,232</u>	
Current Liabilities			
4,509	Creditors and accrued liabilities (Note 4)	4,591	
406	Bank overdraft	-	
78	Current Account with University of Warwick Foundation	-	
<u>4,993</u>		<u>4,591</u>	
<u>5,772</u>		<u>5,641</u>	
<u>6,430</u>		<u>6,496</u>	
Represented by:			
1,917	Specific Reserves (Note 5)	1,940	
164	General Reserves (Note 6)	79	
4,349	Committed Balances (Note 7)	4,477	
<u>6,430</u>		<u>6,496</u>	


C. BRUMMITT
FINANCE OFFICER

SOURCE AND APPLICATION OF FUNDS

For the year ended 31 July 1986

1985 £000		£000	1986 £000
Source of Funds			
7	Surplus for the year	-	
995	Transfers to Specific Reserves	782	
2,667	Transfers to Committed Balances	4,585	
2,436	Grants for Capital expenditure	3,940	
6	Repayment of Loan Debtors	7	
<u>6,111</u>		<u>9,314</u>	
Application of Funds			
-	Deficit for the year	85	
416	Expenditure on Specific Reserves	759	
3,213	Expenditure on Committed Balances	4,457	
-	Purchase of Investments	3	
2,436	Capital expenditure	3,940	
<u>6,065</u>		<u>9,244</u>	
46		70	
Movement in Working Capital			
75	Increase in Projects Temporarily Unfinanced	201	
784	Increase in Debtors & prepayments	5	
24	Increase in Stocks	53	
(1,559)	Increase in Creditors	(82)	
509	Decrease in Current Account with University of Warwick Foundation	1,026	
<u>(167)</u>		<u>1,203</u>	
Movement in Net Liquid Funds			
675	Increase/(Decrease) in Short term deposits	(1,555)	
(435)	(Decrease)/Increase in Bank balance & cash	422	
(27)	Decrease in Deposit account with H.M. Paymaster General	-	
<u>213</u>		<u>(1,133)</u>	
46		70	

NOTES TO THE ACCOUNTS

1. Loan Debtors

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

2. 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.

3. 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.

4. Creditors and Accrued Liabilities

Included in creditors and accrued liabilities are specific items amounting to £50,000 (1985 £31,000) provided from revenue for future expenditure.

5. Specific Reserves

	Balance 1 August 1985	Receipts & Allocations during the year £000	Expenditure & Transfers during the year £000	Balance 31 July 1986 £000
Capital Projects Contingency	218	-	218	-
Residential Renewals	505	227	192	540
Catering Renewals & Improvements	302	156	25	433
Other Renewals	366	160	181	345
Major Repairs & Replacements	49	-	-	49
Research & Innovations	217	50	82	185
Study Leave	47	55	60	42
Catering Improvements	213	-	1	212
Conference Account	-	134	-	134
	<u>1,917</u>	<u>782</u>	<u>759</u>	<u>1,940</u>

NOTES TO THE ACCOUNTS
(Continued)

6. General Reserve

	£000
Balance 1 August 1985	164
Deficit for the year	(85)
	<u>79</u>
Balance 31 July 1986	<u>79</u>

7. Committed Balances

	Balance 1 August 1985 £000	Receipts & Allocations during the year £000	Expenditure during the year £000	Balance 31 July 1986 £000
Clean Air Room	-	100	33	67
Arden Conversion	95	100	19	176
Energy Conservation	113	-	48	65
Bookshop Accumulation	128	78	123	83
Catering Alterations in Arts Centre	150	-	-	150
Car Parks	-	100	-	100
Remedial Work on Tiles	-	800	15	785
Rootes Social Building Improvements	105	-	3	102
Social Studies Extension	168	470	149	489
Arts Centre Extension	501	-	461	40
Central Computing Facilities	97	912	854	155
Telephone Exchange Replacement	568	20	588	-
Information Technology Extension	799	300	593	506
Furniture & Equipment	39	1,149	1,152	36
Departmental Balances	962	419	-	1,381
Other Committed Balances	624	137	419	342
	<u>4,349</u>	<u>4,585</u>	<u>4,457</u>	<u>4,477</u>

Departmental Balances represent surplus balances accumulated externally by academic departments. Previously these surpluses had been included in creditors. Projects having balances or movements of less than £100,000 are included in Other Committed Balances.

NOTES TO THE ACCOUNTS
(Continued)

8. Capital expenditure during the year ended 31 July 1986 has been financed as follows:-

	Capital Expenditure	Source of Finance
	£000	£000
Buildings	4,111	University Grants Committee 1,425
Furniture and equipment	3,015	Grants & loans from Foundation Fund & other sources 3,270
Site works & services	116	Contribution from revenue & specific funds 2,547
	<u>7,242</u>	<u>7,242</u>

9. At 31 July 1986 loans in respect of capital expenditure previously incurred and outstanding to the Foundation Fund were £1,457,000 (1985 £1,538,000) and secured loans repayable to Building Societies were £679,000 (1985 £688,000).

10. For insurance purposes, the buildings and equipment are valued at £129,224,000.

11. The University holds 8976 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 12 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the University at 31 July 1986 and of its deficit 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
17 November 1986

Coopers & Lybrand
Chartered Accountants