

UNIVERSITY OF WARWICK

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
31 JULY 1987

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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 1987

INCOME

1986		1987
£000	£000	£000
	Grants from University Grants Committee	
20,308	Block recurrent	21,631
	Other Grants	
6,303	Grants for research	8,228
524	Other grants	526
6,827		8,754
5,046	Students' fees	5,832
	Other Income	
754	Investment income (gross)	520
4,207	Miscellaneous income	5,381
4,961		5,901
37,142	Total Income	42,118

EXPENDITURE

1986		1987
£000		£000
Academic		
10,650	Salaries of academic staff	11,860
2,314	Salaries & wages of other staff	2,576
6,019	Expenditure of research grants	7,610
5,410	Other expenses	6,680
619	Computing Services	642
25,012		29,368
Library		
794	Salaries and wages	854
507	Books, periodicals and binding	525
97	Other expenses	97
1,398		1,476
General Educational Expenditure		
54	Examinations	61
41	Fellowships, scholarships and prizes	57
21	Staff attendance at conferences	17
	Contribution to University Central	
31	Council on Admissions	31
265	Other expenses	352
412		518
Administration and Central Services		
1,471	Salaries and wages	1,762
164	Advertising and recruitment	216
348	Printing, stationery and postage	403
344	Other expenses	484
2,327		2,865
29,149	forward	34,227

EXPENDITURE - Continued

1986 £000		£000	1987 £000
29,149	forward		34,227
	Premises		
1,230	Rates	1,360	
182	Telephones	203	
105	Insurance	146	
859	Heat, light, water and power	929	
1,088	Cleaning and other running costs	1,162	
1,373	Long term repairs and maintenance	1,390	
935	Ordinary repairs and maintenance	1,061	
5,772			6,251
	Staff and Student Facilities and Amenities		
128	Careers Advisory Service	156	
47	Accommodation Office	46	
45	University Health Service	46	
360	Grants to Union of Students	376	
233	Other expenses	237	
813			861
	Miscellaneous Expenditure		
33	Hospitality and entertainment	28	
60	Non-recurrent expenditure	247	
116	Debt charges	100	
257	Other expenses	420	
466			795
1,315	Capital Expenditure met from Income		581
(373)	Deficit for the year		(597)
37,142			42,118

EXPENDITURE - Continued

1986 £000		£000	1987 £000
(373)	Deficit for the year		(597)
Allocations to Specific Reserves			
(94)	Renewals Fund		(104)
(50)	Research & Innovations Fund		(52)
(55)	Study Leave Fund		(56)
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(199)			(212)
Withdrawals from Specific Reserves			
	Capital Projects		
218	Contingency	-	
127	Renewals Fund	159	
	Research & Innovations		
82	Fund	91	
60	Study Leave Fund	71	
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487			321
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288			109
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(85)	Deficit balance transferred to General Reserve		(488)
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SUPPLEMENTARY ACCOUNTS

YEAR ENDED 31 JULY 1987

1986 £000		1987 £000
	Catering Account	
2,331	Income	2,483
	Expenditure	
806	Staffing	912
1,181	Food & drink	1,254
25	Improvements & renewals	17
188	Other expenses	196
2,200		2,379
131	Surplus for the year	104
(156)	Allocation to Renewals & Improvements Fund	(121)
25	Withdrawal from Renewals & Improvements Fund	17
(131)		(104)
-		-
Any surplus or deficit on trading is transferred to the Renewals & Improvements Fund.		
	Residential Account	
2,181	Income	2,190
	Expenditure	
644	Salaries & wages	701
420	Heat, light, water & power	417
559	Maintenance & repairs	835
290	Loan interest & repayments	248
290	Other expenses	290
2,203		2,491
(22)	Deficit for the year	(301)

SUPPLEMENTARY ACCOUNTS - Continued

1986 £000		£000	1987 £000
(22)	Deficit for the year		(301)
(170)	Allocation to Renewals Fund	(174)	
192	Withdrawal from Renewals Fund	475	
22			301
-			-
<p>Any surplus or deficit on trading is transferred to the Loan Repayments Account.</p>			
Arts Centre Account			
732	Income		837
Expenditure			
485	Production costs	535	
250	Administration	299	
735			834
(3)	Surplus/(Deficit) for the year		3
3	Withdrawal from/(Allocation to) Renewals & Development Fund		(3)
-			-
<p>Any surplus or deficit on trading is transferred to the Renewals & Development Fund.</p>			
Bookshop Account			
679	Income		738
Expenses			
91	Salaries	129	
472	Purchases	505	
38	Other expenses	50	
601			684
78	Surplus for the year		54
<p>The surplus has been included in University Miscellaneous Income.</p>			

BALANCE SHEET

AS AT 31 JULY 1987

1986		1987
£000	£000	£000
289	Projects Temporarily Unfinanced (Note 1)	1,019
533	Investments at Cost	3
948	Loan to University of Warwick Foundation (Note 2)	1,558
Current Assets		
3,509	Debtors and prepayments	5,447
250	Stocks	293
5,530	Money at call and short notice	2,190
28	Bank balance and cash	26
-	Deposit account with H.M. Paymaster General	87
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9,317		8,043
Current Liabilities		
4,591	Creditors and accrued liabilities (Note 3)	5,235
-	Bank overdraft	148
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4,591		5,383
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4,726		2,660
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6,496		5,240
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Represented by:		
1,940	Specific Reserves (Note 4)	1,924
79	General Reserves (Note 5)	(409)
4,477	Committed Balances (Note 6)	3,725
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6,496		5,240
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C. BRUMMITT
FINANCE OFFICER

SOURCE AND APPLICATION OF FUNDS

For the year ended 31 July 1987

1986 £000		£000		1987 £000
	Source of Funds			
-	Sale of Investments			530
782	Transfers to Specific Reserves			1,277
4,585	Transfers to Committed Balances			4,158
3,940	Grants for Capital expenditure			1,589
9,307				7,554
	Application of Funds			
85	Deficit for the year	488		
759	Expenditure on Specific Reserves	1,081		
4,457	Expenditure on Committed Balances	5,122		
3	Purchase of Investments	-		
3,940	Capital expenditure	1,589		
9,244				8,280
63				(726)
	Movement in Working Capital			
201	Increase in Projects Temporarily Unfinanced			730
(2)	(Decrease)/Increase in Debtors & prepayments			1,938
53	Increase in Stocks			43
(82)	Increase in Creditors			(644)
1,026	Increase in Loan to University of Warwick Foundation			610
1,196				2,677
	Movement in Net Liquid Funds			
(1,555)	Increase/(Decrease) in Short term deposits	(3,340)		
422	(Decrease)/Increase in Bank balance & cash	(150)		
-	Decrease in Deposit account with H.M. Paymaster General	87		
(1,133)				(3,403)
63				(726)

NOTES TO THE ACCOUNTS

1. 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.

2. Loan to 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.

3. Creditors and Accrued Liabilities

Included in creditors and accrued liabilities are specific items amounting to £24,000 (1986 £50,000) provided from revenue for future expenditure.

4. Specific Reserves

	Balance 1 August 1986 £000	Receipts & Allocations during the year £000	Expenditure & Transfers during the year £000	Balance 31 July 1987 £000
Residential Renewals	540	227	475	292
Catering Renewals & Improvements	433	121	17	537
Other Renewals	345	176	233	288
Major Repairs & Replacements	49	-	49	-
Research & Innovations	185	52	91	146
Study Leave	42	56	71	27
Long Term Maintenance	-	453	142	311
Conference Account	134	192	3	323
	<u>1,728</u>	<u>1,277</u>	<u>1,081</u>	<u>1,924</u>

NOTES TO THE ACCOUNTS
(Continued)

5. General Reserve

	£000
Balance 1 August 1986	79
Deficit for the year	(488)
	(409)
Balance 31 July 1987	(409)
	(409)

6. Committed Balances

	Balance 1 August 1986	Receipts & Allocations during the year	Expenditure during the year	Balance 31 July 1987
	£000	£000	£000	£000
Sale of Property	-	171	71	100
Arden Conversion	176	-	159	17
Energy Conservation	65	98	41	122
Bookshop Accumulation	83	-	79	4
Catering Alterations in Arts Centre	150	-	113	37
Car Parks	100	-	50	50
Remedial Work on Tiles	785	38	793	30
Rootes Social Building Improvements	314	-	37	277
Social Studies Extension	489	580	913	156
Infrastructure	-	200	77	123
Central Computing Facilities	155	200	338	17
Heating Mains	-	706	187	519
Information Technology Extension	506	-	398	108
Furniture & Equipment	36	1,766	1,427	375
Departmental Balances	1,381	112	-	1,493
Other Committed Balances	449	287	439	297
	4689	4,158	5,122	3,725

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

NOTES TO THE ACCOUNTS
(Continued)

7. Capital expenditure during the year ended 31 July 1987 has been financed as follows:-

	Capital Expenditure		Source of Finance
	£000		£000
Buildings	804	University Grants Committee	1,467
Furniture and equipment	3,824	Grants & loans from Foundation Fund & other sources	800
Site works & services	703	Contribution from revenue & specific funds	3,064
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	5,331		5,331
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8. At 31 July 1987 loans in respect of capital expenditure previously incurred and outstanding to the Foundation Fund were £1,445,000 (1986 £1,457,000) and secured loans repayable to Building Societies were £673,000 (1986 £679,000).

9. For insurance purposes, the buildings and equipment are valued at £129,743,000.

10. 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 1987 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 from the U.G.C. for specific purposes. In our opinion the grants have been properly applied for the purposes intended.

Birmingham
16th November 1987

Coopers & Lybrand
Chartered Accountants