The University of the West Indies

FINANCIAL REPORT & CONSOLIDATED ACCOUNTS

For the Year Ended July 31, 2017

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OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the University of the West Indies represent the financial operations of the four Campuses and the University Centre for the year ended July 31, 2017, and are presented in Jamaica dollars. The Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Cash Flows are also represented in Barbados dollars on **pages 74 to 76** and in United States dollars on **pages 77 to 79** as supplementary information.

The commentary on **pages 1 to 8** refers to the Barbados dollar equivalent of certain balances for the financial year being reported, compared with those of the previous year(s).

I. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RESULTS FOR THE YEAR

For the year ended July 31, 2017, the operations of the University resulted in a **deficit of BDS$27.3 million** (**2016: BDS$19.8 million**). This comprises the results by Campus as follows:

Campus	BDS$ million	
	July 2017	**July 2016**
Cave Hill	7.9	11.3
Centre	(10.6)	(5.3)
Mona	(16.3)	0.7
Open	0.3	(11.4)
St. Augustine	(8.6)	(15.1)
Total	**(27.3)**	**(19.8)**

The **total income** of the University for the year was **BDS$915.8** million, compared with **BDS$968.4** million for the prior year, a decrease of 5.5%. **Total expenditure** for the year was **BDS$943.1** million compared with **BDS$988.1** million for 2016, a decrease of 4.5%.

The financial position and results for the year to July 2016, have been restated due to the prior period adjustments below:

- St. Augustine Campus:
  The Campus reclassified balances previously shown under Special Projects, General Reserves and Current Liabilities to conform to the classifications in the wider University.

- Mona Campus and University Centre:
  Adjustments were made to include the additional expense of BDS$1.9 million for retroactive payments for supplementation due to retirees between 2013 and 2016. This resulted from the Consent Order following arbitration of the supplementation dispute between The UWI and WIGUT Jamaica.

Based on the terms of the Consent Order, the results for 2017 include additional actuarial pension expense of BDS$27.8 million, which is reflected in the increase in the employee benefits obligation. Also included is BDS$1.1 million for additional supplementation payments due to retirees for the year 2016/2017. The increase in liability arose from using UK annuity rates, or a combination of UK and local rates, to test for supplementation. Since 2013 supplementation was calculated using local rates.

I. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

RESULTS FOR THE YEAR *(cont'd)*

A net recovery of BDS$14.3 million from impairment of government receivables is also included in the results for 2017.

The deficit for the year comprised:

Activity	BDS$ million	
	July 2017	**July 2016**
UGC Funded	(89.7)	(103.1)
Commercial Operations	10.8	19.9
Other Projects	51.6	63.4
Total	**(27.3)**	**(19.8)**

CONSOLIDATED INCOME

The sources of income for the University were:

Source	July 2017	July 2016
	%	%
Government Contributions	46	46
Tuition and Other Student Fees	14	13
Special and Other Projects	30	29
Commercial Operations	7	9
Other	3	3
Total	**100**	**100**

The income distribution is illustrated in **Table 1** and **Charts 1 and 1a** on **page 12**. A three year summary of income by source is shown in **Table 2 and Chart 2 on page 13.** A three year summary of total income is shown in **Chart 3 on page 14.**

Government Contributions

Income from Government Contributions totalled BDS$423 million and represented 46% of total income. This was similar to the prior year in which Government Contributions were BDS$448 million and also represented 46% of total income. The income shown is net of total write-offs for the year of BDS$84.4 million.

Project Income

a) *Special Projects*

For the year this source of income totalled BDS$81 million (2016: BDS$85 million), and again represented 9% of total income. Special Projects income did not contribute to the surplus, as it matched expenditure from grants received from sponsors particularly for research.

During the year ended July 31, 2017, the value of new grants received for research was BDS$38.3 million compared with BDS$28.7 million in the previous year.

I. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

CONSOLIDATED INCOME *(cont'd)*

Project Income (cont'd)

a) Special Projects (cont'd)

Some examples of new projects funded during the year were:

- **(Cave Hill Campus) -** ZIKAction: Preparedness, Research and Action Network on Maternal-Paediatric Axis of ZIK V Infection in Latin America and the Caribbean – sponsor, European Commission
- **(Mona Campus) -** Yale Trans-disciplinary Collaborative Centre for Health Disparities Research – sponsor, Yale University
- **(St. Augustine Campus) -** Regional Water Partnership (Eng.Inst / GWPO): UWI is operating as Host Institution responsible for management and administration of funds – sponsor, Global Water Partnership Org / GWP Caribbean Regional Water Partnership
- **(University Centre) -** Strengthening Civil Society Engagement in a more Environmentally Sustainable, Socially Just, Inclusive Accountable and Resilient Model of Development and Governance in Trinidad and Tobago – sponsor, European Union
- **(Open Campus) -** Expanding the Socio-Economic Potential of Cultural Heritage in the Caribbean – sponsor, Organization of American States (OAS)

b) Other Projects

Income from Other Projects totalled BDS$191.4 million (2016: BDS$190.2 million) and was derived mainly from self-financing programmes and full fee paying programmes in the Faculties of Medical Sciences and Law. Funds earned by departments through consultancies and from coordination of Special Projects were also included. Other Projects also includes the consolidated results of UWISBASL and St Augustine Enterprises Limited. For the year ended July 31, 2017, income from Other Projects represented 21% of total income.

Total projects income (Special Projects and Other Projects) represented 30% of total income (2016: 29%).

Tuition and Other Student Fees

Tuition and other student fees totalled BDS$125.9 million for the year (2016: BDS$125.9 million). This represented 14% of total income (2016:13%). There was no significant change in this category of income.

Other Income

Other Income totalled BDS$27.1 million (2016: BDS$26.2 million) and comprised investment income of BDS$8.7 million (2016: BDS$7.3 million) and miscellaneous income of BDS$18.4 million (2016: BDS$18.9 million). Miscellaneous income included income earned from rental of facilities as well as an amount of BDS$7.4 million (2016: BDS$6.7 million) representing the value of Capital Grants amortised during the year.

Commercial Operations

Income from commercial operations decreased from BDS$93.1 million in 2016 to BDS$67.6 million, and represented 7% of total income (2016: 9%). This source of income was derived from concessionaires, book shops, the halls of residence at all campuses, income from rented properties, as well as the Open Campus operations of the School of Continuing Studies in Trinidad and Tobago. A major contributor to the decrease was the renegotiation of the call centre service agreement at the Mona Campus.

I. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

CONSOLIDATED EXPENDITURE

The categories of expenditure and their percentages of the total were as follows:

Category	July 2017	July 2016
	%	%
Departmental	44	45
Administrative	10	10
Central	17	16
Special and Other Projects	23	22
Commercial Operations	6	7
Total	100	100

The distribution is illustrated by **Table 4** and **Charts 4** and **4a** on **page 15**. Expenditure has been tightly controlled due to funding limitations and there was no significant increase in most categories for the period.

For the year ended July 31, 2017, there was an actuarially determined expense of BDS$65.2 million (2016: BDS$36.2 million) for post-employment pension and medical benefits. This is included in central expenditure. The main contributor to the increase was an additional expense of BDS$27.8 million resulting from the settlement of the supplementation dispute with WIGUT Jamaica.

A net impairment recovery totalling BDS$14.3 million (2016: loss of BDS$10.7 million) was made on Government contributions outstanding in excess of three years. The recovery mainly resulted from payment plans negotiated with several Governments during the year.

Additional impairment of BDS$4.1 million (net) was made for Government scholarships, project receivables and other receivables. In total, all the Campuses impaired an additional BDS$4.9 million (net) for student receivables.

A three year summary of expenditure by category is shown in **Table 5** and **Chart 5** on **page 16** and a three-year summary of total expenditure is illustrated in **Chart 6** on **page 17**.

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Net Current Assets

Current assets exceeded current liabilities by BDS$367 million (2016: BDS$369 million), an overall decrease of 0.4%.

The balance for cash and cash equivalents decreased by BDS$37 million while resale agreements decreased by BDS$5 million. Accounts receivable showed an increase of BDS$36 million or 8.5% over the prior year. Current liabilities decreased by 1%.

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

Cash and Cash Equivalents, Short–Term Investments and Resale Agreements

Included in this category are cash, current and savings accounts as well as fixed deposits held for periods not exceeding ninety days. The balance includes restricted funds for special projects, commercial operations, and funds held for committed expenditure, which have been invested in resale agreements, Government securities, fixed deposits, and equities. Income earned from these investments is used to supplement funding to meet current liabilities. Total restricted funds, which are not available for general use by the University, amounted to BDS$131 million.

When short-term investments, securities purchased under resale agreements and cash and cash equivalents are combined, this total showed a decrease of 14% compared with 2016. The University is increasingly being forced to liquidate investments to meet recurrent expenditure, due to the difficulties in collecting accounts receivable.

Accounts Receivable

The 8.5% increase in accounts receivable at July 31, 2017 is largely due to the increased amounts owing from students and Governments. This includes economic costs, scholarships, GATE, PSIP and tuition fees. There are on-going discussions with the Governments regarding arrangements to liquidate the outstanding balances, resulting in payment plans being negotiated with several governments.

The average collection period for Government contributions has moved from 5.6 months at July 31, 2016 to 6.2 months at July 31, 2017.

The status of each Government with respect to contributions due to the University can be found on **pages 9 to 11**. The trend in total Government contributions outstanding over the past five years is shown in **Table 7 and Chart 7** on **page 18**.

Current Liabilities

The balance of BDS$346.3 million (2016: BDS$350.5 million) includes amounts due to suppliers for goods and services received totalling BDS$251.9 million. It also includes vacation leave accrual of BDS$33.5 million (2016: BDS$33.4 million), and other staff benefits such as study and travel and book grants. The current portion of long-term liabilities was BDS$20.2 million (2016: BDS$34.9 million), which is due to be paid within the next twelve months.

Short-term loans and advances of BDS$4.6 million (2016: BDS$5.6 million) due by the Mona Campus were also included in current liabilities.

Long-Term Investments

There was an increase of 8.6% in the balance for long-term investments which totalled BDS$144.5 million (2016: BDS$133.1 million).

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

Long–Term Receivables

At July 31, 2017, long-term receivables included a total of BDS$79.5 million (2016: BDS$77.0 million) for Government contributions outstanding in excess of three years. Of this figure BDS$44.6 million (2016: BDS$58.9 million) has been impaired.

Long-term receivables also included BDS$30.6 million due from the Government of Barbados in respect of a loan from the Barbados National Insurance Board (NIB).

Property, Plant and Equipment

During the period, additions to property plant and equipment totalled BDS$34 million. Of this amount approximately 41% was spent for additions to buildings and work-in-progress. Additional expenditure was made mainly for the purchase of computers and other electronic equipment, and office furniture and fixtures. The Confucius Institute building at Cave Hill was completed during the year.

Long-Term Liabilities

a) Long-term Loans

The balance of BDS$135.5 million (2016: BDS$188.2 million) for long-term loans represents an overall decrease of 28%. During the year the USAID and IDB loans were repaid.

At Cave Hill, the Sports Loan from the Republic Bank was repaid in September 2016, while a further drawdown of BDS$2 million was made on the loan for the Institute of Cultural Development. At Mona, there was a new 3 year lease financing facility for J$96.4 million (BDS$1.5 million) to purchase equipment for the School of Engineering.

All loan payments are being made in accordance with the signed agreements.

b) Other Long–term Liabilities

Approximately 70% of other long-term liabilities represents funds being held by the University for the purpose of upgrading the facilities of the University Hospital of the West Indies. The remainder includes a vendor mortgage and certain trade creditors, as well as BDS$2 million due to pensioners resulting from the Arbitration Consent Order.

Investment Revaluation Reserve

In accordance with the International Financial Reporting Standards (IFRS), equities and unit trust accounts are reported at fair value. The appreciation or depreciation in value of these investments is included in the Investment Revaluation Reserve.

The net movement (appreciation) in the investment revaluation reserve for the year ended July 31, 2017 totalled BDS$2.4 million (2016: BDS$1.4 million).

Revaluation Surplus

This includes revaluation surpluses arising from previous revaluation of property, plant and equipment.

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

Employee Benefits Obligation

In accordance with International Financial Reporting Standards the University has disclosed estimates of its obligation for post-employment benefits. These financial statements include estimates related to such retirement benefits under the Supplementation scheme of all campuses and the University Centre, the Defined Benefit Scheme at the St. Augustine Campus and the medical scheme for pensioners at the Mona Campus and the St Augustine Campus.

The actuarial report on the obligation as at July 31, 2017 was prepared by the actuaries Eckler Partners Ltd. Based on this report an estimated net obligation of BDS$389.1 million has been included in these financial statements. The estimated obligation at July 31, 2016 was BDS$345.7 million.

The University of the West Indies and the West Indies Group of University Teachers (WIGUT) Jamaica had a dispute on the annuity conversion rates that should be used to test for supplementation.

The parties agreed to be bound by a process of arbitration based on the terms of reference. Pursuant to a suggestion of the Arbitrator the parties engaged in negotiations with a view to arrive at a compromise. The parties met on several occasions and came to an agreement which they requested the Arbitrator to use as the basis of a Consent Order.

The parties agreed that the annuity conversion rates to be used in testing for supplementation eligibility should be as follows:

Members of staff who retired:

- Up to September 30, 2017- UK rates
- October 1, 2017 –September 30, 2025- Mean of a UK and local annuity rate
- October 1, 2025- September 30, 2030- Transition between mean rate and local rate
- October 1, 2030 onwards- local rates

In addition where members of staff go on secondment or no-pay leave for two or more years their University service shall be deemed to have been broken for the purposes of calculation of supplementation benefit.

The Union and Management agreed to keep under review provisions regarding supplementation. This shall be done in keeping with the ongoing actuarial projections and the actual retirement and pension experience of members of staff.

The consolidated expenditure reflects an increase of BDS$28.9 million due to the terms of the Consent Order.

PERFORMANCE INDICATORS

		2017	2016	2015
a)	Total Operating Income/ Expenses	97%	98%	94%
b)	Government Contributions/ Total Operating Income	46%	46%	46%
c)	Total Income/Total Assets	53%	54%	54%
d)	Liquidity ratio (acid test)	2.0	2.1	2.1
e)	Average collection period for government contributions (months)	6.2	5.6	6.2
f)	CFI Score (**after** Consent Order on annuity rates for supplementation)	0.96	1.39	0.99
g)	CFI Score (**before** Consent Order on annuity rates for supplementation)	1.89	1.39	0.99
h)	Income per FTE (BDS$)	26,538	26,764	26,757
i)	Expense per FTE (BDS$)	27,330	27,280	28,405

a) For the year ended July 31, 2017 the ratio of total operating income to expenses was 97% compared with 98% in the prior year. The ratio remains below 100%, indicating that income for the year was not adequate to cover the necessary expenditure.

b) The ratio of Government Contributions to total operating income indicates that for the year ended July 31, 2017 the University relied on Governments to provide 46% of its income, which is the same as the corresponding period in the prior year, and is in line with the strategic goals of the University to reduce its reliance on government funding.

c) Total income to total assets was 53%, a one percentage point decrease from the prior year.

d) The acid test ratio of 2.0 reflects a fairly constant ratio of liquid assets to current liabilities in recent years. However, a significant portion of liquid assets is due from governments and the timing and value of the collection of these amounts is uncertain, thus creating difficulty in meeting commitments to suppliers.

e) The time needed for the UWI to collect outstanding Government contributions is currently averaging 6.2 months.

f) The CFI Score for 2017 (0.96) is **after** including adjustments based on the Consent Order between the UWI and WIGUT Jamaica regarding supplementation annuity conversion rates. The bench mark is a score between 3 and 10.

g) The CFI Score for 2017 (1.89) is **before** including adjustments based on the Consent Order between the UWI and WIGUT Jamaica regarding supplementation annuity conversion rates. The bench mark is a score between 3 and 10.

STATUS OF GOVERNMENT CONTRIBUTIONS

Overview

The responsibility of interfacing with Governments regarding contributions payable to the University of the West Indies resides with the Office of Finance. To assist Contributing Governments with their planning and budgeting the Office of Finance prepares yearly assessments for each Government and also, on a request basis, provides projections of the required contributions beyond the period accommodated by the University's biennium budget. Annually Governments are provided with a finalized bill which is based on actual student numbers and the approved budgets.

The Office of Finance also follows up with Government ministries by way of correspondence, telephone calls and visits. The Campus Principals and Bursars also relate to their respective campus Governments on amounts outstanding.

At July 31, 2017 the balance due from contributing Governments to the University of the West Indies for economic cost billed was BDS$221.48 million (net), an increase of BDS$11.09 million or 5.3% over the balance of BDS$210.39 million outstanding at July 31, 2016.

Barbados

At July 31, 2017, BDS$97.17 million remained outstanding from the Government of Barbados. The final billing for the year was BDS$120.67 million. However, the funding committed by the Government for the year was BDS$113.16 million representing a shortfall of BDS$7.51 million in the billing. While the Government made monthly payments totalling BDS$111.62 million during the year, these were not sufficient to repay the total of the committed amount and the outstanding amount of BDS$95.63 million at July 31, 2016. The Government has confirmed the balance owed and has committed to reduce the arrears as soon as its financial position allows.

Jamaica

The Government of Jamaica opened the year with a balance of J$115.06 million outstanding. The final billing for the year to July 31, 2017 was J$11,463.78 million. Funding committed for the year was J$7,287.32 million representing a shortfall of J$4,176.46 million and payments received during the year totalled J$7,223.39 million. The balance outstanding at July 31, 2017 was J$178.99 million, of which J$48.87 million was paid in September 2017. Correspondence has been provided to the Government regarding payment of the balance, and we anticipate that it will be settled soon.

Trinidad and Tobago

The Government of Trinidad & Tobago opened the year with an outstanding amount of TT$71.25 million at August 1, 2016. The final billing for the year was TT$701.06 million and funding committed by the Government for the year was TT$661.91 million, leaving a shortfall of TT$39.15 million in the billing. The total payment of TT$649.52 million received during the year to July 31, 2017 was not enough to liquidate the commitment. The balance at July 31, 2017 was TT$83.64 million, of which TT$54 million representing payment for the month of July 2017, was received in August 2017. The Government of Trinidad and Tobago continues to make payments against its account to keep it current.

Anguilla

The opening balance of EC$4.85 million at August 1, 2016 was increased to an outstanding balance of EC$5.48 million at July 31, 2017. An assessment of EC$0.93 million was applied for the financial year 2016/2017 but regrettably total payments received during the year amounted to only EC$0.30 million. A payment plan has been submitted to the Government of Anguilla to settle the arrears and keep the account current. We are awaiting confirmation regarding acceptance of this plan. Discussions will continue with the Government to liquidate the outstanding balance.

STATUS OF GOVERNMENT CONTRIBUTIONS (cont'd)

Antigua

The balance outstanding at August 1, 2016 was EC$7.60 million and this was increased to EC$10.74 million after application of the final billing for the year of EC$3.95 million and payments on account totalling EC$0.81 million. A payment plan has been submitted to the Government of Antigua to settle the arrears and keep the account current by making monthly payments. We are awaiting confirmation regarding acceptance of this plan. Discussions will continue with the Government to liquidate the outstanding balance.

Bahamas

The Government of the Bahamas opened the year with an outstanding amount of BAH$1.88 million. The final billing for the year was BAH$3.93 million and payments received totalled BAH$3.11 million. The payments were not enough to liquidate the entire amount resulting in the balance of BAH$2.70 million outstanding at July 31, 2017. A payment schedule for monthly payments has been provided to them to settle the account by the end of the financial year 2017/2018. Subsequent to year-end, payments totalling BAH$3.65 million were made from which a substantial amount was allocated towards the arrears.

Belize

The balance outstanding at July 31, 2017 stood at BZE$3.03 million reflecting an increase of BZE$0.32 million over the opening balance of BZE$2.71 million at August 1, 2016. The final 2016/2017 billing for Belize was BZE$1.81 million and payments amounting to BZE$1.49 million received during the year were applied to the account. In October 2017 a payment of BZE$1.22 million was received towards the outstanding balance. A payment schedule has been provided to the Government of Belize to liquidate the outstanding balance and keep the account current.

Bermuda

The Bermuda Government's account showed an outstanding amount of US$22,727 at August 1, 2016 and the billing for the year was US$23,568. A payment of US$23,298 was made during the year which resulted in an outstanding balance of US$22,997 at July 31, 2017

British Virgin Islands

The amount outstanding as at August 1, 2017 was US$1.99 million up from US$1.50 million at the start of the year. The final billing for the year to July 31, 2017 was US$0.59 million and a payment of US$0.1 million was received. The Government has committed to liquidating the outstanding balance of US$1.99 million as soon as possible.

Cayman Islands

The balance outstanding at August 1, 2016 was CI$1.77 million. The Government was billed CI$0.36 million for the year and a payment of CI$0.24 million was received. This resulted in a balance of CI$1.89 million at July 31, 2017. A payment schedule has been submitted to the Government to make monthly payments to ensure the account is settled by the end of the financial year 2017/2018. A payment of CI$275,000 was received subsequent to year-end.

Dominica

The balance outstanding at August 1, 2016 was EC$23.59 million representing an accumulation of billings for several years. No payments were made during 2016/2017 despite efforts made by the University in this regard. A payment plan was submitted to liquidate the arrears over seven years while keeping the account current but confirmation was not received regarding acceptance and no payments were received. The balance outstanding at July 31, 2017 was EC$26.12 million reflecting the increase due to the application of the final billing for 2016/2017 of EC$2.53 million.

STATUS OF GOVERNMENT CONTRIBUTIONS (cont'd)

Grenada

The balance outstanding from the Government of Grenada at July 31, 2017 was EC$17.38 million. The Opening balance was EC$18.83 million, the final billing for the year was EC$2.70 million and payments totalling EC$4.15 million were received. In April 2017 an agreed payment plan was put in place and the Government of Grenada has been honouring this plan .A lump sum payment of EC$2 million was made and monthly payments of EC$516,243 are being made to settle the arrears and keep the account current.

The University appreciates the efforts being made by the Government of Grenada to honour its obligations.

Montserrat

Montserrat closed the 2015/2016 financial year with a prepayment of EC$0.24 million. The final billing for 2016/2017 was EC$1.28 million and payments were made in the amount of EC$1.19 million resulting with a prepayment of EC$.15 million at July 31, 2017. We appreciate the efforts made by the Government of Montserrat to keep its account current.

St. Kitts and Nevis

The amount outstanding at August 1, 2016 was EC$3.16 million and the final billing for the year was EC$3.25 million. A commendable effort was made to pay the total debt as payments totalling EC$5.90 million were made during the year leaving an outstanding amount of EC$0.51 million at July 31, 2017. Subsequent to year-end the outstanding balance at July 31, 2017 was settled and an additional payment was made in an effort to keep the account current. We appreciate the efforts made by the Government of St Kitts and Nevis.

St. Lucia

The balance outstanding at August 1, 2016 was EC$20.92 million and the final billing for the year was EC$3.18 million. Payments of EC$1.59 million were received and this resulted in a balance of EC$22.51 million at July 31, 2017 an increase of EC$1.59 million over the opening balance. A payment plan was submitted in May 2017 but acceptance was not confirmed. A revised payment plan has been submitted and we are awaiting confirmation. Subsequent to year-end, payments totalling EC$1.54 million were received.

St. Vincent and the Grenadines

The year started with a balance of EC$25.79 million. During 2016/2017 a final billing of EC$4.88 million was applied and payments totalling EC$6.50 million were received resulting in a balance of EC$24.17 million at July 31, 2017. Subsequent to year end a payment of EC$3.25 million was received. A revised payment plan has been submitted since year end and we are awaiting confirmation of acceptance of same.

Turks & Caicos

The amount outstanding at August 1, 2016 was US$210,841. The final billing for the year August 1, 2016 to July 31, 2017 was US$318,024 and a payment of US$260,898 was received during the year resulting in an outstanding amount of US$267,967 at July 31, 2017. Subsequent to year-end, a payment of US$249,490 was received.

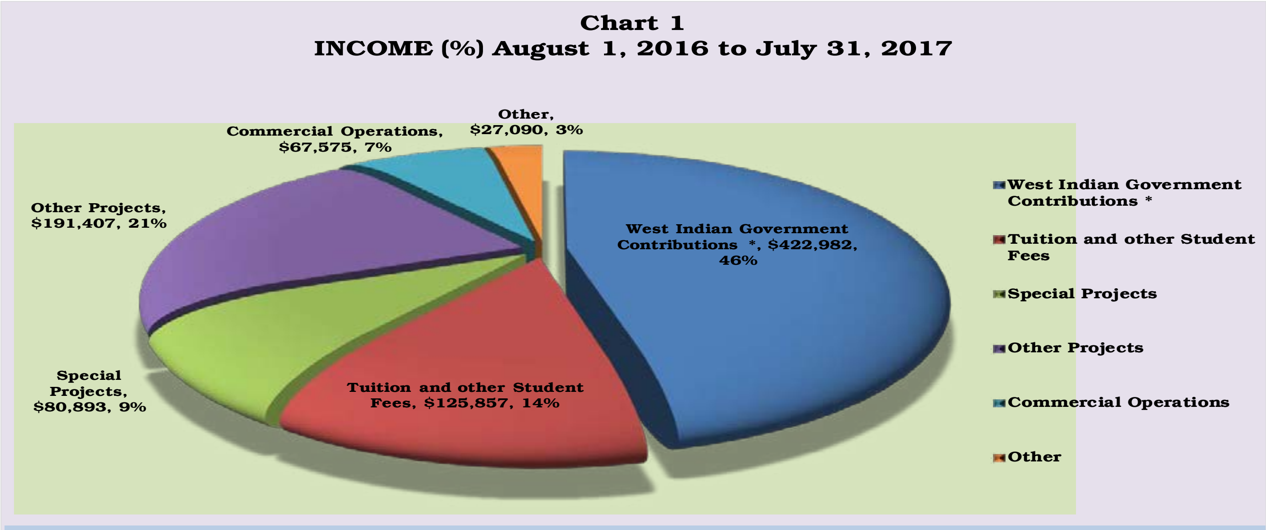
INCOME

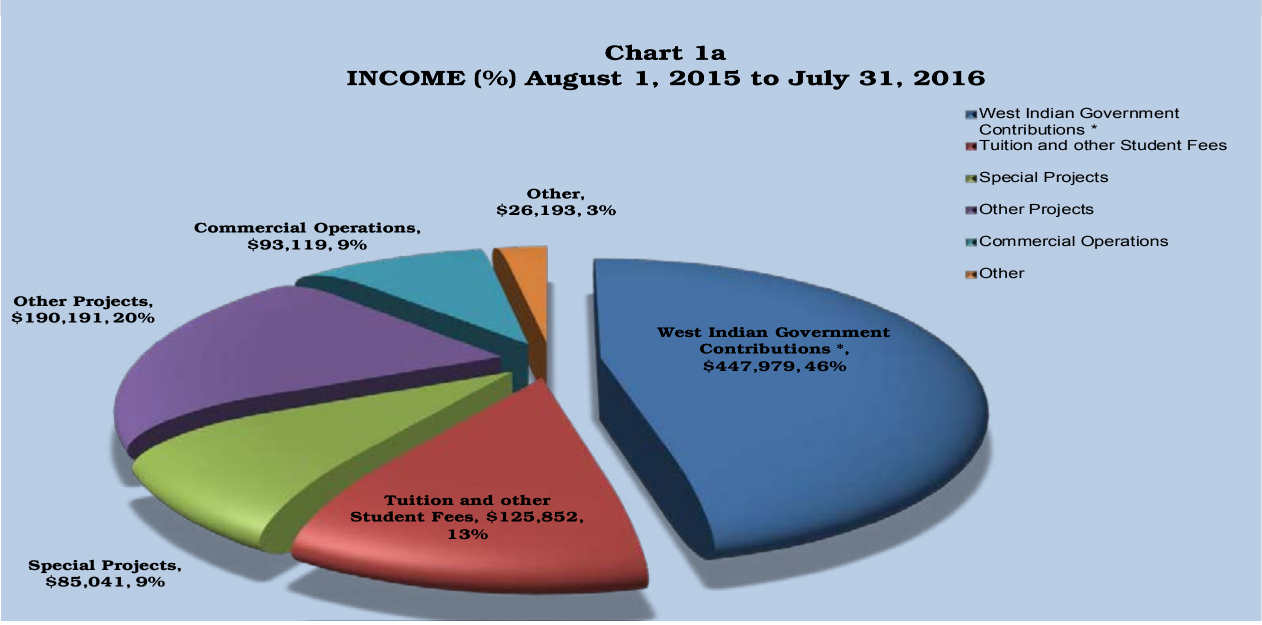
For the period August 1, 2016 to July 31, 2017 with comparatives for the period August 1, 2015 to July 31, 2016

TABLE 1 - $'000

SOURCES	J$		BDS$		TT$		EC$	
	2017	2016	2017	2016	2017	2016	2017	2016
West Indian Government Contributions *	27,198,994	27,205,069	422,982	447,979	1,424,945	1,452,212	571,046	604,728
Tuition and other Student Fees	8,092,939	7,642,807	125,857	125,852	423,986	407,974	169,912	169,888
Special Projects	5,201,656	5,164,398	80,893	85,041	272,513	275,676	109,209	114,797
Other Projects	12,308,026	11,550,017	191,407	190,191	644,813	616,542	258,408	256,740
Commercial Operations	4,345,294	5,654,944	67,575	93,119	227,648	301,862	91,230	125,701
Other	1,741,984	1,590,631	27,090	26,193	91,262	84,908	36,573	35,358
TOTAL INCOME	58,888,893	58,807,866	915,805	968,375	3,085,166	3,139,174	1,236,379	1,307,212

*net of transfer to capital grants





INCOME- THREE YEAR SUMMARY BY SOURCE
Table 2-BDS$'000

SOURCES	Aug 2014 - Jul 2015		Aug 2015 - Jul 2016		Aug 2016 - Jul 2017	
West Indian Government Contributions *	443,220	46%	447,979	46%	422,982	46%
Tuition and other Student Fees	128,249	13%	125,852	13%	125,857	14%
Special Projects	83,449	9%	85,041	9%	80,893	9%
Other Projects	194,725	20%	190,191	20%	191,407	21%
Commercial Operations	89,635	9%	93,119	9%	67,575	7%
Other	24,130	3%	26,193	3%	27,090	3%
TOTAL INCOME	963,408	100%	968,375	100%	915,805	100%

*net of transfer to capital grants

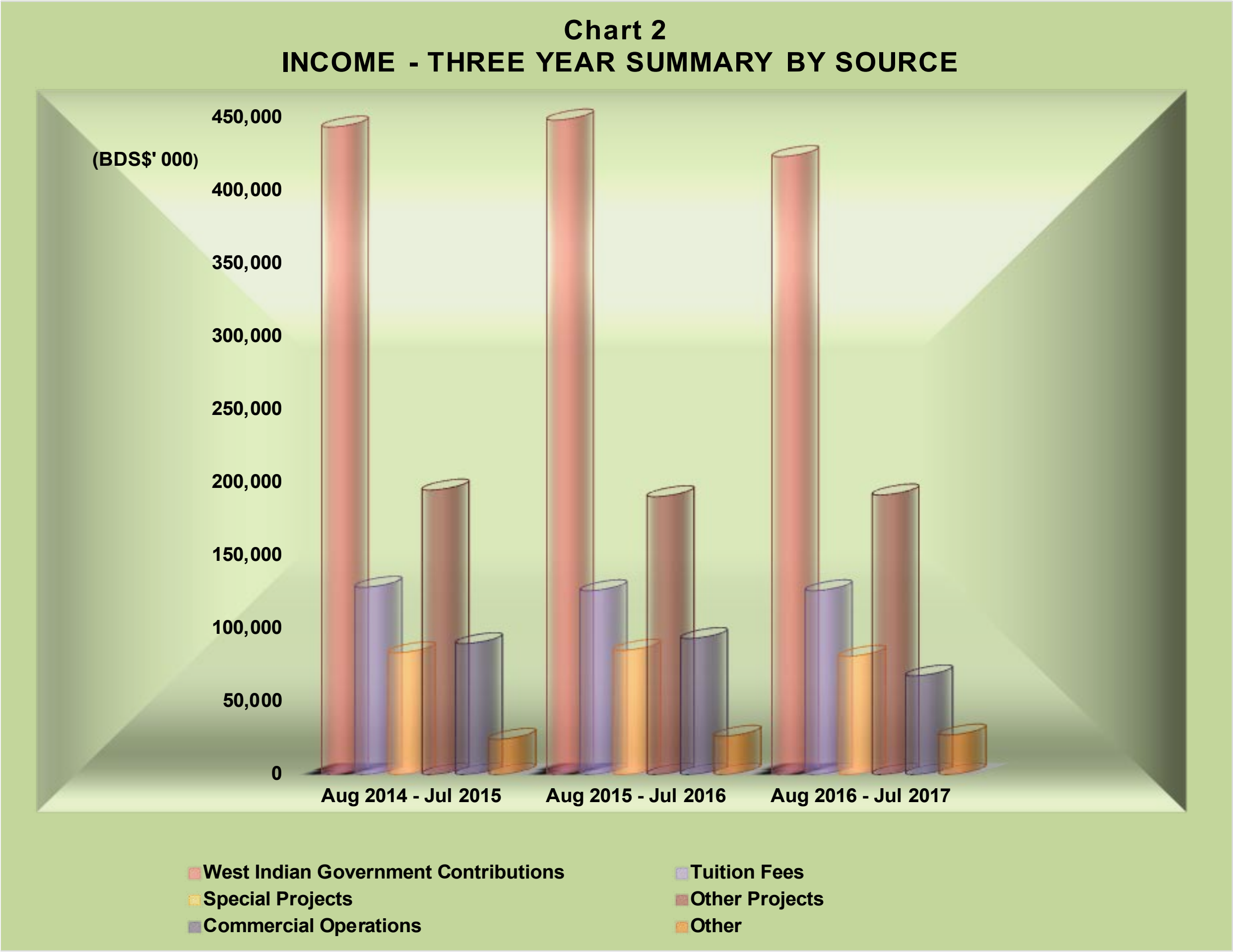
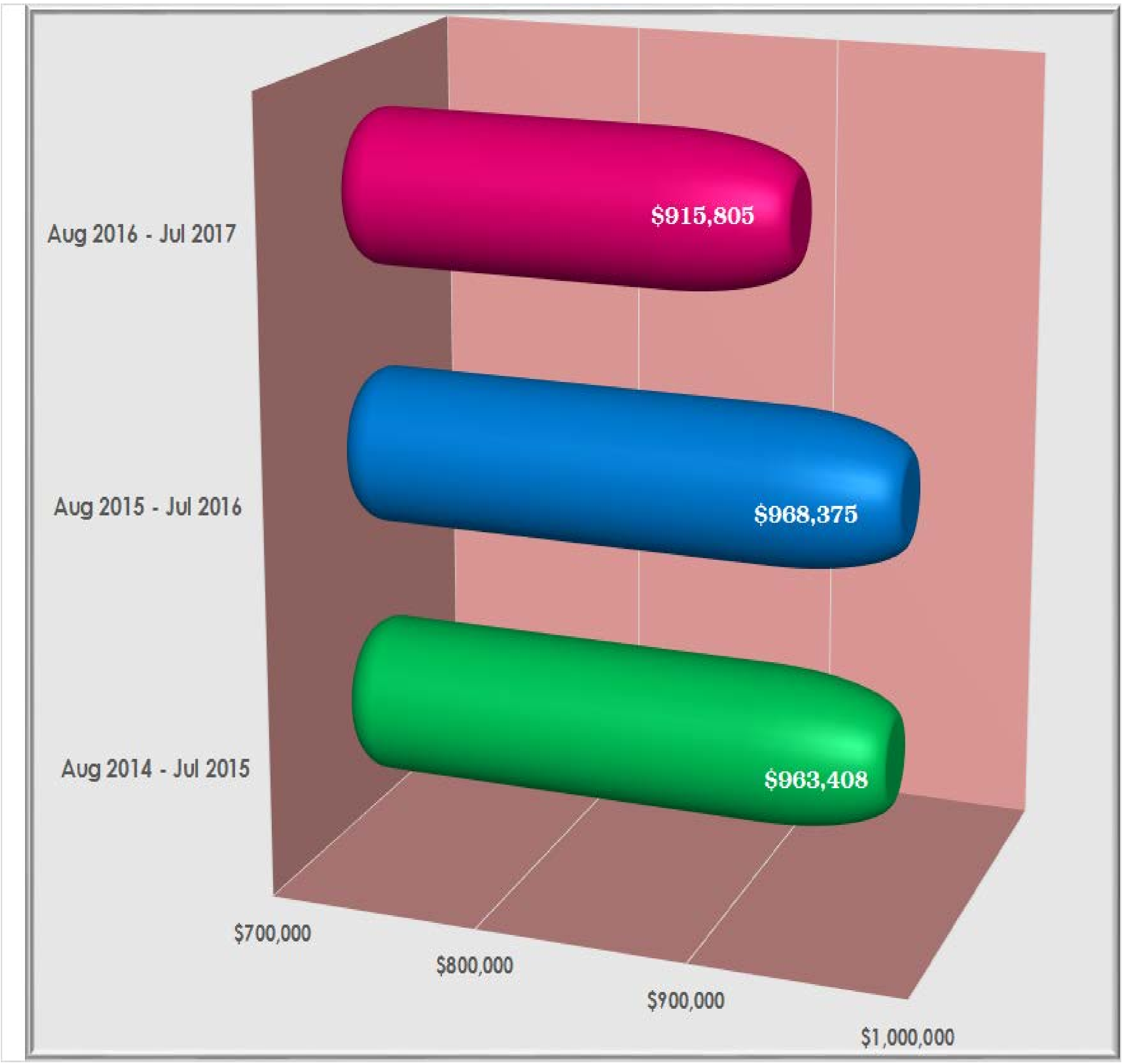


CHART 3
THREE YEAR SUMMARY OF TOTAL INCOME
BDS$'000



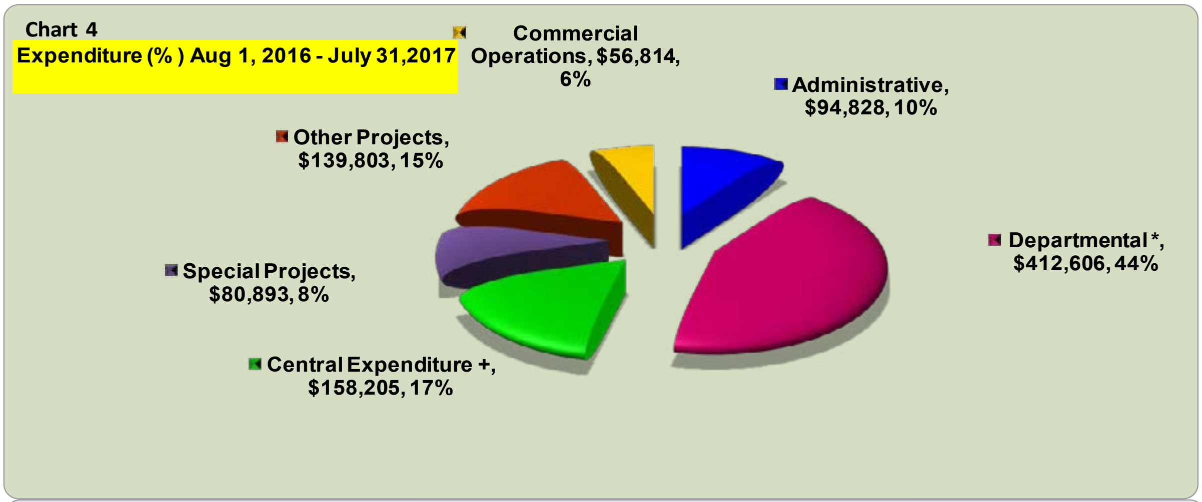
EXPENDITURE

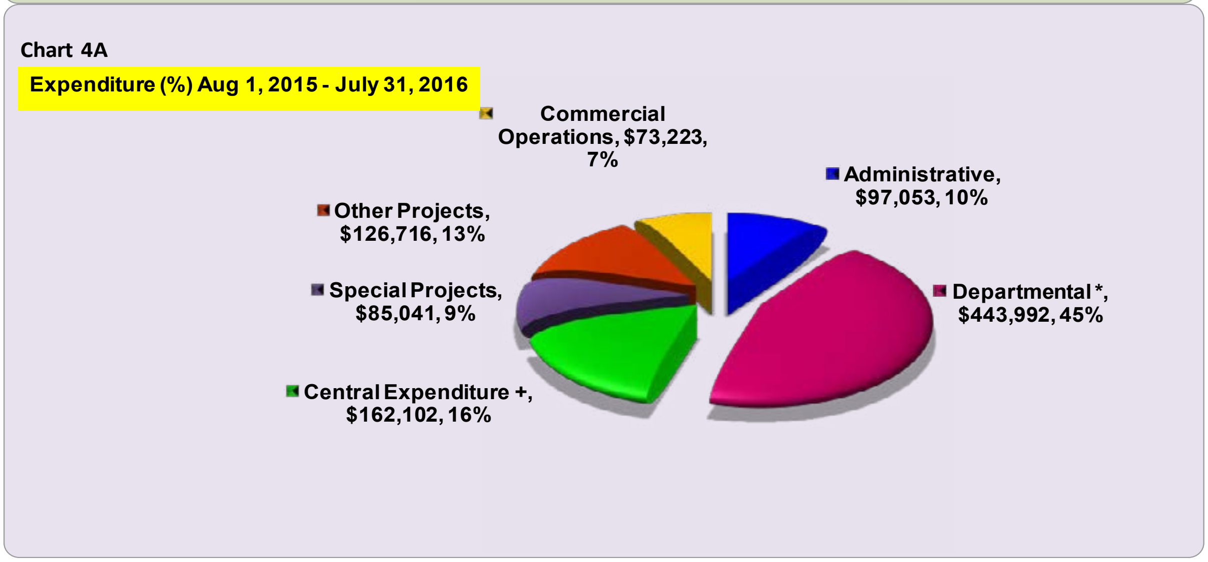
For the period August 1, 2016 to July 31, 2017 with comparatives for the period August 1, 2015 to July 31, 2016

TABLE 4 - $'000

CATEGORIES	J$		Bds$		TT$		EC$	
	2017	2016	2017	2016	2017	2016	2017	2016
Administrative	6,097,742	5,893,866	94,828	97,053	319,458	314,616	128,023	131,012
Departmental *	26,531,773	26,962,948	412,606	443,992	1,389,989	1,439,287	557,038	599,346
Central Expenditure +	10,173,041	9,844,227	158,205	162,102	532,962	525,487	213,584	218,822
Special Projects	5,201,656	5,164,398	80,893	85,041	272,513	275,677	109,209	114,797
Other Projects	8,989,732	7,695,285	139,803	126,716	470,968	410,776	188,740	171,055
Commercial Operations	3,653,300	4,446,698	56,814	73,223	191,395	237,366	76,701	98,843
TOTAL EXPENDITURE	60,647,244	60,007,422	943,148	988,127	3,177,284	3,203,209	1,273,295	1,333,875

* includes depreciation
+includes finance costs, and charge for post-employment benefits





EXPENDITURE

THREE YEAR SUMMARY
Table 5
BDS$'000

CATEGORIES	Aug 2014 - July 2015		Aug 2015 - July 2016		Aug 2016 - July 2017	
Administrative	88,060	9%	97,053	10%	94,828	10%
Departmental*	445,582	44%	443,992	45%	412,606	44%
Central Expenditure +	205,412	20%	162,102	16%	158,205	17%
Special Projects	83,449	8%	85,041	9%	80,893	8%
Other Projects	126,851	12%	126,716	13%	139,803	15%
Commercial Operations	73,412	7%	73,223	7%	56,814	6%
TOTAL EXPENDITURE	1,022,766	100%	988,127	100%	943,148	100%

* includes depreciation
+includes finance costs, and charge for post-employment benefits

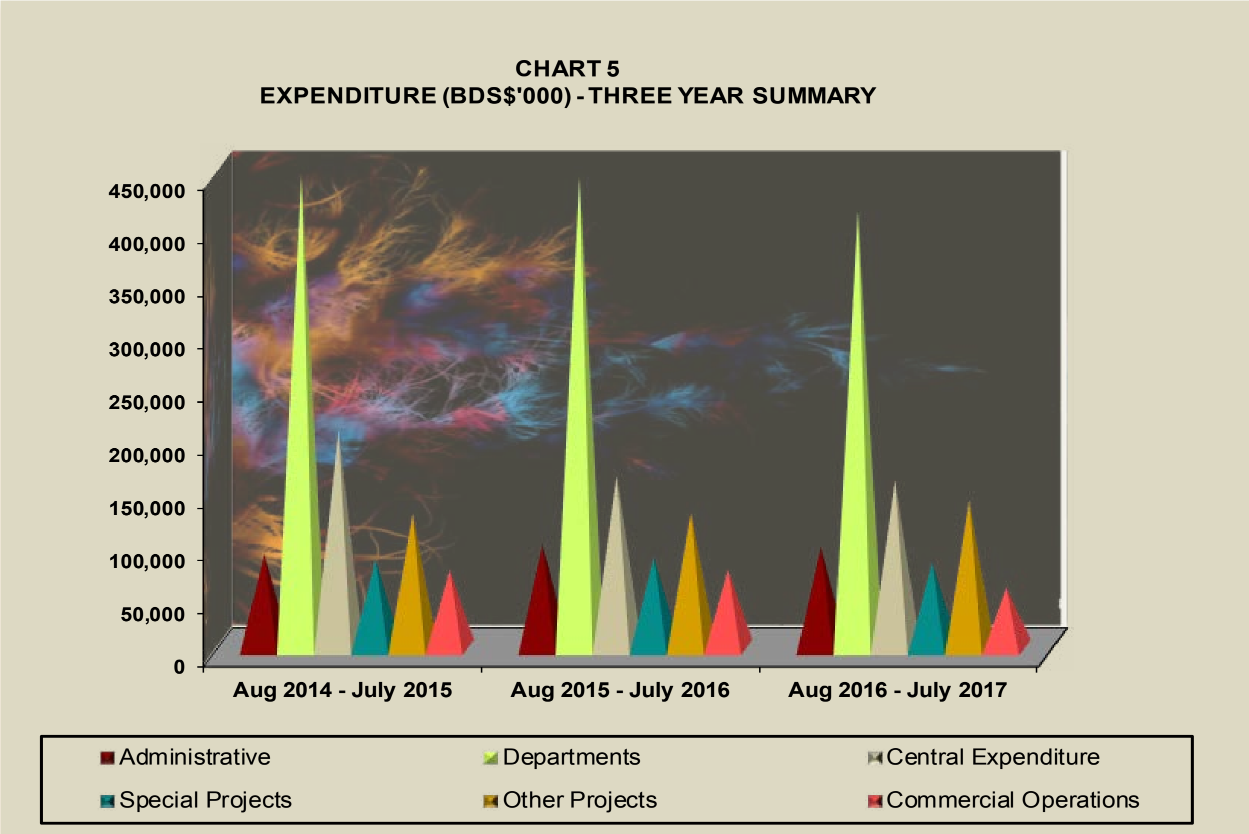
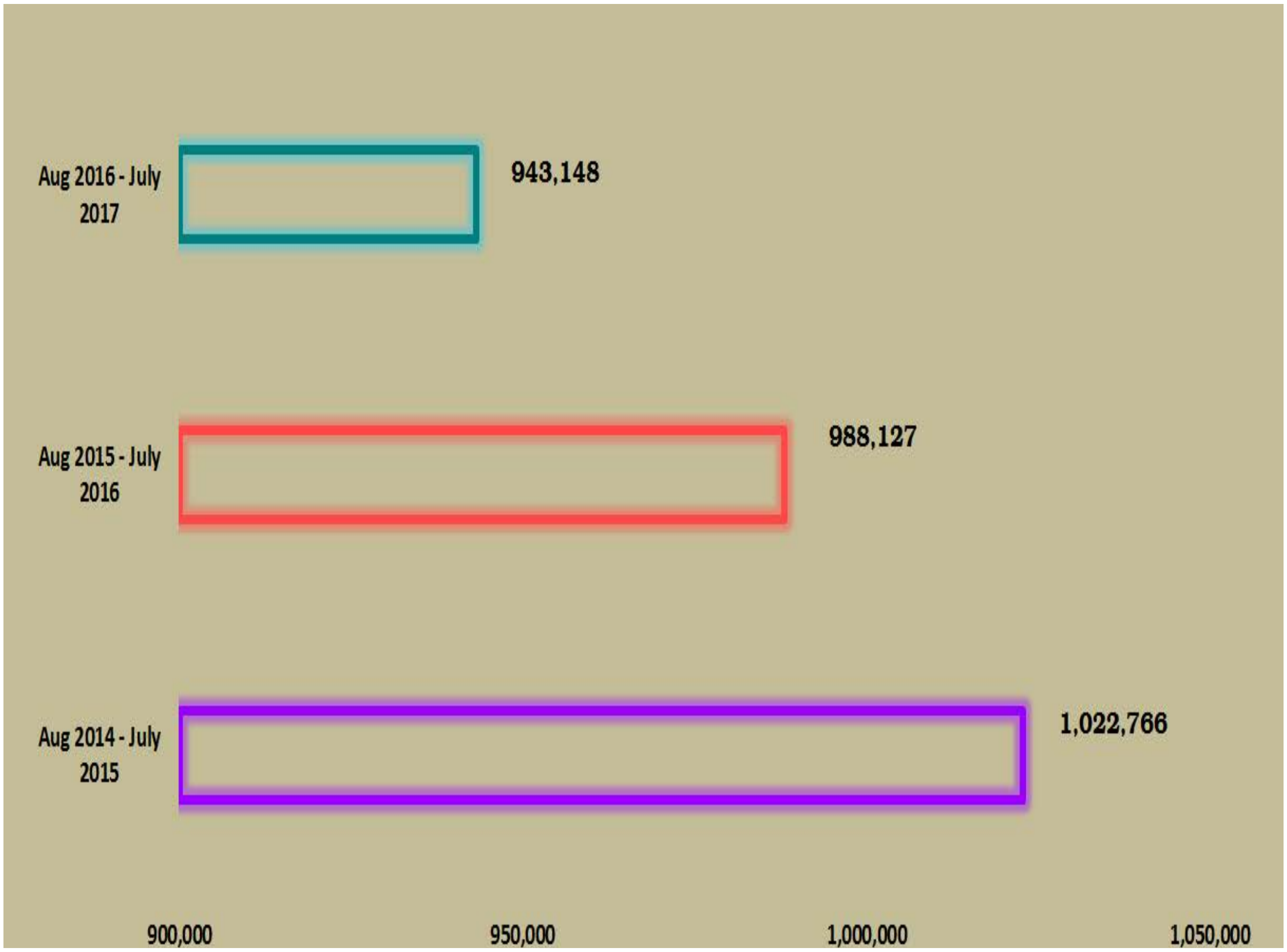


CHART 6
THREE YEAR SUMMARY OF TOTAL EXPENDITURE
BDS$'000

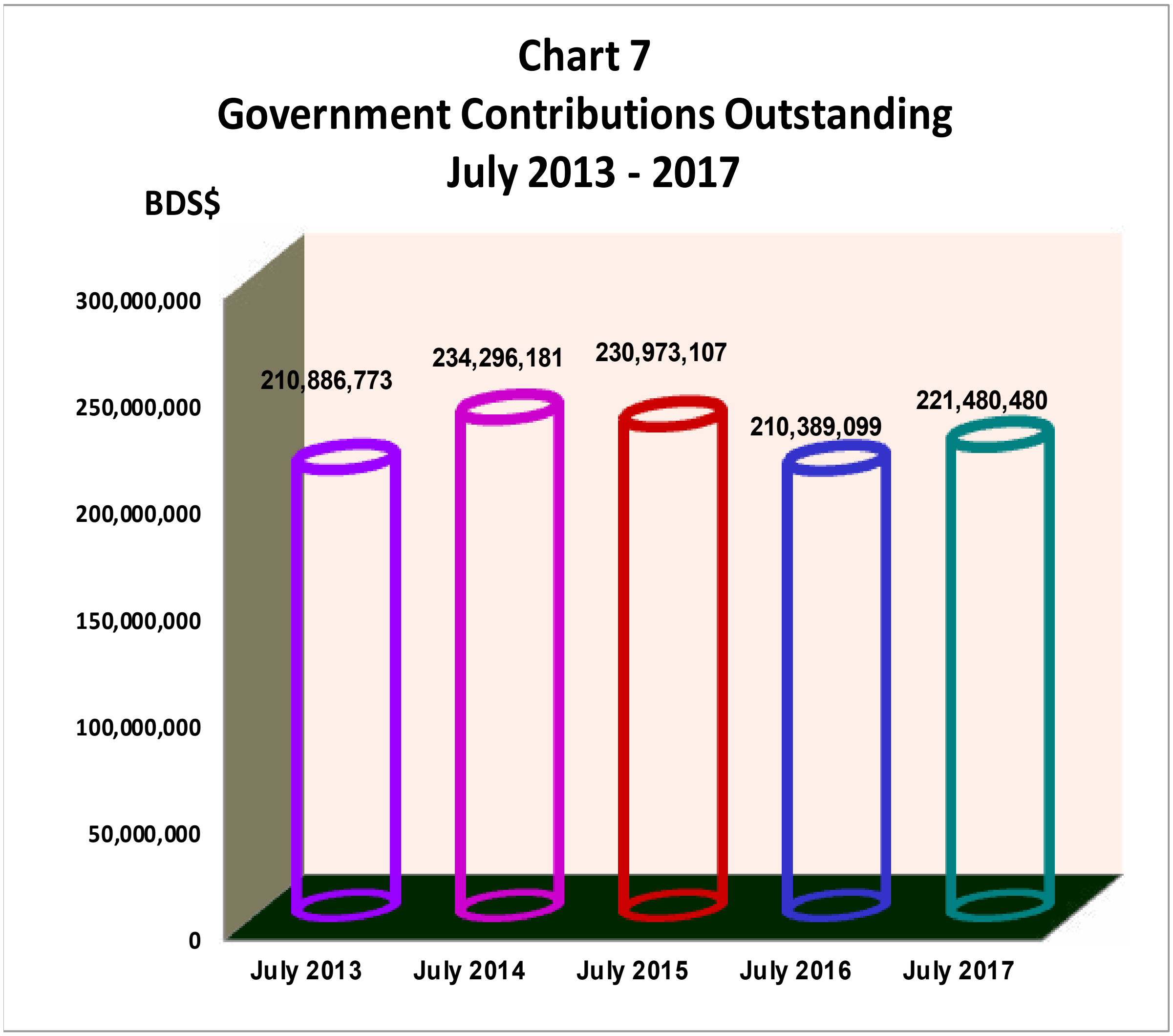


GOVERNMENT CONTRIBUTIONS OUTSTANDING

JULY 2013 - JULY 2017

TABLE 7 (BDS$)

PERIOD	BDS$
July 2013	210,886,773
July 2014	234,296,181
July 2015	230,973,107
July 2016	210,389,099
July 2017	221,480,480



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INDEPENDENT AUDITORS' REPORT

To the Members of
THE COUNCIL OF THE UNIVERSITY OF THE WEST INDIES - CENTRE

Opinion

We have audited the financial statements of The University of the West Indies - Centre ("UWI Centre"), set out on pages 13 to 52, which comprise the statement of financial position as at July 31, 2017, the statements of profit or loss and other comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of UWI Centre as at July 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of UWI Centre in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT *(CONT'D)*

To the Members of
THE COUNCIL OF THE UNIVERSITY OF THE WEST INDIES - CENTRE

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing UWI Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate UWI Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing UWI Centre's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT *(CONT'D)*

To the Members of
THE COUNCIL OF THE UNIVERSITY OF THE WEST INDIES - CENTRE

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWI Centre's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on UWI Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause UWI Centre to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

CHARTERED ACCOUNTANTS
Kingston, Jamaica

November 13, 2017

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

			Restated*	
	Notes	2017	2016	2015
CURRENT ASSETS				
Cash and cash equivalent	5	8,550,243	10,804,483	9,706,042
Resale agreements	6	1,176,078	1,466,133	1,157,394
Short-term investments	7	6,159,695	6,031,821	4,839,482
Accounts receivable	8	29,230,418	26,655,469	25,643,042
Inventories	9	418,305	446,718	421,325
		45,534,739	45,404,624	41,767,285
CURRENT LIABILITIES	10	(22,094,865)	(22,118,362)	(20,700,265)
NET CURRENT ASSETS		23,439,874	23,286,262	21,067,020
NON-CURRENT ASSETS				
Advances	11	8,095	8,879	12,931
Long-term investments	7	9,221,290	8,400,587	7,879,862
Investment properties	12	5,720	5,969	6,218
Long-term receivables	13	4,191,462	3,237,329	3,322,866
Interest in subsidiaries	14	42,592	87,901	210,992
Property, plant and equipment	15	51,234,453	51,506,682	50,015,385
		64,703,612	63,247,347	61,448,254
		88,143,486	86,533,609	82,515,274
RESERVES				
Cumulative translation reserve	16	16,906,057	16,646,555	14,838,959
Revaluation surplus	17	5,426,213	5,426,213	5,426,213
Investment revaluation reserve	18	1,676,472	1,523,953	1,438,607
General reserve		4,315,533	4,180,527	5,269,153
Accumulated fund		2,074,547	3,756,166	4,458,129
Total reserves		30,398,822	31,533,414	31,431,061
NON-CURRENT LIABILITIES				
Unexpended donations for special projects	19	6,191,526	6,293,794	5,708,351
Endowment funds	20	317,391	321,010	315,882
Capital grants	21	16,861,781	15,937,223	14,062,416
Long-term liabilities	22	9,382,760	10,451,067	11,493,712
Employee benefits obligation	23(d)	24,822,873	21,818,768	19,315,519
Deferred income	24	168,333	178,333	188,333
Total non-current liabilities		57,744,664	55,000,195	51,084,213
		88,143,486	86,533,609	82,515,274

The financial statements on pages 22 to 72 were approved for issue by the University Audit Committee on November 13, 2017 and signed on its behalf by:

____________________ Vice Chancellor
Sir Hilary M. Beckles

____________________ University Bursar/Chief Financial Officer
Andrea McNish

* See note 33

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended July 31, 2017

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

	Notes	2017	Restated* 2016
INCOME			
Government Contributions	4	27,994,218	27,947,703
Tuition and other student fees		8,092,939	7,642,807
Special projects		5,201,656	5,164,398
Other projects		12,308,026	11,550,017
Commercial operations		4,345,294	5,654,944
Investment income		561,902	441,427
Miscellaneous income		1,180,082	1,149,204
		59,684,117	59,550,500
Less: transfer to capital grants		(795,224)	(742,634)
Income after transfer to capital grants		58,888,893	58,807,866
EXPENSES			
Departmental		(23,871,177)	(24,373,593)
Administrative		(6,097,742)	(5,893,866)
Central		(5,381,335)	(7,039,852)
Special projects		(5,201,656)	(5,164,398)
Other projects		(8,989,732)	(7,695,285)
Commercial Operations		(3,653,300)	(4,446,698)
	25	(53,194,942)	(54,613,692)
Surplus for the year before finance costs		5,693,951	4,194,174
Finance costs	26	(601,538)	(607,387)
Surplus for the year before depreciation, pension and post-employment medical benefits		5,092,413	3,586,787
Depreciation		(2,660,598)	(2,589,355)
Pension and post-employment medical benefits	23(e)	(4,190,167)	(2,196,988)
DEFICIT FOR THE YEAR		(1,758,352)	(1,199,556)
OTHER COMPREHENSIVE INCOME			
Item that will never be reclassified to profit or loss			
Re-measurement of employee benefits obligation	23(e)	186,816	(752,826)
Items that may be reclassified to profit or loss			
Change in fair value of available-for-sale financial assets		152,519	233,826
Reclassification of fair value gains on disposal of investments		-	(148,480)
Currency translation adjustments		259,502	1,807,596
Total other comprehensive income		598,837	1,140,116
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,159,515)	(59,440)

* See note 33

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Reserves

Year ended July 31, 2017

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

	Capital Reserves			Other Reserves		
	Cumulative translation reserve	Revaluation surplus	Investment revaluation reserve	General reserves	Accumulated fund	Total reserves
Balances as at July 31, 2015						
As previously reported	14,838,959	5,426,213	1,438,607	4,992,151	4,518,920	31,214,850
Prior year adjustment (note 33)	-	-	-	277,002	(60,791)	216,211
As restated	**14,838,959**	**5,426,213**	**1,438,607**	**5,269,153**	**4,458,129**	**31,431,061**
Comprehensive income for the year:						
Deficit for the year, as restated	-	-	-	-	(1,199,556)	(1,199,556)
Other comprehensive income	1,807,596	-	85,346	(165,623)	(587,203)	1,140,116
Total comprehensive loss for the year, as restated	1,807,596	-	85,346	(165,623)	(1,786,759)	(59,440)
Transactions recorded directly in equity:						
Transfer to sabbatical fund	-	-	-	5,711	-	5,711
Adjustment for net funds under management	-	-	-	95,725	60,357	156,082
Transfers between reserves	-	-	-	(1,024,439)	1,024,439	-
Total transactions recorded directly in equity	-	-	-	(923,003)	1,084,796	161,793
Balances at July 31, 2016, as restated	**16,646,555**	**5,426,213**	**1,523,953**	**4,180,527**	**3,756,166**	**31,533,414**
Comprehensive income for the year:						
Deficit for the year	-	-	-	-	(1,758,352)	(1,758,352)
Other comprehensive income	259,502	-	152,519	725,354	(538,538)	598,837
Total comprehensive loss for the year	259,502	-	152,519	725,354	(2,296,890)	(1,159,515)
Transactions recorded directly in equity:						
Transfer to sabbatical fund	-	-	-	25,426	-	25,426
Adjustment for net funds under management	-	-	-	-	(503)	(503)
Transfers between reserves	-	-	-	(615,774)	615,774	-
Total transactions recorded directly in equity	-	-	-	(590,348)	615,271	24,923
Balances at July 31, 2017	**16,906,057**	**5,426,213**	**1,676,472**	**4,315,533**	**2,074,547**	**30,398,822**

The accompanying notes form an integral part of the financial statements

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

	Notes	2017	Restated* 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		(1,758,352)	(1,199,556)
Adjustments for:			
Depreciation: Property, plant and equipment	15	2,660,349	2,589,106
Investment properties	12	249	249
Amortisation of capital grants	21	(473,821)	(423,466)
Employee benefits obligation		3,096,887	2,196,988
Loss on sale of property, plant and equipment		5,630	1,767
Foreign exchange adjustments		(1,391,518)	1,596,130
Discount on long-term receivables		(871,210)	894,012
Interest income		(538,817)	(409,753)
Dividend income		(23,085)	(31,674)
Deferred income	24	(10,000)	(10,000)
Interest expense		601,538	607,387
		1,297,850	5,811,190
Changes in:			
Accounts receivable		(1,499,033)	(1,906,439)
Inventories		28,413	(25,393)
Current liabilities		726,198	(2,048,773)
Net cash provided by operating activities		553,428	1,830,585
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		334,111	152,194
Dividend received		23,085	31,674
Investment, (net)		(796,058)	(1,627,718)
Decrease/(increase) in resale agreements		290,055	(308,739)
Decrease in advances		784	4,052
Long-term receivables		(954,133)	85,537
Interest in subsidiaries		45,309	123,091
Purchase of property, plant and equipment	15	(2,168,679)	(2,668,916)
Proceeds from sale of property, plant and equipment		4,496	11,122
Net cash used by investing activities		(3,221,030)	(4,197,703)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(409,655)	(377,861)
Unexpended donations for special projects		1,488,815	585,444
Endowment funds	20	(3,737)	4,344
Capital grants received	21	1,322,901	1,833,423
Proceeds of long-term loans		89,025	1,211,989
Repayment of long-term loans		(2,038,536)	(2,165,505)
Other long-term liabilities, (net)		(35,451)	2,373,725
Net cash provided by financing activities		413,362	3,465,559
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,254,240)	1,098,441
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		10,804,483	9,706,042
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	8,550,243	10,804,483

*See note 33
The accompanying notes form an integral part of the financial statements.

1. THE UNIVERSITY

The University of the West Indies ("the University") is a not-for-profit educational institution providing higher education to seventeen contributing Caribbean countries. These are Anguilla, Antigua/Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands. The registered office of the University is located at Mona, Kingston 7, Jamaica, W.I.

The University operates from four main campuses as follows:

Barbados	The Cave Hill Campus
Jamaica	The Mona Campus
Trinidad and Tobago	The St. Augustine Campus
Eastern Caribbean, Jamaica, Barbados and Trinidad and Tobago	The Open Campus

The University's primary activities are the provision of a place of education, learning and research, in order to secure the advancement of knowledge and the diffusion and extension of arts, sciences and learning throughout the Caribbean. Activities ancillary to the principal activities include rental of student housing, other rentals and book sales.

The University is funded primarily by contributions from the governments of the seventeen contributing countries (see note 4) and is therefore economically dependent on these governments for its continued operations.

2. BASIS OF PREPARATION

(a) *Statement of Compliance:*

The financial statements as at and for the year ended July 31, 2017 (the reporting date) have been prepared in accordance with International Financial Reporting Standards ("IFRS").

New and amended standards that became effective during the year

Certain new and amended standards which were in issue came into effect for the current financial year. The adoption of those new and amended standards did not have any significant effect on amounts and disclosures in the financial statements.

New and amended standards in issue but not yet effective

At the date of authorization of the financial statements, the following new and amended standards, which were in issue, were not yet effective and had not been early adopted by UWI Centre. Those new standards and amendments that may be relevant to the University are as follows:

2. BASIS OF PREPARATION *(cont'd)*

(a) Statement of Compliance(cont'd):

New and amended standards in issue but are not yet effective (cont'd)

- IFRS 9*, Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

  The University will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers

- Amendments to IAS 7, *Statement of Cash Flows*, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

2. BASIS OF PREPARATION *(cont'd)*

(a) Statement of Compliance (cont'd):

New and amended standards in issue but not yet effective (cont'd)

- IFRS 16*, Leases,* which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

Management is evaluating the impact of adopting these new and amended standards on the financial statements when they are adopted.

(b) Basis of measurement:

The financial statements are prepared under the historical cost basis, except for available-for-sale investments which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Jamaica dollars, except where otherwise indicated, which is the functional currency of The University. The financial statements are presented in thousands of dollars (J$000) unless otherwise stated.

(d) Use of estimates, assumptions and judgments:

The preparation of the financial statements to conform to IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of, and/or disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

2. BASIS OF PREPARATION *(cont'd)*

(d) Use of estimates, assumptions and judgments (cont'd):

(i) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows of impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(ii) Pension and other post-employment benefits:

The amounts recognised in The University's statements of financial position and profit or loss and other comprehensive income for pension and other post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-employment medical benefits.

The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of The University's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in the foregoing assumptions will affect the amounts recorded in the financial statements for these obligations.

(iii) Residual value and expected useful life of property, plant and equipment:

The residual value and expected useful life of an asset are reviewed at least at each financial year end, and if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to The University.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation:

Subsidiaries are entities controlled by the University. The University controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements include the financial positions, results of operations and cash flows of all four campuses and the University Centre ("subsidiaries"), made up to July 31, 2017, after eliminating all significant inter-group amounts. The subsidiaries are collectively referred to as "University".

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd):

The St. Augustine Campus has two wholly-owned subsidiaries, the UWI School of Business and Applied Studies Limited (UWISBASL), which also provides a place of education and learning, and St. Augustine Enterprises Limited, which provides accommodation and conference facilities for university-related purposes. The Open Campus has one wholly-owned subsidiary, Early Childhood Centres of Excellence, a company limited by guarantee. Their financial positions, results of operations and cash flows have been consolidated.

The University has not consolidated the financial position, results of operations and cash flows with those of its subsidiaries, Mona Informatix Limited, Universal Media Company Limited, Mona School of Business and Management and UWI Consulting Inc., on the basis that they are immaterial to the consolidated financial statements. Details of the non-consolidated subsidiaries are as follows:

Name of Subsidiary	Principal activity	Percentage ownership 2017	2016
Mona Informatix Limited (MIL)	Provision of data processing services.	100	100
Universal Media Company Limited (UMC)	Provision of communication services.	100	100
Mona School of Business and Management (MSBM)	Provision of management education to private and public sectors; research on management-related topics; and consultancy services to private and public sectors and international bodies.	100	100
UWI Consulting Inc. (UWIC)	Provision of consulting services.	100	100

Summary information applicable to the subsidiaries, based on draft financial statements, as at and for the years ended July 31, 2017 and 2016, is as follows:

	Net assets/(liabilities) 2017	2016	Net profit/(loss) 2017	2016
MIL	(32,878)	(41,396)	(1,280)	(30,322)
MSBM	224,326	194,431	30,550	15,938
UMC	(296,288)	(266,178)	(4,380)	(33,091)
UWIC	(80,237)	(66,324)	(10,034)	(8,440)
	(185,077)	(179,467)	14,856	(55,915)

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(b) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances and include short-term deposits and other monetary investments with maturities ranging between one and three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management activities are included as a component of cash and cash equivalents.

(c) Investments:

Available-for-sale investments:

Available-for-sale investments are non-derivative financial assets intended to be held for an indefinite period of time, which may be sold in response to the need for liquidity or changes in interest rates, foreign exchange rates or equity prices. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses, are recognized in the investment revaluation reserve through other comprehensive income. When an investment is derecognized, the cumulative gain or loss in equity is transferred to profit or loss.

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market, and that the University does not intend to sell immediately or in the near term and are measured at amortised cost using the effective interest method, less any impairment losses.

Fair value through profit or loss:

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the University manages such investments and makes purchase and sales decisions based on their fair value in accordance with the University's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes in fair value are recognised in profit or loss.

Held to maturity:

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the University has the positive intention and ability to hold to maturity. Were the University to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale and the University would be prohibited from classifying investment securities as held-to-maturity for the current and the following two financial years. Held-to-maturity investments are measured at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Resale agreements:

Resale agreements are short-term transactions whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price. Although the security is delivered to the "buyer" at the time of the transaction, title is not actually transferred unless the counterparty fails to repurchase the securities on the date specified. Resale agreements are accounted for as short-term collateralised lending.

The difference between the purchase and resale considerations is recognised on an accrual basis over the period of the transaction, using the effective interest method, and is included in interest income.

(e) Accounts receivable:

Accounts receivable are measured at amortised cost, less impairment losses.

(f) Accounts payable:

Accounts payable and accrued charges are measured at amortised cost.

(g) Provisions:

A provision is recognised in the statement of financial position when the University has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If the effect of discounting is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

(h) Inventories:

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

(i) Investment properties:

Investment properties are measured at cost less accumulated depreciation and impairment losses. Investment properties are depreciated on the straight-line basis at an annual rate of 2½%. Rental income from investment properties is accounted for as described in accounting policy 3(n).

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(j) Property, plant and equipment and depreciation:

(i) Owned assets:

Property, plant and equipment are measured at cost or deemed cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the assets. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the University and its cost can be reliably measured. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

(ii) Depreciation:

Property, plant and equipment, with the exception of freehold land, land improvements, and work-in-progress, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Buildings	2½%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computers and other electronic equipment	33⅓%
Library books	20%

(iii) Capital grants:

Property, plant and equipment donated are capitalised at estimated fair values, usually the cost of the items if they were purchased, and credited to capital grant. Annual transfers, equivalent to depreciation charged on property, plant and equipment funded by such grants, are made to profit or loss.

(k) Employee benefits:

Employee benefits comprise all forms of consideration given by the University in exchange for service rendered by employees. These include current or short-term benefits such as salaries, NIS contributions, annual vacation, and non-monetary benefits such as sick leave, medical care and housing; post-employment benefits such as pensions and medical care; other long-term employee benefits such as sabbatical leave, long service benefits and termination benefits.

Pensions and other post-employment obligations included in these financial statements have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and includes the actuary's opinion.

The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the University's post-employment benefits obligation as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(k) Employee benefits (cont'd):

(a) General benefits:

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described in (b) and (c) below.

Other long-term benefits and termination benefits are not considered material and are recognised when they fall due.

(b) Pension benefits:

The University provides pension benefits for retired employees by the operation of two defined-contribution plans, one, the Federated Superannuation Scheme for Universities ("FSSU"), for academic and senior administrative staff, [note 23(a)], and the other for non-academic staff [note 23(c)] and a defined-benefit plan for administrative and technical staff [note 23(b)].

(1) *Defined-contribution plans*

The University's obligation to contribute to the defined-contribution pension plans in accordance with the rules of the plans is recognised as an expense in profit or loss as the contributions fall due. In the case of one of the two defined-contribution plans, the FSSU, the University, on the basis of commitments made, has an obligation to supplement the pensions earned, where necessary. Likewise, the University has funding obligations under the defined-benefit plan.

(2) *Defined-benefit effect of supplementation arrangements*

The effect of the University undertaking to supplement basic pensions to two-thirds final salary under certain conditions (note 23) is to create an obligation consistent with that for a defined-benefit plan. Therefore, this obligation for the supplementation arrangements is determined and accounted for in the same way as the obligation arising under a defined-benefit plan.

The University's net obligation in respect of its undertaking to supplement pensions as well as its obligations under the defined-benefit plan, is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of their superannuation funds is deducted from it. The discount rate used is the yield at the reporting date on long-term government instruments that have maturity dates approximating the terms of the University's pension obligations. The calculation is performed by a qualified actuary using the *projected unit credit method*.

If and when benefits payable under the supplementation arrangements are improved or curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. Gains or losses on settlement are recognized when the settlement occurs.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(k) Employee benefits (cont'd):

(b) Pension benefits (cont'd):

(2) Defined-benefit effect of supplementation arrangements(cont'd)

Re-measurements of the net defined-benefit liability, which comprise actuarial gains or losses, are recognised immediately in other comprehensive income. The University determines the net interest expense on the net defined-benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Where the calculation results in a benefit to the University, an asset is recognized only to the extent of the net present value of any future refunds from the plan or reductions in future contributions to the plan. However, the supplementation plan is unfunded, i.e., a pay-as-you-go plan, and, accordingly, there are no contributions and therefore no plan assets at this time. The defined-benefit plan for administrative and technical staff has assets.

(c) Post-employment medical care:

The University also has an obligation to provide certain post-employment medical benefits. The obligation to fund these future benefits is actuarially determined and accounted for in the same way as the obligations under the defined-benefit plan.

(l) Capital grants:

Capital grants comprise the following:

(i) Estimated fair value of property, plant and equipment donated to the University [note 3(j)(iii)]; and

(ii) Amounts granted to the University subject to conditions that must be met, the primary condition being that the grant must be used for the acquisition or construction of property, plant and equipment.

The amounts meeting the condition include:

- sums included in the biennial budgets for the repayment of the principal of loans taken out to purchase or construct or otherwise acquire property, plant and equipment and funded by contributions from the contributing governments; and

- sums from donors other than the contributing governments referred to above, where the donors impose such a condition.

For each reporting period, an amount equivalent to the depreciation charge on the relevant property, plant and equipment for that period is transferred from capital grants as a credit to income.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(m) Donations for designated projects:

The University receives funding from donors for "special projects" and "other projects".

(i) Donations that are governed by donor-imposed stipulations, which stipulations must be complied with to the satisfaction of the donor for the project expenditure to be approved, are generally for projects undertaken by the various departments and are referred to as unexpended donations for special projects (note 19). Such donations are accounted for as follows:

(a) Donations received in advance of project expenditure:

Donations received in advance of expenditure are deferred and shown in the statement of financial position as "Unexpended donations for special projects". When funds are spent in accordance with the donor's stipulations, the amount is charged off as "Special projects expenses" or, if applicable, as property, plant and equipment. An equivalent amount is then transferred from "Unexpended donations for special projects" to "Special projects income" or, if applicable, "capital grants".

(b) Project expenditure made in advance of receipt of donations pledged:

Project expenditure made in accordance with the donor's stipulations in advance of receipt of donations pledged, is accounted for as "Special projects receivables" in anticipation of reimbursements, and included in the statement of financial position in accounts receivable. The amount is reflected in profit or loss as "Special projects expenses" or, if applicable, as property, plant and equipment, with an equivalent sum reflected as "Special projects income" or, if applicable, "capital grant".

(ii) Donations that are not subject to donor-imposed stipulations such as those at (a) above, are accounted for as "other projects" income.

(iii) The University charges administrative and common service fees for receiving and disbursing these funds; these fees are recognised as income in profit or loss.

(n) Revenue recognition:

Government contributions are recognised as income on the accrual basis. Tuition fees are recognised over the period of instruction for which the fees are paid.

Rental income from investment property is recognised in profit or loss on the straight-line basis over the term of the lease agreement.

Investment income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(o) Finance costs:

Finance costs comprise significant bank charges and interest on borrowings, which is accounted for using the effective interest method and are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(p) Impairment losses:

(i) Non-financial assets:

The carrying amounts of non-financial assets are reviewed at each reporting date for indicators of impairment. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash inflows independent of other assets, in which case, the review is undertaken at the cash generating unit level. A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts.

An asset's recoverable amount is determined as the higher of its fair value less costs to sell and its value in use (being the net present value of expected future cash flows of the relevant cash-generating unit). The best evidence of fair value is the value obtained from an active market or from a binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the University could receive for the cash generating unit in an arm's-length transaction. This is often estimated using discounted cash flow techniques. In cases where fair value less costs to sell cannot be estimated, value in use is utilised as the basis to determine the recoverable amount.

In assessing the value in use, the relevant future cash flows expected to arise from the continuing use of the assets and from their disposal are discounted to their present value using a market-determined pre-tax discount rate, which reflects current market assessments of the time value of money and asset-specific risks for which the cash flow estimates have not been adjusted.

If the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, an impairment loss is recorded in profit or loss to reflect the assets at the lower amount.

(ii) Financial assets:

Financial assets that are measured at amortized cost are assessed for impairment at the end of each reporting period. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and the event has a negative impact on the estimated cash flows of the financial asset and the loss can be reliably estimated.

The amount of the impairment loss recognized is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(p) Impairment losses:

(ii) Financial assets (cont'd):

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss of a financial asset other than the accounts receivable decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial instrument at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(q) Foreign currency:

(i) Transactions in foreign currencies during the year are translated at the approximate rate ruling at the date of the transaction.

(ii) Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies and carried at historical cost are translated at the foreign currencies exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities that are denominated in foreign currencies and carried at fair value are translated to the functional currency at the exchange rates ruling at the dates that the fair values were determined.

(iii) Foreign currency translation gains and losses are reported in profit or loss.

(iv) Gains and losses arising from consolidation are included in translation reserves.

(r) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity" in this case the University).

(a) A person or a close member of that person's family is related to the University if that person:

(i) has control or joint control over the University;

(ii) has significant influence over the University; or

(iii) is a member of the key management personnel of the University.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(r) Related parties (cont'd):

(b) An entity is related to the University if any of the following conditions applies:

(i) The entity and the University are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan established for the benefit of employees of either the University or an entity related to the University.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management services to the University, or the parent of the University.

(c) A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(s) Finance leases:

Arrangements by which substantially all the risks and rewards of ownership have been transferred to the University are treated as finance leases. The fair value of the asset is capitalised at the inception of the lease and the corresponding obligation is recorded. The interest portion of lease instalments is recognised in profit or loss using the effective interest method.

(t) Interest in subsidiaries:

Interest in subsidiaries is measured at cost less impairment losses.

(u) Expenses:

Expenses are recognized on the accrual basis.

(v) Interest-bearing borrowings:

Interest-bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortized cost, with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings using the effective interest method.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

4. GOVERNMENT CONTRIBUTIONS

Contributions from contributing governments (note 1) are distributed to the campuses, the University Centre, the University Hospital of the West Indies (UHWI) and the Caribbean Institute of Meteorology and Hydrology, on the same basis as the annual billings to the said governments [see also note 8(a)].

5. CASH AND CASH EQUIVALENTS

	2017	2016
Cash on hand and impress accounts	9,488	9,205
Bank current accounts	7,197,601	9,264,687
Savings accounts	17,610	54,326
Fixed-term deposits	1,399,242	1,616,896
Treasury deposits	100,580	-
	8,724,521	10,945,114
Bank overdraft	(174,278)	(140,631)
	8,550,243	10,804,483

Included in cash and cash equivalents are restricted funds totalling J$4,005,601,000 (2016: J$4,708,277,000). The restricted amount is from donors who have stipulated that these funds be used to fund scholarships, prizes, and special projects, as the case may be. Accordingly, these funds are not available for general use by the University.

6. RESALE AGREEMENTS

The fair value of the underlying securities for resale agreements as at July 31, 2017, was approximates carrying value.

Included in resale agreements are restricted funds with a nominal value of J$977,860,000 (2016: J$1,012,486,000). The restricted amount is from donors who have stipulated that these funds be used to fund scholarships, prizes and endowments, as the case may be. Accordingly, these funds are not available for general use by the University.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

7. INVESTMENTS

	2017	2016
Short-term investments:		
Available-for-sale carried at fair value		
Regional quoted equities [see (i)]	2,686,604	2,509,637
Unit trust accounts	28,693	27,506
	2,715,297	2,537,143
Loans and receivables carried at amortised cost		
Government securities [see (ii)]	11,949	11,902
Fixed-term deposits	3,432,449	3,482,776
	3,444,398	3,494,678
Total short-term investments	6,159,695	6,031,821
Long-term investments:		
Loans and receivables carried at amortised cost		
Government securities [see (ii)]	1,180,904	899,653
Fixed-term deposits	8,571,979	8,026,779
	9,752,883	8,926,432
Provision for impairment [see (iii)]	(531,593)	(525,845)
Total long-term investments	9,221,290	8,400,587
Total investments [see (iv)]	15,380,985	14,432,408

(i) The investment in quoted equities was initially funded by the Princess Alice Appeal and other funds.

(ii) Government securities held were issued by the Governments of Barbados, Jamaica, and Trinidad and Tobago.

(iii) The movement in the provision for impairment is as a result of foreign exchange adjustment of J$5,748,000 (2016: J$38,072,000) [see also note 22(f)].

(iv) Included in investments are restricted funds totalling J$3,366,365,000 (2016: J$3,258,870,000). The restricted amount is from donors who have stipulated that these funds be used to fund special projects, scholarships and prizes, as the case may be. Accordingly, these funds are not available for general use by the University.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

8. ACCOUNTS RECEIVABLE

	2017	2016
Contributions due from governments [see (a) below]	9,067,600	8,432,504
Staff accounts	189,059	167,563
Student accounts	5,873,960	4,748,932
Government Assistance for Tuition Expense (GATE)	5,381,862	3,911,837
Cave Hill School of Business	65,659	59,382
Mona Tech Engineering Services	(3,252)	(4,317)
Norman Manley Law School	-	4,932
Early Childhood Centres of Excellence (ECCE)	2,295	-
Advances for special projects	1,051,405	1,017,287
Other accounts receivable	13,787,703	13,888,985
	35,416,291	32,227,105
Less: impairment provisions [note 27(i)]:		
- Student accounts	(1,597,632)	(1,275,590)
- Third parties	(2,799,736)	(2,328,516)
- Government of Trinidad and Tobago	(1,788,505)	(1,967,530)
	(6,185,873)	(5,571,636)
	29,230,418	26,655,469

(a) Contributions due from governments:

	2017	2016
Anguilla	258,957	226,808
Antigua	507,583	355,195
Bahamas	344,489	237,013
Barbados	6,199,856	6,035,325
Belize	193,146	170,289
Bermuda	2,934	2,869
British Virgin Islands	254,824	190,016
Cayman Islands	294,428	272,759
Dominica	1,234,569	1,102,975
Grenada	821,701	880,125
Jamaica	178,991	115,067
St. Kitts and Nevis	24,414	147,753
St. Lucia	1,064,181	978,305
St. Vincent and the Grenadines	1,142,305	1,205,844
Trinidad and Tobago	1,581,994	1,342,378
Turks and Caicos Islands	34,193	26,615
	14,138,565	13,289,336
Transferred to long-term receivables (note 13)	(5,070,965)	(4,856,832)
	9,067,600	8,432,504

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

9. INVENTORIES

	2017	2016
General stores	151,958	136,167
Bookshop inventory	236,662	281,908
Stationery	29,685	28,643
	418,305	446,718

10. CURRENT LIABILITIES

	2017	2016
Government contributions received in advance	7,224	11,387
University Hospital of the West Indies (UHWI)	484,792	393,986
Mona School of Business and Management	30,249	68,524
Norman Manley Law School	1,180	-
Student accounts	810,065	512,481
Accrued vacation leave	2,135,152	2,107,473
Short- term loan (i)	290,662	353,706
Current portion of long-term liabilities (note 22)	1,286,179	2,202,834
Deferred revenue	1,003,857	912,613
Sundry creditors	16,045,505	15,555,358
	22,094,865	22,118,362

(i) This represents a special unsecured overdraft arrangement with National Commercial Bank Jamaica Limited.

11. ADVANCES

	University Press	Joint Board of Teacher Education	Total
Balances as at July 31, 015	9,553	3,378	12,931
Net movement	(4,052)	-	(4,052)
Balances as at July 31, 2016	5,501	3,378	8,879
Net movement	(784)	-	(784)
Balances as at July 31, 2017	4,717	3,378	8,095

12. INVESTMENT PROPERTIES

	2017	2016
Cost	9,948	9,948
Less: accumulated depreciation	(4,228)	(3,979)
Balance at end of year	5,720	5,969
Depreciation charge for year	249	249

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

12. INVESTMENT PROPERTIES *(cont'd)*

Investment properties, which comprise rented residential properties, had the following income and expenses for the year:

	2017	2016
Income earned from the rental of properties	7,394	7,147
Expenses incurred by the properties	5,597	4,909

The fair value was last determined by Cooper Kauffman Limited and D.C. Tavares & Finson Realty Limited, in their valuation reports dated November 2015 and March 2016 respectively, for J$348,140,500. Management is of the view that there has been no material change in the fair value since the date of the last valuation.

13. LONG-TERM RECEIVABLES

	2017	2016
Contributions due from governments (a):		
Anguilla	258,957	226,808
British Virgin Islands	254,824	190,016
Cayman Islands	294,428	272,759
Dominica	1,234,569	1,102,975
Grenada	821,701	880,125
St. Lucia	1,064,181	978,305
St. Vincent and the Grenadines	1,142,305	1,205,844
	5,070,965	4,856,832
Less: impairment loss [see note (a) below], [note 27(i)]	(2,847,866)	(3,719,076)
	2,223,099	1,137,756
Medical Sciences students [see note (b) below]	18,839	24,629
Government of Barbados - NIB Loan [note 22(n)]	1,949,524	2,074,944
Net long-term receivables	4,191,462	3,237,329

(a) This represents government contributions outstanding for periods in excess of one year. An impairment recovery of J$871,210,000 (BDS$14,292,000) [2016: loss of J$894,012,042 (BDS$10,671,440)] has been recognised for the year.

(b) This relates to a special arrangement with the Faculty of Medical Sciences (FMS) wherein students are granted extended payment terms in the full fee paying programme.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

14. INTEREST IN SUBSIDIARIES

	2017				
	MSBM	UMC	MIL	UWIC	TOTAL
Shares at cost	116	79,697	100	-	79,913
Loans receivable [see notes below]	-	51,458	61,021	-	112,479
Current accounts	(81,137)	112,472	42,468	20,024	93,827
Less provision for impairment	-	(243,627)	-	-	(243,627)
	(81,021)	-	103,589	20,024	42,592

	2016				
	MSBM	UMC	MIL	UWIC	TOTAL
Shares at cost	116	79,697	100	-	79,913
Loans receivable [see notes below]	-	51,310	61,021	-	112,331
Current accounts	(28,013)	109,613	29,623	25,054	136,277
Less provision for impairment	-	(240,620)	-	-	(240,620)
	(27,897)	-	90,744	25,054	87,901

Notes:

(a) In accordance with an agreement between UWI Mona and Universal Media Company Limited (UMC), the loan receivable is due in quarterly instalments over 10 years bearing interest at five percent per annum, with a moratorium of two years on the principal and interest, which moratorium commenced on April 30, 2006 and ended April 30, 2008. Repayment of principal and payment of interest did not commence on May 1, 2008 as scheduled. In accordance with an agreement dated May 14, 2010, UWI Mona took control of UMC resulting in UMC reverting to the status of a wholly-owned subsidiary. The loan has been fully provided for.

(b) The loan receivable from Mona Informatix Limited (MIL) relates to contributions made by UWI Mona towards operations.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

15. PROPERTY, PLANT AND EQUIPMENT

	Land and leasehold improvements	Buildings	Furniture, fixtures and equipment	Motor vehicles	Computer and other electronic equipment	Library books	Work-in-progress	Total
Cost or deemed cost								
July 31, 2015	1,991,935	49,227,969	10,061,914	952,820	7,460,451	7,237,238	2,031,647	78,963,974
Currency translation adjustments	71,183	1,415,683	178,430	21,212	178,185	172,021	147,166	2,183,880
Additions	-	839,624	384,190	53,883	554,938	82,000	754,281	2,668,916
Transfers	-	1,197,705	-	-	-	-	(1,197,705)	-
Adjustments	-	(185,299)	568,932	16,061	(399,346)	-	-	348
Disposals	-	(3,103)	(55,928)	(21,619)	(1,360,470)	-	-	(1,441,120)
July 31, 2016	2,063,118	52,492,579	11,137,538	1,022,357	6,433,758	7,491,259	1,735,389	82,375,998
Currency translation adjustments	11,870	242,198	31,896	3,599	26,163	30,934	13,049	359,709
Additions	-	468,187	694,904	138,350	332,311	120,560	414,367	2,168,679
Transfers	-	150,384	-	-	-	-	(150,384)	-
Adjustments	-	-	252	-	65	-	-	317
Disposals	-	(17)	(167,459)	(13,228)	(33,524)	-	-	(214,228)
July 31, 2017	2,074,988	53,353,331	11,697,131	1,151,078	6,758,773	7,642,753	2,012,421	84,690,475
Depreciation								
July 31, 2015	-	8,704,618	6,822,378	734,588	6,201,814	6,485,191	-	28,948,589
Charge for the year	-	1,062,552	719,966	90,833	422,566	293,189	-	2,589,106
Disposals	-	(1,234)	(47,385)	(19,142)	(1,360,470)	-	-	(1,428,231)
Adjustments	-	-	290,921	9,349	(306,345)	-	-	(6,075)
Currency translation adjustments	-	301,424	137,707	17,733	149,275	159,788	-	765,927
July 31, 2016	-	10,067,360	7,923,587	833,361	5,106,840	6,938,168	-	30,869,316
Charge for the year	-	1,155,343	755,966	99,528	415,943	233,569	-	2,660,349
Disposals	-	(17)	(162,563)	(7,998)	(33,524)	-	-	(204,102)
Adjustments	-	-	236	-	3,127	13,674	-	17,037
Currency translation adjustments	-	44,377	21,568	2,525	17,966	26,986	-	113,422
July 31, 2017	-	11,267,063	8,538,794	927,416	5,510,352	7,212,397	-	33,456,022
Net book values:								
At July 31, 2017	2,074,988	42,086,268	3,158,337	223,662	1,248,421	430,356	2,012,421	51,234,453
At July 31, 2016	2,063,118	42,425,219	3,213,951	188,996	1,326,918	553,091	1,735,389	51,506,682
At July 31, 2015	1,991,935	40,523,352	3,239,536	218,232	1,258,637	752,047	2,031,647	50,015,385

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

16. CUMULATIVE TRANSLATION RESERVE

This represents unrealised gains/losses on consolidation of entities that have a functional currency different from that of the University.

17. REVALUATION SURPLUS

This represents unrealised surplus arising on the revaluation of certain property, plant and equipment. The valuation of certain certain property, plant and equipment has been treated as deemed cost under IFRS 1, *First-time Adoption of IFRS*.

18. INVESTMENT REVALUATION RESERVE

This represents unrealised surplus on the revaluation of available-for-sale investment securities.

19. UNEXPENDED DONATIONS FOR SPECIAL PROJECTS

	Departmental	Scholarships	Prizes	Total
Balances as at July 31, 2015	5,399,291	298,174	10,886	5,708,351
Receipts	4,143,457	2,589,030	-	6,732,487
Expenditure	(3,729,559)	(2,608,006)	-	(6,337,565)
Transfers	3,692	-	-	3,692
Currency translation adjustments	183,227	3,602	-	186,829
Balances as at July 31, 2016	6,000,108	282,800	10,886	6,293,794
Receipts	5,442,244	2,513,381	-	7,955,625
Expenditure	(3,904,172)	(2,468,759)	-	(6,372,931)
Transfers	(93,879)	-	-	(93,879)
Currency translation adjustments	(1,625,829)	34,746	-	(1,591,083)
Balances as at July 31, 2017	5,818,472	362,168	10,886	6,191,526

20. ENDOWMENT FUNDS

	2017	2016
Balance at beginning of year	321,010	315,882
New grants during the year	-	4,344
Expenditure	(3,737)	-
Currency translation adjustments	118	784
Balance at end of year	317,391	321,010

21. CAPITAL GRANTS

	2017	2016
Balance at beginning of year	15,937,223	14,062,416
Receipts	527,677	1,090,789
Amortisation	(473,821)	(423,466)
Transfers	795,224	742,634
Currency translation adjustments	75,478	464,850
Balance at end of year	16,861,781	15,937,223

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

22. LONG-TERM LIABILITIES

(i) Long-term Loans

	Notes	Interest Rates %	2017	2016
United States Agency for International Development (USAID)	(a)	3.0	-	52,932
European Union	(b)	1.0	390,165	392,673
Inter-American Development Bank (IDB)	(c)	2.8-6.4	-	503,854
Caribbean Development Bank (CDB)	(d)(i) & (ii)	2.0-8.0	1,202,446	1,298,671
Caribbean Development Bank (CDB)	(d)(iii)	3.9	237,226	267,037
Caribbean Development Bank (CDB)	(d)(iv)		42,211	11,832
National Housing Trust – Loan #1	(e)(i)	5.0	428,899	449,903
National Housing Trust – Loan #2	(e)(ii)	5.0	1,883,761	1,885,641
CLICO International	(f)	7.0	189,999	187,944
Republic Bank (Barbados) Limited convertible loan	(g)	0	563	6,237
Republic Bank (Barbados) Limited	(h)	7.7	-	126,226
Republic Bank (Barbados) Limited	(i)	5.5	267,972	189,339
Republic Finance and Trust (Barbados) Corporation - Bond Issue	(j)	9.45	1,233,859	1,336,758
First Citizens Bank Barbados Limited	(k)	8.0	222,740	353,861
NCB Capital Markets Limited and National Commercial Bank Jamaica Limited	(l)	9.85	603,621	871,897
Republic Finance and Trust (Barbados) Corporation	(m)	7.5	629,038	637,323
National Insurance Board of Barbados	(n)	7.75	1,949,524	2,074,944
National Commercial Bank Jamaica Ltd.	(o)	11.0	599,614	1,228,751
Finance lease – GK Investments	(p)	13.0	44,674	-
			9,926,312	11,875,823

(ii) Other Long-term Liabilities

	Notes	Interest Rates %	2017	2016
Barnett Limited	(q)	5.0	63,913	82,049
University Hospital of the West Indies	(r)	0	517,635	614,378
Trade creditors	(s)	4.5	32,428	2,249
Retroactive pension supplementation			128,651	79,402
			742,627	778,078
			10,668,939	12,653,901
Less: current portion of long-term liabilities (note 10)			(1,286,179)	(2,202,834)
Total non-current portion of long-term liabilities			9,382,760	10,451,067

22. LONG-TERM LIABILITIES *(cont'd)*

(a) In February 1977, USAID granted a loan of US$8.5 million to the University. The purpose of this loan was the construction of certain buildings and the provision of scholarships and training on three of the four Campuses. This loan was repayable in sixty-one (61) half-yearly instalments, which commenced in May 1987, and bears interest at the rate of 2% per annum for the first ten years, thereafter at 3% per annum. The loan was repaid during the year.

(b) In March 1993, the European Union made a loan to the University of €4,692,232, the allocation of which was as follows:

- €1,764,796 to the Mona Campus;
- €1,640,246 to the St. Augustine/Mount Hope Campus; and
- €1,287,190 to the Cave Hill Campus.

The University also received a grant of €7,820,386 for the purpose of constructing student accommodations on three of its campuses and Mount Hope Medical Complex.

The loan is repayable in 60 half-yearly instalments, which commenced June 1, 2003, and bears interest at the rate of 1% per annum. The principal outstanding at July 31, 2017, was €2,579,827 (2016: €2,743,428).

(c) In April 1992, the University of the West Indies entered into a loan agreement with Inter-American Development Bank (IDB) and the Caribbean Development Bank (CDB) to enhance the capacity of the University to respond to higher education needs in the fields of science and technology. The estimated total project cost was US$82.1 million. The loan was guaranteed by the Governments of Trinidad and Tobago, Jamaica and Barbados. This loan was repayable in thirty-two (32) semi-annual, consecutive and, in so far as possible, equal instalments. Interest accrued on the daily outstanding balance of the loan at a rate per annum for each semester determined by the cost of qualified borrowing for the preceding semester, plus a spread, both as established by IDB. Repayment commenced in May 2001, and the loan was repaid in April 2017.

(d) *(i)* ***Special Funds Resources Loan***

The CDB loans, amounting to US$8,896,000, are guaranteed by all the contributing governments. The University has drawn down US$8,695,300 (J$1,109,571,000) up to July 31, 2017 [2016: US$8,695,300 (J$1,097,574,000)].

Portion A, amounting to US$5,544,000 (J$707,447,000), is repayable in one hundred and twenty (120) equal quarterly instalments, which commenced on December 31, 2003. Interest on this portion is 2% per annum, payable quarterly. The amount outstanding as at July 31, 2017 is US$2,895,056 (J$369,426,185) [2016: US$3,073,214 (J$387,919,993)].

22. LONG-TERM LIABILITIES *(cont'd)*

(d) (ii) ***University Enhancement Project***

On February 15, 2010, the University of the West Indies, University Centre, entered into an agreement with Caribbean Development Bank to borrow an amount not exceeding US$8,250,000 for financing the University Enhancement Project.

The University will repay the amount drawn down in forty-eight (48) equal and consecutive quarterly instalments commencing on the first due date after the expiry of five years following the date of the loan agreement. Repayment began the quarter ended April 1, 2015.

Interest is being paid quarterly at the rate of 3.6% on the amount disbursed. A commitment fee is also paid at the rate of 1% per annum on the loan drawn down from time to time. At July 31, 2017, the amount disbursed was US$8,246,000 (2016: US$8,246,000) which equates to J$1,052,238,000 (2016: J$1,040,860,833) at the year-end exchange rate.

(iii) In March 2007, the University of the West Indies, Cave Hill Campus, entered into an agreement with the Caribbean Development Bank for the provision to the University of a loan not exceeding the equivalent of US$3,500,000. The purpose of the loan was to provide the University with funds for on-lending to the Cave Hill School of Business Inc. (the School) to assist the School in its expansion. It is a condition of the loan that the University enters into an agreement with the School for the on-lending of the funds received and for the School to have primary responsibility to make all payments of principal, interest and other charges associated with the loan. The loan bears interest at the rate of 3.9% (2016: 2.97%) per annum on the outstanding balance and is repayable in fifty-six (56) equal quarterly instalments, commencing three years after the date of first disbursement. The loan is guaranteed by the Government of Barbados.

(iv) During 2015, the University of the West Indies, Open Campus, signed a loan agreement with the Caribbean Development Bank. This loan agreement is to facilitate the development of the Open Campus Country Sites in St. Lucia and St. Vincent and the Grenadines. The only funds drawn down against the loan at July 31, 2017 were commitment fees and interest costs in the amount of BDS$661,591 (2016: BDS$187,472). The undrawn balance at year end is BDS$12,684,832.

(e) ***(i)*** In April 2001, the National Housing Trust ("The Trust") granted a loan of J$584,800,458 to UWI Mona towards the construction of a new student residence, The Rex Nettleford Hall ("the Hall"). The loan is to be repaid from income earned from the operations of the Hall in semi-annual instalments, over twenty-five (25) years, at eight percent (8%) per annum on a graduated basis for nine (9) years, and then a fixed sum for the remaining years. The graduated loan repayments will increase by five percent (5%) per annum for the first five (5) years of the repayment period. The agreement provides that the repayment of the loan principal begins after the expiration of the five (5) years, i.e. in April 2006. Interest is payable on a quarterly basis. With effect from July 1, 2012, the Board of the Trust approved a reduction in interest rate from 8% to 5%. Repayment is set at a fixed amount of J$4,201,643 per month to March 2028.

22. LONG-TERM LIABILITIES *(cont'd)*

(e) ***(ii)*** In June 2011, The Trust granted a loan of J$1,440,335,000 to UWI Mona towards the construction of new student residences. The loan will be repaid from income earned from the operations of the Halls in quarterly instalments, over twenty-five (25) years, at eight percent (8%) per annum on a graduated payment mortgage basis. The agreement provides that the first instalment of principal together with interest shall be due within three (3) months following the date of final disbursement. With effect from July 1, 2012, the Board of the Trust approved a reduction in interest rate from 8% to 5%.

(f) CLICO International Life Insurance Limited ("CLICO"), in partnership with the University of the West Indies, Cave Hill Campus, constructed a teaching facility at a cost of approximately BDS$4,244,000. The financing for this structure was a grant from CLICO of BDS$1,525,000 and a loan of BDS$2,719,000. This loan is secured by term deposits with CLICO to the value of BDS$1,430,254 (2016: BDS$1,430,254). Repayment was scheduled to commence December 31, 2005, in equal annual instalments of BDS$371,500, comprising both principal and interest, at a fixed rate of 5.5% for a period of 10 years; however, the repayment arrangements have been changed as set out in the third paragraph hereof. At July 31, 2013, the term deposit which provides security for the loan was included in the provision for impaired deposits (see note 7).

On May 1, 2006, CLICO made available to the University an additional loan facility of BDS$4,000,000 of which BDS$2,000,000 was drawn down on June 23, 2006.

The two loans have been combined and the combined loan is repayable in equal annual instalments of principal and interest of BDS$707,000 from December 31, 2006, over a period of 15 years. The rate of interest is 7% per annum.

(g) In August 2006, the Republic Bank (Barbados) Limited made available to the University an unsecured convertible demand loan of BDS$1,000,000 for the construction of the theatre and cinema building at the Errol Barrow Centre for Creative Imagination at the Cave Hill Campus. The loan is interest free and is convertible into a grant by way of equal annual donations of BDS$100,000 from the Republic Bank (Barbados) Limited, commencing one year after the initial draw down or after the loan is fully disbursed, whichever is sooner. An initial draw down of BDS$500,000 was made in August 2006 and the remainder was received in April 2008. In September 2008 an additional BDS$500,000 was disbursed to the University to cover costs associated with the Media Centre at the 3W's Oval.

(h) On January 29, 2013 the Cave Hill Campus entered into a loan agreement with Republic Bank (Barbados) Limited for a loan of BDS$8,000,000 to assist in the completion of sports facilities at Paradise Park. The loan bears interest at 1.0% per annum below the bank's prime rate, currently 8.7%, for an effective rate of 7.7% per annum. Principal is repayable over four years in instalments of BDS$2,000,000 in September of each year, while the interest is payable monthly. The loan was secured on fixed deposits totalling BDS$8,000,000 in the name of the campus. The loan was repaid during the year.

22. LONG-TERM LIABILITIES *(cont'd)*

(i) On April 1, 2014 the Cave Hill Campus entered into a loan agreement with Republic Bank (Barbados) Limited for a loan of BDS$6,500,000 to assist with the construction of the Institute for Cultural Development. The loan bears interest at 1.0% per annum below the bank's prime rate, currently 6.5%, for an effective rate of 5.5% per annum. The loan is repayable over five years via semi-annual principal payments of BDS$650,000 each, commencing February 28, 2015. The loan is secured by a lien over term deposits totalling BDS$6,500,000 in the name of the campus. BDS$1,000,000 was disbursed in September 2014 and an additional BDS$3,000,000 was disbursed in 2016.

(j) Republic Finance and Trust (Barbados) Corporation was issued a bond of BDS$25,000,000 by the University to finance the upgrading and expansion of the School of Clinical Medicine and Research. There is a three year moratorium on principal and interest payments. Thereafter, the principal is to be amortised over seventeen years in equal semi-annual payments. Interest is accrued monthly and capitalized semi-annually during the moratorium. Thereafter, interest is payable semi-annually in arrears. The rate of interest is fixed at the date of each disbursement at an amount equal to that on the most recent Government of Barbados debenture or bond (adjusted to tenor) plus 0.15%. The current effective rate is 9.45% (2016: 9.45%). The bond issue is guaranteed by the Government of Barbados.

(k) In September 2008 the University obtained a loan of BDS$16,000,000 from First Citizens Bank (Barbados) Limited to finance the construction of infrastructure and other costs relating to the expansion of the Cave Hill Campus. The loan is secured by a Letter of Comfort from the Government of Barbados in relation to the repayment of BDS$7,000,000 of the loan and the assignment by the borrower of Government of Barbados Treasury Notes in the amount of BDS$10,000,000. Interest on the loan is at the rate of 8% per annum for the first three years. Thereafter, it is to be re-set every three years based on the prevailing Government of Barbados Debenture rate. Thereafter, the loan is repayable in semi-annual payments of principal and interest with a bullet payment in year 10 in the sum which achieves full repayment of the loan and interest on maturity.

(l) In February 2011, UWI Mona entered into an agreement with NCB Capital Markets Limited and National Commercial Bank Jamaica Limited (NCB) for a J$2,100,000,000 loan facility towards the partial financing of the construction of a medical complex at the Mona Campus. The facility involves UWI Mona issuing promissory notes under the commercial paper transactions arranged by NCB Capital Markets Limited. There was a moratorium on the principal of 12 months following the issue date. The facility attracts a financing cost of 13.75% p.a. and was repayable on a quarterly basis. The finance cost is inclusive of the coupon payable on the notes, with the coupon fixed at 13.25%. The facility has a final maturity of 5 years inclusive of a 12-month moratorium and is based on a 5-year amortization schedule. With effect from August 1, 2012 the facility was restructured by reducing the interest rate on both tranches from 13.75% and 13.25%, respectively, to a single rate of 9.85% and extending the maturity of the notes from 2016 to 2019.

(m) In June 2010, the University entered into an agreement with Republic Finance and Trust (Barbados) Corporation, for the issue of bonds in the amount of BDS$31,000,000 to finance the construction of a three-block student accommodation at Clarendon, St. Michael. The bonds are repayable in blended instalments of principal and interest following a two year moratorium, with interest of 7.5% for the first ten years, 8% for the next ten years and 8.5% for the remaining five years.

22. LONG-TERM LIABILITIES *(cont'd)*

(n) This loan of BDS$41,000,000, was provided in March 2012 to fund arrears of contributions from the Government of Barbados (see note 13). Repayments are being made by the Government of Barbados at a fixed interest rate of 7.75% over a period of twenty (20) years. Repayment commenced August 1, 2012. The balance outstanding at July 31, 2017 is BDS$30,555,400 (J$1,949,523,800) [2016: BDS$32,876,600 (J$2,074,944,000)].

(o) UWI Mona received a loan from NCB in 2014 which was used to liquidate a loan from the Development Bank of Jamaica and also to finance the development of the CoGen Plant for the production of energy. The loan is secured by a promissory note and is payable in 28 equal quarterly instalments over 7 years. Interest is payable at 11% per annum.

(p) In October 2015, GK Investment Limited (former First Global Leasing Limited) agreed to offer a lease financing facility to the UWI Mona. The purpose of the facility is to purchase equipment for $96,400,000 for the School of Engineering. The primary period of the facility is for three years from the date of payment of the first rental which occurred on November 30, 2016. Thereafter, the secondary period is for five years. The interest rate is 13% per annum which is variable and is subject to review at the sole discretion of the lessor. The security deposit is one month's lease payment.

(q) On April 24, 2014, UWI Mona acquired Fairfield Estates from Barnett Limited for the nominal consideration of $92,000,000 for the purpose of expanding the Western Jamaica Campus. This was facilitated through a mortgage with the vendor for the balance of J$73,600,000, which was converted to US$. The balance is payable in 48 equal monthly instalments at 5% per annum, which commenced on May 24, 2014. Performance conditions attached to this mortgage require UWI Mona to construct a named building of an agreed size within a specified period from a mutually agreed commencement date.

(r) This represents funds held on behalf of the University Hospital of the West Indies by UWI Mona for the purpose of upgrading the facilities at the hospital. The terms of repayment have not been agreed.

(s) This represents long-term credit arrangements extended to UWI Mona by certain trade creditors. Interest is payable at a rate of 4.5% to one of the creditors and the balance is repayable over three (3) years in twelve (12) equal quarterly instalments.

23. EMPLOYEE BENEFITS OBLIGATION

The University operates three pension plans for its employees, as follows:

(a) for academic and senior administrative staff;
(b) for administrative and technical staff members at the St. Augustine campus; and
(c) for non-academic staff at the University Centre, the Mona, Cave Hill and Open campuses.

In addition to pension benefits, the University is also obligated to provide certain post-employment health benefits.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

23. EMPLOYEE BENEFITS OBLIGATION (CONT'D)

(a) Plan for academic and senior administrative staff:

The plan for the academic and senior administrative staff is the Federated Superannuation Scheme for Universities (FSSU), which is a UK based defined-contribution plan and the assets are invested primarily through a UK-based investment management company and a small portion with two life insurance companies.

Membership is compulsory for eligible staff members who are not engaged in short-term, part-time or special contracts. The plan requires compulsory, joint contributions of 15% of pensionable salaries (10% by the University as employer and 5% by employees). Members also have the option of voluntarily contributing up to an additional 5% of pensionable salaries.

The University has committed itself to supplementing pensions under certain circumstances. Under the Supplementation plan, the University is obligated to top up the pension of each retiring FSSU member to 2/3 final salary, provided the member had at least 35 years of service (but proportionately less for shorter service in excess of ten years). If the pension derived from all the member's FSSU investments is less than the level up to which supplementation is triggered, that is, 2/3 of final salary, the University must meet the pension shortfall. The University has honoured all cases of supplementation that have arisen. Persons hired by the University as of August 1, 2005 who become FSSU members are not eligible for supplementation.

(b) Plan for administrative and technical staff:

The plan for administrative and technical staff members is a defined-benefit plan and was initially a non-contributory one with members having the option to contribute. However, members joining the plan after July 31, 1981 are required to contribute at the rate of 5%, with the members at the St. Augustine Campus contributing at 10% of basic salaries.

(c) Plan for non-academic staff:

This is also a defined-contribution plan funded by joint compulsory contributions of 15% of salaries (10% by employer and 5% by the employees). Sagicor Life Jamaica Limited ("Sagicor") is the administrator and one of the investment managers of the plan. Guardian Life, Jamaica Money Market Brokers Limited and Scotia Investment Jamaica Limited are also investment managers.

The assets are held in local currency except for the portion attributable to members located in Barbados for whom Barbados deposits are maintained in Barbados dollars.

(d) Post–employment benefits computation

The University's obligation for post-employment pensions and medical care is determined and accounted for as described in note 3(k) and comprises the following amounts:

	2017	2016
Defined contribution supplementation plan [note 23(d)(i)]	16,037,010	13,908,423
Defined benefit plan [note 23 (d)(i)]	2,548,391	2,356,416
	18,585,401	16,264,839
Post-employment medical benefits [note 23(d)(ii)]	6,237,472	5,553,929
Amount recognized in the statement of financial position	24,822,873	21,818,768

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

23. EMPLOYEE BENEFITS OBLIGATION *(cont'd)*

(d) Post–employment benefits computation (cont'd):

(i) Defined contribution supplementation plan and defined benefit plan:

	F.S.S.U.		St. Augustine Campus		Total	
	2017	2016	2017	2016	2017	2016
Present value of unfunded obligations	16,037,010	13,908,423	-	-	16,037,010	13,908,423
Present value of funded obligations	-	-	9,965,765	9,502,510	9,965,765	9,502,510
Fair value of plan assets	-	-	(7,417,374)	(7,146,094)	(7,417,374)	(7,146,094)
Recognised liability	16,037,010	13,908,423	2,548,391	2,356,416	18,585,401	16,264,839

Movements in the net liability recognized in the statement of financial position:

	F.S.S.U.		St. Augustine Campus		Total	
	2017	2016	2017	2016	2017	2016
Net liability at beginning of year	13,908,423	12,594,851	2,356,416	1,973,443	16,264,839	14,568,294
Include in profit or loss [note 23(e)]	3,132,547	1,192,073	399,469	408,466	3,532,016	1,600,539
Included in other comprehensive income	(309,264)	367,621	21,569	152,023	(287,695)	519,644
Contributions paid	(768,254)	(689,614)	(236,650)	(222,123)	(1,004,904)	(911,737)
Currency translation adjustments	73,558	443,492	7,587	44,607	81,145	488,099
Net liability at end of year	16,037,010	13,908,423	2,548,391	2,356,416	18,585,401	16,264,839

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

23. EMPLOYEE BENEFITS OBLIGATION *(cont'd)*

(d) Post–employment benefits computation (cont'd):

(i) Defined contribution supplementation plan and defined benefit plan (cont'd):

Movements in plan assets:

	F.S.S.U.		St. Augustine Campus		Total	
	2017	2016	2017	2016	2017	2016
Fair value of plan assets at beginning of year	-	-	7,146,094	6,769,437	7,146,094	6,769,437
Plan participants' contributions	-	-	116,588	111,071	116,588	111,071
Expected return on plan assets	-	-	363,183	339,002	363,183	339,002
Contributions paid	-	-	236,650	222,124	236,650	222,124
Benefits paid	-	-	(306,339)	(249,681)	(306,339)	(249,681)
Actuarial losses on plan assets	-	-	(164,670)	(193,592)	(164,670)	(193,592)
Currency translation adjustments	-	-	25,868	147,733	25,868	147,733
Fair value of plan assets at end of year	-	-	7,417,374	7,146,094	7,417,374	7,146,094

The plan assets comprise investments in a deposit administration contract administered by Guardian Life of the Caribbean.

Included in profit or loss:

	F.S.S.U.		St. Augustine Campus		Total	
	2017	2016	2017	2016	2017	2016
Current service costs	315,947	312,830	270,741	294,510	586,688	607,340
Interest on obligation	959,181	879,243	120,234	105,957	1,079,415	985,200
Past service costs vested benefits	1,857,419	-	8,494	7,999	1,865,913	7,999
	3,132,547	1,192,073	399,469	408,466	3,532,016	1,600,539

Included in other comprehensive income:

	F.S.S.U.		St. Augustine Campus		Total	
	2017	2016	2017	2016	2017	2016
Re-measurement gain due to actuarial (gain)/loss arising from:						
- Experience adjustment	(405,756)	29,176	21,569	152,023	(384,187)	181,199
- Financial assumptions	96,492	338,445	-	-	96,492	338,445
	(309,264)	367,621	21,569	152,023	(287,695)	519,644

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

23. EMPLOYEE BENEFITS OBLIGATION *(cont'd)*

(d) Post–employment benefits computation (cont'd)

(ii) Post-employment medical benefits:

	2017	2016
Liability at beginning of year	5,553,929	4,747,225
Included in profit or loss:		
- Current service cost	294,862	264,169
- Interest cost on obligation	364,579	332,280
- Past service cost-vested benefits	(1,290)	-
	658,151	596,449
Included in other comprehensive income:		
Re-measurement gain due to actuarial (gain)/loss arising from:		
- Experience adjustment	(170,601)	403,400
- Demographic assumptions	44,132	(167,294)
- Financial assumptions	227,348	(2,924)
	100,879	233,182
Other:		
- Contributions paid	(88,376)	(83,217)
- Currency translation adjustments	12,889	60,290
Liability at end of year	6,237,472	5,553,929

(e) *Summary of post-employment supplementation costs and medical benefits*

	2017	2016
Amount included in profit or loss:		
Pension supplementation-defined contribution plan [note 23(d)(i)]	3,132,547	1,192,073
Defined benefit pension plan [note 23(d)(i)]	399,469	408,466
	3,532,016	1,600,539
Post-employment medical care [note 23(d)(ii)]	658,151	596,449
	4,190,167	2,196,988

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

23. EMPLOYEE BENEFITS *(cont'd)*

(e) *Summary of post-employment supplementation costs and medical benefits (cont'd)*

	2017	2016
Amount included in other comprehensive income:		
Pension supplementation-defined contribution plan [note 23(d)(i)]	(309,264)	367,621
Defined benefit pension plan [note 23(d)(i)]	21,569	152,023
	(287,695)	519,644
Post-employment medical care [note 23(d)(ii)]	100,879	233,182
	(186,816)	752,826

(f) *Principal actuarial assumptions at the reporting date*

	FSSU		St. Augustine	
	2017	2016	2017	2016
	%	%	%	%
Discount rate	5.0-9.5	5.0-9.0	5.0	5.0
Future salary increases	3.0-6.5	3.0-5.5	3.0	3.0
Health cost inflation	5.5-8.0	5.5-7.0	n/a	n/a

(g) *Sensitivity analysis on projected benefit obligation*

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate, would cause some reduction in the health cost inflation rate.

	2017		2016	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Pension:				
Discount	(1,518,847)	1,799,836	(1,343,344)	1,603,756
Salary escalation rate	964,082	(802,489)	888,360	(753,929)
Health:				
Discount rate	(1,093,967)	1,452,570	(981,665)	1,308,364
Health inflation rate	1,411,652	(1,087,421)	1,271,901	(976,221)

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

23. EMPLOYEE BENEFITS *(cont'd)*

(h) Average duration of the defined benefit obligation (years)

	2017	2016
Pension	10.3	10.3
Health	20.2	20.3

(i) As mortality continues to improve, estimates of life expectancy are expected to increase. An increase of one year in life expectancy will increase the employee benefit obligation by approximately $1,026,253,000.

24. DEFERRED INCOME

UWI Mona entered a concession agreement with 138 Student Living Jamaica Limited to design, construct, finance, operate and maintain units of the Gerald Lalor Hall and Irvine Hall of Residence for accommodation of students. The agreement is effective June 1, 2015, for a minimum period of twenty-five (25) years but not beyond thirty (30) years. In consideration of the agreement, UWI Mona received $200 million, and thereafter an annual concession fee which is dependent on certain targets being met. The $200 million is being recognised over the period of the concession agreement as follows:

	2017	2016
Balance at beginning of the year	188,333	198,333
Less: amount recognized during the year	(10,000)	(10,000)
	178,333	188,333
Less: current portion included in current liabilities	(10,000)	(10,000)
	168,333	178,333

Additionally, UWI Mona has guaranteed a minimum of 90% occupancy of available rooms at least for a period of no less than 30/51 weeks per year to 138 Student Living Jamaica Limited.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

25. EXPENSES BY NATURE

	2017	2016
Administrative services	1,301,642	1,577,721
Advertising	203,914	172,483
Cleaning and sanitation	313,137	222,391
Computer and software license fees	406,287	218,048
Courier services, shipping and freight charges	124,096	110,099
Donations and charity	2,263	175,868
General office supplies and consumables	687,515	583,108
Hospitality and entertainment	407,889	347,550
Laboratory and medical supplies	562,275	766,051
Legal and professional fees	1,081,458	1,388,782
Local and foreign travel	970,663	889,783
Miscellaneous	2,128,337	2,952,133
Motor vehicle expense	244,364	233,970
Printing and stationery	484,481	574,519
Provision for doubtful debts	1,728,634	1,248,279
Repairs and maintenance		
- building	951,877	1,627,149
- furniture and fixtures	613,980	581,292
- motor vehicles	69,483	109,415
Security costs	1,084,791	1,018,440
Staff costs (note 29)	33,821,438	33,277,983
Teaching and research	2,935,190	2,818,895
Training and development	727,317	762,754
Utilities	2,343,911	2,956,979
	53,194,942	54,613,692

26. FINANCE COSTS

	2017	2016
Interest expense-loans	495,792	423,025
Other finance costs	105,746	184,362
	601,538	607,387

27. FINANCIAL RISK MANAGEMENT

Overview

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

The University has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the University's exposure to each of the above risks, the University's objectives, policies and processes for measuring and managing risk.

The University Council has the overall responsibility for the establishment and oversight of the University's risk management framework. The University's risk management policies are established to identify and analyse the risks faced by the University; to set appropriate risk limits and controls; and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the University's activities.

The University Audit Committee oversees how management monitors, and is in compliance with, the University's policies and procedures and reviews the adequacy of the risk management framework, in relation to the risks faced by the University. The Audit Committee is assisted in its functions by the University's Management Audit Department, which undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to suffer a financial loss. Credit risk arises principally from the University's receivables from governments and students, cash and cash equivalents, resale agreements and investments.

The nature of the University's exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior year.

The maximum exposure to credit risk is represented by the carrying amount of the University's financial instruments.

Management of credit risk relating to different types of financial assets

Cash and cash equivalents, resale agreements and investments

Cash and cash equivalents, resale agreements and investments are placed with substantial financial institutions that are appropriately licensed and regulated for short or long-term periods and management believes these institutions have minimal risk of default.

Accounts receivable

Management establishes an allowance for impairment that represents its best estimate of losses in respect of receivables. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(i) Credit risk (cont'd):

Management of credit risk relating to different types of financial assets (cont'd)

Due from Governments

The University's exposure to credit risks related to this receivable is influenced by the ability of the government in each contributing territory to honour its debt. Since the outstanding balances are not all current an impairment is recorded or in the case of specific governments with whom payment plans are in place, a discount is recorded to reflect the current value of future cash flows.

The ageing of due from governments at the reporting date [notes 8(a) and 13] was:

	2017		2016	
	Gross	Impairment	Gross	Impairment
Past due 0-30 days	2,050,094	9,826	2,189,288	7,345
Past due 31-60 days	2,041,150	19,652	1,920,668	14,689
Past due 60-120 days	3,074,461	39,305	3,535,192	29,379
Past due 121-365 days	2,307,410	50,769	1,364,144	37,947
More than one year	4,665,449	2,728,314	4,280,044	3,629,716
Total	14,138,565	2,847,866	13,289,336	3,719,076

The movement in the impairment provision during the year was as follows:

	2017	2016
Balance at beginning of year	3,719,076	2,825,064
Amount (recovered)/recognised	(871,210)	894,012
Balance at end of year	2,847,866	3,719,076

Student receivables

The University's exposure to credit risk is influenced mainly by the individual characteristic of each student.

Student receivables are deemed past due when the payments are not received on the contractual payment dates. The majority of the past due amounts are not considered impaired.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(i) Credit risk (cont'd):

Management of credit risk relating to different types of financial assets (cont'd)

Student receivables (cont'd)

The ageing of the student receivables at the reporting date is summarised as follows:

	2017		2016	
	Gross	Impairment	Gross	Impairment
Past due 0-120 days	1,551,645	-	1,475,684	-
Past due 121-365 days	2,582,861	-	2,016,504	18,846
More than one year	1,739,454	1,597,632	1,256,744	1,256,744
	5,873,960	1,597,632	4,748,932	1,275,590

Students, third parties and Government of Trinidad and Tobago receivables

The movement in the allowance for impairment in respect of the above receivables during the year were as follows:

	Students	Third parties	Government of Trinidad and Tobago
Balance at July 31, 2015	1,087,154	2,503,929	3,072,583
Currency translation adjustment	53,351	157,540	66,466
Amount recognised	135,085	(332,953)	(1,171,519)
Balance at July 31, 2016	1,275,590	2,328,516	1,967,530
Currency translation adjustment	8,088	22,985	7,738
Amount recognised/(recovered)	313,954	448,235	(186,763)
Balance at July 31, 2017	1,597,632	2,799,736	1,788,505

Staff and other receivables

Based on experience, management believes that no impairment allowance is necessary in respect of staff receivables not past due.

The University's exposure to credit risks is influenced by each party's ability to pay. The amounts are current and not impaired.

(ii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the University will encounter difficulty in raising funds to meet financial commitments when they are due. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed facilities. The management of the University manages this risk by keeping a substantial portion of its financial assets in liquid form and having bank overdraft facilities in place.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(ii) Liquidity risk (cont'd):

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Cash outflow	Less than 1 year	1-2 years	Over 2 years J$'000
July 31, 2017:					
Current liabilities	18,673,534	18,673,534	18,673,534	-	-
Long-term liabilities	10,668,939	15,858,143	2,749,877	2,673,439	10,434,827
	29,342,473	34,531,677	21,423,411	2,673,439	10,434,827
July 31, 2016:					
Current liabilities	16,528,128	16,528,128	16,528,128	-	-
Long-term liabilities	12,653,901	17,498,902	3,173,858	2,940,015	11,385,029
	29,182,029	34,027,030	19,701,986	2,940,015	11,385,029

(iii) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The University has exposure to market risk as it holds financial instruments that are subject to this risk. Presently, the University has no formal market risk management mechanism; however, the management of the exposure to market risk comes under the purview of the Investment Committee.

(a) Interest rate risk:

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk arises where there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustment within a specified period. The University manages this risk by consistently analysing and adjusting its portfolio of interest-earning assets and its interest-bearing liabilities depending on the direction in which interest rates are going in the opinion of management.

The University contracts other financial liabilities, primarily short-term loans and supplier credit, at floating interest rates which, while fixed initially, may be varied by the lenders with appropriate notice.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(iii) Market risk (cont'd):

(a) Interest rate risk (cont'd):

Interest-earning financial assets are primarily represented by cash and cash equivalents, resale agreements and investments which are contracted at fixed interest rates for the duration of the term.

At the reporting date, the profile of the University's interest-earning assets and interest-bearing liabilities, as represented by their carrying amount, was:

	2017	2016
Fixed rate instruments:		
Financial assets	15,360,427	15,002,924
Financial liabilities	(7,750,206)	(9,158,135)
	7,610,221	5,844,789

	2017	2016
Variable rate instruments:		
Financial assets	7,040,932	9,178,382
Financial liabilities	(2,175,543)	(2,793,500)
	4,865,389	6,384,882

Fair value sensitivity analysis for financial instruments

The University does not carry any interest-bearing financial instruments at fair value through profit or loss or at available-for-sale. Therefore a change in interest rates at the reporting date would not affect the carrying value of the financial instruments.

Cash flow sensitivity analysis for variable rate instruments

An increase of 250 (2016: 250) basis points in interest rates would have decreased deficit for the year by J$121,635,000 (2016: J$159,622,000).

A decrease of 100 (2016: 100) basis points in interest rates would have increased deficit for the year by J$48,654,000 (2016: J$63,849,000).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2016.

(b) Equity price risk:

Equity price risk arises from available-for-sale equity securities held by the University as part of its investment portfolio. Management monitors the mix of equity securities in its investment portfolio based on market expectations. The primary goal of the University's investment strategy is to maximise investment returns.

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(iii) Market risk (cont'd):

(b) Equity price risk (cont'd):

A 10% (2016: 10%) change in the market price of equities at the reporting date would result in an increase/decrease in investment revaluation reserve by J$271,530,000 (2016: J$253,714,000).

(c) Foreign currency risk:

Foreign currency risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The University has foreign currency risk on purchases and borrowing that are denominated in a currency other than the functional currencies of the entities. The University ensures that the net exposure is kept within reasonable limits by monitoring and, where necessary, adjusting its exposure.

The University manages foreign exchange exposure by maintaining adequate liquid resources in intervening currencies and by managing the timing of payments of foreign currency liabilities.

The University's exposure to foreign currency risk, in the University's primary intervening currencies, based on notional amounts, was as follows:

	2017									
	BAH $'000	BDS $'000	BZE $'000	CDN $'000	CAY $'000	EC $'000	PND £'000	TT $'000	US $'000	EURO €'000
Cash and cash equivalents	17	4,201	175	63,639	-	3,391	128,863	44,127	126,324	13,704
Short-term investments	-	3,145	-	301	-	-	226	30,792	8,803	-
Government contributions	2,700	208,794	3,025	-	1,892	106,779	-	733,163	2,288	-
Accounts payable	(78)	-	(41)	-	(18)	(3,122)	-	(18,744)	(1,346)	-
Accounts receivable	1,384	2,865	2,587	-	823	36,656	2	6,347	2,780	4,352
Long-term loans	-	-	-	-	-	-	-	-	(20,740)	(9,284)
Net Exposure	4,023	219,005	5,746	63,940	2,697	143,704	129,091	795,685	118,109	8,772

	2016									
	BAH $'000	BDS $'000	BZE $'000	CDN $'000	CAY $'000	EC $'000	PND £'000	TT $'000	US $'000	EURO €'000
Cash and cash equivalents	2,630	5,817	67,065	1,143	-	102,380	14,512	112,404	104,938	11,108
Short-term investments	-	2,908	-	-	-	-	179	30,570	10,348	-
Government contributions	1,878	95,630	2,712	-	1,772	104,503	-	71,252	1,739	-
Accounts payable	(95)	-	-	-	-	(4,221)	(12)	(208,247)	(1,446)	-
Accounts receivable	1,748	-	2,059	-	858	22,491	2	-	7,026	-
Long-term loans	-	-	-	-	-	-	-	-	(27,323)	(9,347)
Net Exposure	6,161	104,355	71,836	1,143	2,630	225,153	14,678	5,979	95,282	1,761

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(iii) Market risk (cont'd):

(c) Foreign currency risk (cont'd):

As at the reporting date the rates of exchange for the Jamaica dollar against its principal exchange currencies were:

	2017	2016
BAH$1.00	=J$ 127.6058	=J$ 126.2262
BDS$1.00	=J$ 63.8029	=J$ 63.1131
BZE$1.00	=J$ 63.8428	=J$ 62.7991
CDN$1.00	=J$ 102.3194	=J$ 97.0193
Cay$1.00	=J$ 155.6169	=J$ 153.9343
EC$1.00	=J$ 47.2614	=J$ 46.7504
EURO€1.00	=J$ 146.6390	=J$ 140.4236
GB£1.00	=J$ 166.0189	=J$ 164.6767
TT$1.00	=J$ 18.9138	=J$ 18.8397
US$1.00	=J$ 127.6058	=J$ 126.2262

Sensitivity analysis

A 1% (2016: 1%) strengthening of the Jamaica dollar against the currencies listed above would have increased deficit for the year by J$814,650,000 (2016: J$377,205,000).

A 15% (2016: 15%) weakening of the Jamaica dollar against the currencies listed above would have decreased deficit for the year by J$12,219,763,000 (2016: J$5,658,078,000).

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis as 2016.

28. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument.

Determination of fair value and fair values hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

28. FAIR VALUES *(cont'd)*

Level 1 – Quoted prices in active markets for identical assets or liabilities. This level includes quoted equity securities and listed debt instruments.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The University only has level 1 financial instruments as follows:

	Carrying Amount		Level 1	
	2017	2016	2017	2016
	J$'000	J$'000	J$'000	J$'000
Available-for-sale financial assets	2,715,297	2,537,143	2,715,297	2,537,143

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Financial assets	Method
Regional quoted equities	Quoted bid-price on stock exchanges
Unit trusts	Quoted published prices

Financial instruments not measured at fair value

The estimate fair value of the University's financial assets and liabilities not measured at fair value approximates their carrying value.

29. STAFF COSTS

	2017	2016
Salaries and wages	30,642,366	30,085,975
Statutory payroll contributions	1,469,459	1,365,297
Pension plan contributions-defined contribution plans	676,751	483,831
Other	1,032,862	1,342,880
	33,821,438	33,277,983
Post-employment benefit costs [note 23(e)]	4,190,167	2,196,988
	38,011,605	35,474,971

Staff costs include key management personnel compensation paid during the year as follows:

	2017	2016
Salaries and short-term employee benefits	365,658	463,683

30. TAXATION

In the countries where the University has campuses, taxation laws apply as follows:

Jamaica

The University is an approved educational institution for the purposes of Section 13(1)(q) and Section 25(c) of the Income Tax Act (the Act) and has been granted exemption from taxation under Section 12(h) of the Act.

Under the General Consumption Tax (GCT) Act, the University is entitled to acquire goods and services at a zero rate of tax. In addition, most of its own services are exempt from GCT under the provisions of item 12 Part II of the Third Schedule to the GCT Act if they meet stated criteria; viz:

Services pertaining to the provision of education and training, except where a fee is charged for admission to a conference, seminar or such type of meeting (excluding any conference, seminar or such type of meeting conducted by the University of the West Indies … for its members).

Barbados

The University is an approved educational institution which has been granted exemption from tax.

Trinidad and Tobago

The University is an exempt charity within the meaning of the Taxes Acts and is therefore not liable to corporation taxes.

Training and education are classified as exempt services in accordance with Schedule 1 of Value Added Tax (VAT) Act 1989. However, the University is obliged to charge the appropriate rate of VAT on those activities not closely related to the provision of education.

31. CAPITAL COMMITMENT

The University is committed to incur contractual capital expenditure of approximately J$4.4 billion (2016: J$4.1 billion).

32. CONTINGENT LIABILITY

Housing and car loans guarantee

The University is contingently liable in respect of guarantees issued on behalf of employees of the St. Augustine Campus (the Campus) as follows:

- The Campus has guaranteed academic staff housing loans with Republic Bank Limited (RBL). The liability in respect of each mortgage continues until the first 25% of the mortgage loan is repaid, up to a limit of TT$4.0 million on all the loans covered by the guarantee.

- The Campus has guaranteed car loans for academic staff up to a limit of TT$7.5 million in aggregate with RBL. The University has provided RBL with a letter of undertaking agreeing to guarantee up to TT$150,000 on individual loans granted under the terms of the Agreement. The guaranteed liability portion of the loan is reduced in proportion as the loan is repaid.

33. PRIOR YEAR ADJUSTMENTS

During the year, adjustments were made to certain prior period balances. The nature of the prior period adjustments and their effects on the financial statement line items affected are as follows:

(i) St. Augustine Campus:

During the year, management performed a review of the presentation of its financial information to ensure alignment with the classifications used in the wider University. As a result, the Campus reclassified balances previously held under special projects, general reserves and current liabilities.

The two main issues contributing to this reclassification were:

(i) grants due to staff members as part of their contractual agreement, which represented a legal liability, will now be reflected under current liabilities, and

(ii) reserves built up from other projects where any surplus or deficit from such projects should be classified as part of the surplus or deficit of the University, these will now be carried in general reserves.

(ii) Mona Campus and University Centre:

The supplementary pension obligation for the FSSU (see note 23) operated by UWI Mona and Centre was initially determined using UK annuity rates. In 2013, management changed the rates from UK annuity rates to local rates to determine the supplementation pension. This was challenged by the Unions and the matter was sent to Arbitration for a decision.

Resulting from the Consent Order from Arbitration, UWI Centre and Mona became liable for retroactive supplementation pension amounting to J$119,103,000.

The effects of the prior year adjustments are as follows:

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

33. PRIOR YEAR ADJUSTMENTS *(cont'd)*

(iii) Effects on the statement of financial position:

(a) Statement of financial position

	Impact of correction of errors		
	As previously reported	**Adjustments**	**As restated**
July 31, 2015			
Current assets	41,767,285	-	41,767,285
Current liabilities	19,471,475	1,228,790	20,700,265
Non-current assets	61,448,254	-	61,448,254
Total assets less current liabilities	**83,744,064**	**(1,228,790)**	**82,515,274**
Reserves			
Capital reserves	21,703,779	-	21,703,779
General reserves	4,992,151	277,002	5,269,153
Accumulated fund	4,518,920	(60,791)	4,458,129
Total reserves	**31,214,850**	**216,211**	**31,431,061**
Non-current liabilities			
Unexpended donations for special projects	7,193,880	(1,485,529)	5,708,351
Endowment funds	315,882	-	315,882
Capital grants	14,062,416	-	14,062,416
Long-term liabilities	11,453,184	40,528	11,493,712
Employee benefit obligation	19,315,519	-	19,315,519
Deferred income	188,333	-	188,333
Total non-current liabilities	**52,529,214**	**(1,445,001)**	**51,084,213**
Total reserves and non-current liabilities	**83,744,064**	**(1,228,790)**	**82,515,274**

	Impact of correction of errors		
	As previously reported	**Adjustments**	**As restated**
July 31, 2016			
Current assets	45,404,624	-	45,404,624
Current liabilities	20,838,435	1,279,927	22,118,362
Non-current assets	63,247,347	-	63,247,347
Total assets less current liabilities	**87,813,536**	**(1,279,927)**	**86,533,609**
Reserves			
Capital reserves	23,584,186	12,535	23,596,721
General reserves	3,853,151	327,376	4,180,527
Accumulated fund	3,836,460	(80,294)	3,756,166
Total reserves	**31,273,797**	**259,617**	**31,533,414**
Non-current liabilities			
Unexpended donations for special projects	7,912,740	(1,618,946)	6,293,794
Endowment funds	321,010	-	321,010
Capital grants	15,937,223	-	15,937,223
Long-term liabilities	10,371,665	79,402	10,451,067
Employee benefit obligation	21,818,768	-	21,818,768
Deferred income	178,333	-	178,333
Total non-current liabilities	**56,539,739**	**(1,539,544)**	**55,000,195**
Total reserves and non-current liabilities	**87,813,536**	**(1,279,927)**	**86,533,609**

(Expressed in thousands of Jamaica dollars, unless otherwise indicated)

33. PRIOR YEAR ADJUSTMENTS *(cont'd)*

(iv) Statement of profit or loss and OCI

	Impact of correction of errors		
	As previously reported	**Adjustments**	**As restated**
July 31, 2016			
Expenses			
Central	(6,974,998)	(64,854)	(7,039,852)
Deficit for the year	(1,134,702)	(64,854)	(1,199,556)
Other comprehensive income			
Currency translation adjustments	1,795,061	12,535	1,807,596
Total comprehensive loss for the year	(7,121)	(52,319)	(59,440)

(v) Effect on the statement of cash flows for the year ended July 31, 2016:

The adjustments to prior year amounts did not have any effect on the statement of cash flows for the year, except for the restatement of the deficit for the year, unexpended donations for special projects, and current liability, which offset each other.

THE UNIVERSITY OF THE WEST INDIES

Supplementary Information to the Financial Statements for the Year Ended July 31, 2017

Basis of Presentation of Supplementary Information

The Consolidated Financial Statements presented in thousands of Jamaica dollars, as set out on pages 22, 23 and 25, have been translated to thousands of Barbados and United States dollars and included on pages 74 to 79 as supplementary information to the Consolidated Financial Statements.

The Consolidated Statement of Financial Position is translated using the closing rates of exchange at July 31, 2017:

BDS$1: J$63.8029 (2016: BDS$1: J$63.1131)
US$1: J$127.6058 (2016: US$1: J$126.2262)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is translated using the average rates of exchange for the year to July 31, 2017:

BDS$1: J$64.3029 (2016: BDS$1: J$60.7284)
US$1: J$ 128.6082 (2016: US$1: J$121.4722)

The Consolidated Statement of Cash Flows is translated using the closing rates of exchange at July 31, 2017 and 2016 and items related to the Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at the average rates of exchange for 2017 and 2016.

Exchange differences are included in foreign exchange adjustments.

Consolidated Statement of Financial Position

July 31, 2017

	Notes	2017 J$'000	Restated 2016 J$'000	Restated 2015 J$'000	2017 BDS$'000	Restated 2016 BDS$'000	Restated 2015 BDS$'000
CURRENT ASSETS							
Cash and cash equivalents	5	8,550,243	10,804,483	9,706,042	134,010	171,192	165,792
Resale agreements	6	1,176,078	1,466,133	1,157,394	18,433	23,230	19,770
Short-term investments	7	6,159,695	6,031,821	4,839,482	96,543	95,572	82,665
Accounts receivable	8	29,230,418	26,655,469	25,643,042	458,136	422,345	438,016
Inventories	9	418,305	446,718	421,325	6,556	7,078	7,197
		45,534,739	45,404,624	41,767,285	713,678	719,417	713,440
CURRENT LIABILITIES	10	(22,094,865)	(22,118,362)	(20,700,265)	(346,299)	(350,456)	(353,587)
NET CURRENT ASSETS		23,439,874	23,286,262	21,067,020	367,379	368,961	359,853
NON-CURRENT ASSETS							
Advances	11	8,095	8,879	12,931	127	141	221
Long-term investments	7	9,221,290	8,400,587	7,879,862	144,528	133,104	134,598
Investment properties	12	5,720	5,969	6,218	90	95	106
Long-term receivables	13	4,191,462	3,237,329	3,322,866	65,694	51,294	56,759
Interest in subsidiaries	14	42,592	87,901	210,992	668	1,393	3,604
Property, plant and equipment	15	51,234,453	51,506,682	50,015,385	803,011	816,102	854,327
		64,703,612	63,247,347	61,448,254	1,014,118	1,002,129	1,049,615
		88,143,486	86,533,609	82,515,274	1,381,497	1,371,090	1,409,468
RESERVES							
Cumulative translation reserve	16	16,906,057	16,646,555	14,838,959	264,976	263,758	253,469
Revaluation surplus	17	5,426,213	5,426,213	5,426,213	85,046	85,976	92,687
Investment revaluation reserve	18	1,676,472	1,523,953	1,438,607	26,276	24,146	24,573
General reserve		4,315,533	4,180,527	5,269,153	67,638	66,239	90,004
Accumulated fund		2,074,547	3,756,166	4,458,129	32,515	59,515	76,151
Total reserves		30,398,822	31,533,414	31,431,061	476,451	499,634	536,884
NON-CURRENT LIABILITIES							
Unexpended donations for special projects	19	6,191,526	6,293,794	5,708,351	97,041	99,723	97,506
Endowment funds	20	317,391	321,010	315,882	4,975	5,086	5,396
Capital grants	21	16,861,781	15,937,223	14,062,416	264,279	252,519	240,204
Long-term liabilities	22	9,382,760	10,451,067	11,493,712	147,058	165,593	196,327
Employee benefits obligation	23(d)	24,822,873	21,818,768	19,315,519	389,055	345,709	329,934
Deferred income	24	168,333	178,333	188,333	2,638	2,826	3,217
Total non-current liabilities		57,744,664	55,000,195	51,084,212	905,046	871,456	872,584
		88,143,486	86,533,609	82,515,274	1,381,497	1,371,090	1,409,468

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended July 31, 2017

	Notes	2017 J$'000	Restated 2016 J$'000	2017 BDS$'000	Restated 2016 BDS$'000
INCOME					
Government contributions	4	27,994,218	27,947,703	435,349	460,208
Tuition and other student fees		8,092,939	7,642,807	125,857	125,852
Special projects		5,201,656	5,164,398	80,893	85,041
Other projects		12,308,026	11,550,017	191,407	190,191
Commercial operations		4,345,294	5,654,944	67,575	93,119
Investment income		561,902	441,427	8,738	7,269
Miscellaneous income		1,180,082	1,149,204	18,352	18,924
		59,684,117	59,550,500	928,171	980,604
Less: transfer to capital grants		(795,224)	(742,634)	(12,367)	(12,229)
Income after transfer to capital grants		58,888,893	58,807,866	915,804	968,375
EXPENSES					
Departmental		(23,871,177)	(24,373,593)	(371,230)	(401,354)
Administrative		(6,097,742)	(5,893,866)	(94,828)	(97,053)
Central		(5,381,335)	(7,039,852)	(83,687)	(115,924)
Special projects		(5,201,656)	(5,164,398)	(80,893)	(85,041)
Other projects		(8,989,732)	(7,695,285)	(139,803)	(126,716)
Commercial operations		(3,653,300)	(4,446,698)	(56,814)	(73,223)
	25	(53,194,942)	(54,613,692)	(827,255)	(899,311)
Surplus for the year before finance costs		5,693,951	4,194,174	88,549	69,064
Finance costs	26	(601,538)	(607,387)	(9,355)	(10,002)
Surplus for the year before depreciation, pension and post-employment medical benefits		5,092,413	3,586,787	79,194	59,062
Depreciation		(2,660,598)	(2,589,355)	(41,376)	(42,638)
Pension and post-employment medical benefits	23 (e)	(4,190,167)	(2,196,988)	(65,163)	(36,178)
DEFICIT FOR THE YEAR		(1,758,352)	(1,199,556)	(27,345)	(19,754)
OTHER COMPREHENSIVE INCOME					
Items that will never be reclassified to profit or loss					
Re-measurement of employee benefits obligation	23 (e)	186,816	(752,826)	2,905	(12,397)
Items that may be reclassified to profit or loss					
Change in fair value of available-for-sale financial assets		152,519	233,826	2,372	3,850
Reclassification of fair value gains on disposal of investments		-	(148,480)	-	(2,445)
Currency translation adjustments		259,502	1,807,596	4,036	29,765
Total other comprehensive income		598,837	1,140,116	9,313	18,773
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,159,515)	(59,440)	(18,032)	(981)

	2017 J$'000	Restated 2016 J$'000	2017 BDS$'000	Restated 2016 BDS$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Deficit for the year	(1,758,352)	(1,199,556)	(27,345)	(19,754)
Adjustments				
Depreciation :Property, plant and equipment	2,660,349	2,589,106	41,372	42,634
Investment properties	249	249	4	4
Amortization of capital grants	(473,821)	(423,466)	(7,369)	(6,973)
Employee benefits obligation	3,096,887	2,196,988	48,161	36,177
Loss on sale of property, plant and equipment	5,630	1,767	88	29
Foreign exchange adjustments	(1,391,518)	1,596,130	(23,336)	10,788
Discount on long-term receivables	(871,210)	894,012	(13,549)	14,721
Interest income	(538,817)	(409,753)	(8,379)	(6,747)
Dividend income	(23,085)	(31,674)	(359)	(522)
Deferred income	(10,000)	(10,000)	(156)	(165)
Interest expense	601,538	607,387	9,355	10,002
	1,297,850	5,811,190	18,487	80,194
Changes in :				
Accounts receivable	(1,499,033)	(1,906,439)	(23,495)	(30,207)
Inventories	28,413	(25,393)	445	(402)
Current liabilities	726,198	(2,048,773)	11,382	(32,462)
Net cash provided by operating activities	553,428	1,830,585	6,819	17,123
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	334,111	152,194	5,196	2,506
Dividend received	23,085	31,674	359	522
Investments, (net)	(796,058)	(1,627,718)	(12,477)	(25,791)
Decrease/(increase) in resale agreements	290,055	(308,739)	4,546	(4,892)
Decrease in advances	784	4,052	12	64
Long-term receivables	(954,133)	85,537	(14,954)	1,355
Interest in subsidiaries	45,309	123,091	710	1,950
Purchase of property, plant and equipment	(2,168,679)	(2,668,916)	(33,990)	(42,288)
Proceeds from sale of property, plant and equipment	4,496	11,122	70	176
Net cash used by investing activities	(3,221,030)	(4,197,703)	(50,528)	(66,398)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(409,655)	(377,861)	(6,371)	(6,222)
Unexpended donations for special projects	1,488,815	585,444	23,335	9,276
Endowment funds	(3,737)	4,344	(59)	69
Capital grants received	1,322,901	1,833,423	20,734	29,050
Proceeds of long-term loans	89,025	1,211,989	1,395	19,203
Repayment of long-term loans	(2,038,536)	(2,165,505)	(31,951)	(34,312)
Other long term liabilities	(35,451)	2,373,725	(556)	37,611
Net cash provided by financing activities	413,362	3,465,559	6,527	54,675
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,254,240)	1,098,441	(37,182)	5,400
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,804,483	9,706,042	171,192	165,792
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	8,550,243	10,804,483	134,010	171,192

Consolidated Statement of Financial Position

July 31, 2017

	Notes	2017 J$'000	Restated 2016 J$'000	Restated 2015 J$'000	2017 US$'000	Restated 2016 US$'000	Restated 2015 US$'000
CURRENT ASSETS							
Cash and cash equivalents	5	8,550,243	10,804,483	9,706,042	67,005	85,596	82,896
Resale agreements	6	1,176,078	1,466,133	1,157,394	9,216	11,615	9,885
Short-term investments	7	6,159,695	6,031,821	4,839,482	48,271	47,786	41,332
Accounts receivable	8	29,230,418	26,655,469	25,643,042	229,068	211,172	219,008
Inventories	9	418,305	446,718	421,325	3,278	3,539	3,598
		45,534,739	45,404,624	41,767,285	356,838	359,708	356,719
CURRENT LIABILITIES	10	(22,094,865)	(22,118,362)	(20,700,265)	(173,149)	(175,228)	(176,794)
NET CURRENT ASSETS		23,439,874	23,286,262	21,067,020	183,689	184,480	179,925
NON-CURRENT ASSETS							
Advances	11	8,095	8,879	12,931	63	70	110
Long-term investments	7	9,221,290	8,400,587	7,879,862	72,264	66,552	67,299
Investment properties	12	5,720	5,969	6,218	45	47	53
Long-term receivables	13	4,191,462	3,237,329	3,322,866	32,847	25,647	28,379
Interest in subsidiaries	14	42,592	87,901	210,992	334	696	1,802
Property, plant and equipment	15	51,234,453	51,506,682	50,015,385	401,506	408,051	427,164
		64,703,612	63,247,347	61,448,254	507,059	501,063	524,807
		88,143,486	86,533,609	82,515,274	690,748	685,543	704,732
RESERVES							
Cumulative translation reserve	16	16,906,057	16,646,555	14,838,959	132,487	131,879	126,733
Revaluation surplus	17	5,426,213	5,426,213	5,426,213	42,523	42,988	46,343
Investment revaluation reserve	18	1,676,472	1,523,953	1,438,607	13,138	12,073	12,287
General reserve		4,315,533	4,180,527	5,269,153	33,819	33,119	45,002
Accumulated fund		2,074,547	3,756,166	4,458,129	16,257	29,757	38,075
Total reserves		30,398,822	31,533,414	31,431,061	238,224	249,816	268,440
NON-CURRENT LIABILITIES							
Unexpended donations for special projects	19	6,191,526	6,293,794	5,708,351	48,521	49,861	48,753
Endowment funds	20	317,391	321,010	315,882	2,487	2,543	2,698
Capital grants	21	16,861,781	15,937,223	14,062,416	132,140	126,259	120,102
Long -term liabilities	22	9,382,760	10,451,067	11,493,712	73,529	82,796	98,164
Employee benefits obligation	23(d)	24,822,873	21,818,768	19,315,519	194,528	172,855	164,967
Deferred income	24	168,333	178,333	188,333	1,319	1,413	1,608
Total non-current liabilities		57,744,664	55,000,195	51,084,212	452,524	435,727	436,292
		88,143,486	86,533,609	82,515,274	690,748	685,543	704,732

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended July 31, 2017

	Notes	2017 J$'000	Restated 2016 J$'000	2017 US$'000	Restated 2016 US$'000
INCOME					
Government contributions	4	27,994,218	27,947,703	217,671	230,075
Tuition and other student fees		8,092,939	7,642,807	62,927	62,918
Special projects		5,201,656	5,164,398	40,446	42,515
Other projects		12,308,026	11,550,017	95,702	95,084
Commercial operations		4,345,294	5,654,944	33,787	46,553
Investment income		561,902	441,427	4,369	3,634
Miscellaneous income		1,180,082	1,149,204	9,176	9,461
		59,684,117	59,550,500	464,078	490,240
Less: transfer to capital grants		(795,224)	(742,634)	(6,183)	(6,114)
Income after transfer to capital grants		58,888,893	58,807,866	457,895	484,126
EXPENSES					
Departmental		(23,871,177)	(24,373,593)	(185,612)	(200,652)
Administrative		(6,097,742)	(5,893,866)	(47,413)	(48,520)
Central		(5,381,335)	(7,039,852)	(41,843)	(57,954)
Special projects		(5,201,656)	(5,164,398)	(40,446)	(42,515)
Other projects		(8,989,732)	(7,695,285)	(69,900)	(63,350)
Commercial operations		(3,653,300)	(4,446,698)	(28,406)	(36,607)
	25	(53,194,942)	(54,613,692)	(413,620)	(449,598)
Surplus for the year before finance costs		5,693,951	4,194,174	44,275	34,528
Finance costs	25	(601,538)	(607,387)	(4,677)	(5,000)
Surplus for the year before depreciation, pension and post-employment medical benefits		5,092,413	3,586,787	39,598	29,528
Depreciation		(2,660,598)	(2,589,355)	(20,688)	(21,316)
Pension and post-employment medical benefits	23 (e)	(4,190,167)	(2,196,988)	(32,581)	(18,086)
DEFICIT FOR THE YEAR		(1,758,352)	(1,199,556)	(13,671)	(9,874)
OTHER COMPREHENSIVE INCOME					
Items that will never be reclassified to profit or loss					
Re-measurement of employee benefits obli	23 (e)	186,816	(752,826)	1,453	(6,198)
Items that may be reclassified to profit or loss					
Change in fair value of available-for-sale financial assets		152,519	233,826	1,186	1,925
Reclassification of fair value gains on disposal of investments			(148,480)	-	(1,222)
Currency translation adjustments		259,502	1,807,596	2,018	14,881
Total other comprehensive income		598,837	1,140,116	4,657	9,386
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,159,515)	(59,440)	(9,014)	(488)

Consolidated Statement of Cash Flows

Year ended July 31, 2017

	2017 J$'000	Restated 2016 J$'000	2017 US$'000	Restated 2016 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Deficit for the year	(1,758,352)	(1,199,556)	(13,671)	(9,874)
Adjustments for:				
Depreciation :Property, plant and equipment	2,660,349	2,589,106	20,686	21,314
Investment properties	249	249	2	2
Amortization of capital grants	(473,821)	(423,466)	(3,684)	(3,486)
Employee benefits obligation	3,096,887	2,196,988	24,080	18,086
Loss on sale of property, plant and equipment	5,630	1,767	44	15
Foreign exchange adjustments	(1,391,518)	1,596,130	(11,494)	5,395
Discount on long- term receivables	(871,210)	894,012	(6,774)	7,360
Interest income	(538,817)	(409,753)	(4,190)	(3,373)
Dividend income	(23,085)	(31,674)	(179)	(261)
Deferred income	(10,000)	(10,000)	(78)	(82)
Interest expense	601,538	607,387	4,677	5,000
	1,297,850	5,811,190	9,419	40,096
Changes in :				
Accounts receivable	(1,499,033)	(1,906,439)	(11,747)	(15,103)
Inventories	28,413	(25,393)	223	(201)
Current liabilities	726,198	(2,048,773)	5,691	(16,231)
Net cash provided by operating activities	553,428	1,830,585	3,586	8,561
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	334,111	152,194	2,598	1,253
Dividend received	23,085	31,674	179	261
Investments, (net)	(796,058)	(1,627,718)	(6,238)	(12,895)
Decrease/(increase) in resale agreements	290,055	(308,739)	2,273	(2,446)
Decrease in advances	784	4,052	6	32
Long-term receivables	(954,133)	85,537	(7,477)	678
Interest in subsidiaries	45,309	123,091	355	975
Purchase of property, plant and equipment	(2,168,679)	(2,668,916)	(16,995)	(21,144)
Proceeds from sale of property, plant and equipment	4,496	11,122	35	88
Net cash used by investing activities	(3,221,030)	(4,197,703)	(25,264)	(33,198)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(409,655)	(377,861)	(3,185)	(3,111)
Unexpended donations for special projects	1,488,815	585,444	11,576	4,638
Endowment funds	(3,737)	4,344	(29)	34
Capital grants received	1,322,901	1,833,423	10,286	14,525
Proceeds of long-term loans	89,025	1,211,989	692	9,602
Repayment of long-term loans	(2,038,536)	(2,165,505)	(15,975)	(17,156)
Other long term liabilities, (net)	(35,451)	2,373,725	(278)	18,805
Net cash provided by financing activities	413,362	3,465,559	3,087	27,337
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,254,240)	1,098,441	(18,591)	2,700
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,804,483	9,706,042	85,596	82,896
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	8,550,243	10,804,483	67,005	85,596

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