THE UNIVERSITY OF THE WEST INDIES

Financial Report & Consolidated Accounts

For the Year Ended July 31, 2013

THE UNIVERSITY OF THE WEST INDIES

FINANCIAL REPORT & CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED JULY 31, 2013

TABLE OF CONTENTS

THE UNIVERSITY OF THE WEST INDIES

FINANCIAL REPORT
FOR THE YEAR ENDED JULY 31, 2013

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, 2013, and are presented in Jamaica dollars. The Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows are also represented in Barbados dollars on **pages 73 to 75** and in United States dollars on **pages 76 to 78** as supplementary information**.**

The commentary on **pages 1 to 10** refers to the Barbados dollar equivalent of certain balances for the financial year being reported, compared with those of the previous year(s).

RESULTS FOR THE YEAR

I. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended July 31, 2013, the **total income** of the University was **BD$974.3** million, compared with **BDS$992.0** million for the corresponding period in the prior year. The comparative results for 2012 are stated after prior year adjustments.

Total expenditure for the year ended July 31, 2013 was **BDS$992.0** million compared with **BDS$911.5** million for the same period in the prior year.

For the year ended July 31, 2013, the operations of the University resulted in a **deficit of BDS$17.8** million (**2012: BDS$80.5 million surplus**). All campuses experienced deficit results, except for Cave Hill which had a significantly reduced surplus over 2012. The University Centre also had a significantly reduced surplus.

The results on all Campuses reflected the impairment of an additional BDS$13.5 million of Government contributions receivable. The reduction in comparison to the prior year surplus also reflects the one-off effect in 2012 of the change in the annuity rates used to calculate the obligation for pension supplementation, resulting in income of BDS$13.3 million being recognised in the Consolidated Statement of Comprehensive Income in 2012. The results also reflect a reduction in Government contributions by BDS$14.7 million.

At the St. Augustine Campus, previously unrecorded post-retirement health obligations were actuarially valued, resulting in increased employee benefit obligations for that Campus of BDS$13.2 million for 2013 and BDS$23.5 million for prior years. This required a prior year adjustment to the consolidated financial statements.

For the first time the results of the financial operations of the St Augustine Campus were consolidated with the results of its wholly owned subsidiary UWI School of Business and Applied Studies Limited (UWISBASL). The net after tax profits of UWIBASL for 2012/2013 amounted to BD$1.4 million.

CONSOLIDATED INCOME

As shown in **Charts 1 and 1a** on page11, the University derived its operating income from the following sources: Government Contributions 49% (2012: 49%), Tuition and Other Student Fees 15% (2012: 15%), Special Projects 7% (2012: 7%), Other Projects 20% (2012:20%), Commercial Operations 6% (2012: 6%) and Other Income 3% (2012: 3%). A three year summary of income by source is shown in **Table 2** and **Chart 2** on page 12 and a three year summary of total income is shown in **Table 3** and **Chart 3** on page 13.

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

Government Contributions

Income from Government Contributions totalled **BDS$471.8** million and represented 49% of total income, a decline in value of 3% over the prior year in which Government Contributions were **BDS$486.5** million and also represented 49% of total income.

Project Income

a) *Special Projects*

For the year ended July 31, 2013 this source of income totalled BDS$66.9 million, and represented 7% of total income, similar to 2012. Income from Special Projects showed a decrease of 9.4% over the BDS$73.8 million reported in the prior year. 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, 2013 the value of new grants received for research was BDS$70.4 million compared with BDS$50 million in the previous year.

Some examples of new projects funded during the year were: Barbados Hot Pepper Project (**Cave Hill Campus)** – sponsor, Barbados Investment and Development Corporation; Elimination of Vertical (Mother to Child) Transmission of HIV/AIDS & Congenital Syphilis in Jamaica **(Mona Campus)** – sponsor, National Health Fund; CARPIMS II **(St. Augustine Campus)** – sponsor, European Union – Commission Des Communautes (EACEA); PEPFAR Caribbean HIV/AIDS Regional Training Initiative (CHART II) **(University Centre)** – sponsor, Health Resources and Services Administration (HRSA); Universal Service Fund (USF) Project **(Open Campus)** – sponsor, Universal Service Fund.

b) *Other Projects*

Income from Other Projects was derived from self-financing programmes such as the MSc. Counselling, MSc. Education, MSc. International Management, MSc. Tourism and Hospitality Management, the operations of the School of Dentistry, 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.

For the year ended July 31, 2013, income from Other Projects totalled BDS$195.8 million and represented 20% of total income.

Similar to the previous year, total projects income (Special Projects and Other Projects) represented 27% of total income.

Tuition and Other Student Fees

Tuition and other student fees totalled BDS$148 (2012: BDS$146) million for the year ended July 31, 2013. Similar to the prior year, this represented 15% of total income. There was a marginal 1.4% growth over the prior year from this source of income, with income less than budgeted for some Campuses.

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

Other Income

Other Income totalled BDS$29.7 million (2012: BDS$31.3 million) and was comprised of investment income of BDS$10 million (2012: BDS$8.5 million) and miscellaneous income of BDS$19.7 million (2012: BDS$22.8 million). Miscellaneous income included income earned from rental of facilities as well as an amount of BDS$2.8 million representing the value of Capital Grants amortised during the year.

Commercial Operations

Income from commercial operations experienced a growth of 3.3% from BDS$60.1 million in 2012 to BDS$62.1 million and represented 6% of total income (2012: 6%). 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.

CONSOLIDATED EXPENDITURE

The categories of expenditure and their percentages of the total were as follows: Departmental 46% (2012: 49%), Administrative 9% (2012: 9%), Central 19% (2012: 14%), Special Projects 7% (2012: 8%), Other Projects 13% (2012: 14%) and Commercial Operations 6% (2012: 6%). This is illustrated by **Table 4** and **Charts 4 and 4a** on page 14.

For the year ended July 31, 2013, there was an actuarially determined expense of BDS$53.2 million (2012: income of BD$13.3 million) for post-employment pension and medical benefits. The increased expenditure in this category also reflects the additional charge for post-retirement health benefits at the St. Augustine campus.

A further impairment provision totalling BDS$13.5 million (2012: BDS$12.5 million) was made on Government contributions outstanding in excess of two years from certain Governments of the Eastern Caribbean. The resulting impairment expense was included in consolidated expenditure.

A three year summary of expenditure by category is shown in **Table 5** and **Chart 5** on page 15 and a three year summary of total expenditure is illustrated in **Table 6** and **Chart 6** on page 16.

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Net Current Assets

Current assets exceeded current liabilities by BDS$378.1 million (2012: BDS$344.1 million), an overall increase of 10%. The balances for cash and cash equivalents and resale agreements declined by BDS$55.5 million and BD$9.4 million respectively, however accounts receivable showed a major increase of BD$137.6 million or 51% over the prior year. The increased receivables mainly reflected outstanding balances due from Contributing Governments, parts of which have been reclassified from long-term to short-term receivables. Current liabilities increased by 17.5%.

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

Cash and Cash Equivalents

This included funds held for activities funded by the University Grants Committee, external donors, as well as commercial operations. Restricted funds accounted for BDS$12 million of the balance.

Accounts Receivable

The balance for accounts receivable at July 31, 2013 increased by BDS$137.6 million or 51% over July 2012. This increase included reclassification of an amount of BDS$105.4 million of Government debt from long-term to short-term receivables. The steady rise in outstanding Government contributions over the last five years is illustrated in **Chart 7** on page 17. Discussions are in progress with the Governments regarding arrangements to liquidate the outstanding balance.

Included in other receivables is an amount of BDS$9.2 million (2012: BD$6.7 million) representing the current portion of retroactive salaries due from the Government of Jamaica for wage agreements for the 2008/2009 to 2010/2011 union contract periods.

Short –term Investments and Securities purchased under Resale Agreements

Included in this category were Resale agreements, Government securities, treasury deposits, fixed deposits, and equities. Restricted funds accounted for 30% of the balance. Income earned from these investments and Resale agreements was used to supplement funding of current liabilities and capital commitments.

Current Liabilities

The total of BDS$297.6 million (2012: BDS$253.2 million) representing current liabilities, includes amounts due to suppliers for goods and services received, vacation leave accrual of BDS$34.5 million (2012: BDS$41.3 million), retroactive salaries and other staff benefits. The current portion of long- term liabilities was BDS$34.8 million.

An amount of BDS$4.4 million representing Government contributions pre-paid by one contributing Government, as well as a short -term loan of J$1.1 billion (BDS$20.7 million) received by one campus from the Bank of Nova Scotia , were also included in current liabilities.

Long-Term Investments

There was an increase of 68% in the balance for long-term investments which totalled BDS$137.1 million (2012: BDS$81.5 million). The St Augustine Campus invested additional funds earmarked for special projects in the amount of BDS$62.4 million, while the Cave Hill Campus reduced its investments by BDS$24.7 million in order to meet operating expenses.

Long–Term Receivables

At July 31, 2013 long -term receivables included a total of BDS$ 60.7 million (2012: BDS$120.9 million) for Government contributions outstanding in excess of one year. The reduction reflects the balance for one Government now transferred to short-term receivables. Of this figure BDS$32.9 million (2012: BDS$22.4 million) has been impaired.

Also included is an amount of BDS$15.4 million for salary arrears due from the Government of Jamaica arising from wage agreements for the union contract periods 2008/2009 to 2010/2011. The amount is to be settled over a period of forty-two (42) months.

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

Long –Term Receivables (cont'd)

Outstanding tuition fees of BDS$0.9 million, from medical students who were given extended payment terms for settlement of their fees, are included in long-term receivables. This arrangement was to facilitate the increase in the number of students in the Faculty of Medical Sciences.

Property, Plant and Equipment

During the period addition to property plant and equipment totalled BDS$103.6 million. Of this amount 44% or BDS$44.3 million was spent for additions to buildings. An additional BDS$140 million was transferred from work- in-progress to buildings at the end of the year. Additional expenditure was made mainly for the purchase of computers and other electronic equipment, office furniture and fixtures and library books.

At the Cave Hill Campus during the year capital projects totalling BDS$32 million were completed, constituting the Cave Hill School of Business (funded by a loan from Caribbean Development Bank), student accommodation at Clarendon (funded by a loan from BNB Finance & Trust) and the Nightingale Hostel building (funded by a grant from the Government of Barbados). The Campus received a donation of land from the Government of Barbados at a value of BDS$2.4 million.

At the Mona Campus, construction of the new Basic Medical Sciences Complex, additional housing facilities to accommodate students, as well as the Call Centre building were completed. Work on the Air conditioning Service Park, an energy efficient project at the Mona Campus, was still included in work- in- progress.

The costs associated with construction of the Hugh Wynter Fertility Management Unit and the Centre Offices at the Cave Hill Campus are included in work-in-progress of the University Centre.

At the St. Augustine Campus, the renovation and expansion to Canada Hall and the staff senior common room were completed. Construction of the Teaching and Learning Complex was in progress.

The Open Campus received a donation of land from the Government of Grenada to the value of BDS$6 million.

Long-Term Liabilities

a) Long-term Loans

The balance of BDS$231.1 million (2012: BDS$245.8 million) for long-term loans represents an overall decrease of 15%, as the older loans are being repaid.

During the year the Mona Campus was granted a loan of US$3 million by the Development Bank of Jamaica towards construction of a business processing outsourcing facility. The principal outstanding at July 2013 was US$2.65 million.

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

Long- term Loans (cont'd)

a) Long-term Loans (cont'd)

Republic Bank (Barbados) Limited approved a loan of BDS$8 million to the Cave Hill Campus to complete the works on the sports track and pavilion. BDS$6 million was drawn down at year end.

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

b) Other Long –term liabilities

Included in other long- term liabilities is an amount of approximately BDS$10 million, being held by the University for the purpose of upgrading the facilities of the University Hospital of the West Indies, as well as the long- term portion of retroactive salaries payable to employees totalling BDS$0.9 million.

Investment Revaluation Reserve

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

The net movement (appreciation) in the investment revaluation reserve for the year ended July 31, 2013 totalled BDS$6.2 million (2012: BDS$2.4 million).

Other Capital Reserves

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

Employee Benefits Obligation

In accordance with the 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 FSSU 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 obligation for post-retirement medical benefits at the St Augustine Campus was previously unrecorded, resulting in an increase in liability for that Campus and the Centre of BDS$24 million.

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

Employee Benefits Obligation (cont'd)

The actuarial report on the obligation as at July 31, 2013 was prepared by the actuaries Eckler Partners Ltd. Based on this report an estimated net obligation of BDS$210.8 million has been included in these financial statements. The restated estimated obligation at July 31, 2012 was BDS$176.3 million.

Supplementation was abolished for new employees with effect from August 1, 2005. For persons employed before the foregoing date, the relevant contributing Governments have committed to meet the obligations on retirement of those staff members.

PERFORMANCE INDICATORS

	2013	2012	2011
a) Total Operating Income/Expenses	98%	109%	101%
b) Government Contributions/Total Operating Income	49%	49%	51%
c) Total Income/Total Assets	52%	59%	66%
d) Liquidity ratio (acid test)	2.3	2.4	3
e) Income per FTE (BDS$)	27,201	28,614	28,776
f) Expense per FTE (BDS$)	27,697	26,292	28,528

a) For the year ended July 31, 2013 there was an 11 percentage point decrease in the ratio of total operating income to expenses when compared with the prior year as there was a one-off reduction in pension obligations in 2012, thus significantly reducing expenses for that year. The comparison with 2011 however shows a steady decline in this ratio, as reflected in the deficit for 2013, indicating that income for the period was inadequate to cover the necessary expenditure.

b) The ratio of Government Contributions to total operating income indicates that for the year ended July 31, 2013 the University relied on Governments to provide 49% of its income. This is similar to the corresponding period in the prior year, and is in line with the strategic goals of the University.

c) Total income to total assets was 52%, a decrease of 7 percentage points from the prior year. This reflects in part the steady rise in receivables, that is, a smaller portion of our income is being converted to cash.

d) The University strives to meet its current obligations from available funds and from near liquid assets, as indicated by an acid test ratio of 2.3. However converting near liquid assets to cash in order to meet current obligations is increasingly challenging, as the amounts receivable from Governments are not forthcoming in a timely manner. In addition significant portions of cash are restricted for use only on projects determined by Grant agencies.

STATUS OF GOVERNMENT CONTRIBUTIONS

Overview

The responsibility of interfacing with governments with respect to government contributions payable, for economic costs resides with the Office of Finance. To assist governments in planning the required contribution needed to fund the UWI, the Office of Finance prepares yearly assessments for each government and based on requests provides projections of the required contributions beyond the twenty - four months which is accommodated by the biennial budgeting cycle used by the University of the West Indies (UWI). The Office follows up with government ministries by correspondence, telephone calls and visits. The campus Principals and Bursars also relate to campus governments on amounts outstanding.

Annually governments are provided with a finalized bill which is based on actual student numbers and the approved budgets.

At July 31, 2013 the balance due from contributing governments to the University of the West Indies for economic costs was BD$210.9 million (net). This balance represents a thirty two percent increase when compared to the position at July 31, 2012 when the net receivable balance was BD$159.2 million.

CAMPUS COUNTRIES

Barbados

At July 31, 2013, BD$131.97 million remained outstanding from the Government of Barbados. The billing for the year was BD$127.32 million. Payments totalling BD$115.1 million received during the year, were insufficient to repay the outstanding amount of BD$119.75 million at July 31, 2012. Discussions are in progress with the Government of Barbados regarding arrangements to liquidate the outstanding balance.

Jamaica

The Government of Jamaica continues to pay monthly tranches of committed funds to the University on a timely basis, and as a consequence it has greatly assisted the University in the financial management of the Campuses and the University Centre. The balance outstanding at July 31, 2013 was J$80.09 million.

Trinidad and Tobago

The Government of Trinidad & Tobago opened the year with a prepayment of TT$74.19 million. The total payment of TT$573.87million received during the year was not enough to liquidate the current billing of TT$673.82 million, hence the year ended with a balance of TT$25.76 million outstanding.

The Government of Trinidad & Tobago has promised to liquidate the outstanding balance.

STATUS OF GOVERNMENT CONTRIBUTIONS (cont'd)

NON-CAMPUS COUNTRIES ('UWI 12') *(cont'd)*

Anguilla

The opening balance of EC$3.30 million was increased by the current year's billing of EC$658,317 to an outstanding balance of EC$3.96 million at July 31, 2013, as no payments were received during the year. Discussions will continue with the government to liquidate the outstanding balance.

Antigua

The balance outstanding at July 31, 2013 was EC$4.56 million after the payment of EC$3.42 million made during the year. The amount paid was sufficient to liquidate the current billing with a small balance being paid towards the arrears.

Bahamas

The University appreciates the prompt payments of the government of the Bahamas, which has resulted in a prepayment of BAH$210,653 at the end of July 31, 2013.

Belize

The amount outstanding at July 31, 2013 was BZE$2.25 million after the payment of BZE$2.65 million. The amount paid was sufficient to liquidate the current billing of BZE$ 2.24 million with a small balance being paid towards the arrears.

Bermuda

The Government of Bermuda became an associate contributing government effective April, 2010. The opening balance on this government's account was US$80,554 and the billing for the year was US$82,378. During the year payments of US$157,523 resulted in a balance of US$5,409 outstanding at July 31, 2013. Subsequent data has revealed that the balance will be adjusted as one of their students has left the University.

British Virgin Islands

The amount outstanding as at July 31, 2013 was US$1.91 million. The government had an opening balance of US$2.32 million .During the year the government was billed US$473,440 and payments totalling US$883,937 were received. The government has informed the University of a payment plan to liquidate the outstanding balance.

Cayman Islands

The balance outstanding at July 31, 2013 was CAY$1.04 million. The government was billed CAY$382,471 for the current year. The receipt of CAY$92,669 was insufficient to liquidate the opening balance of CAY$760,058. Discussions are in process with a view to liquidate the balance.

STATUS OF GOVERNMENT CONTRIBUTIONS (cont'd)

NON-CAMPUS COUNTRIES ('UWI 12')

Dominica

The balance outstanding at July 31, 2013 was EC$16.52 million which represents an accumulation of several years billings. No payments were made on the opening balance of EC$14.02 million or the billing for the year of EC$2.50 million, irrespective of the efforts made by the University in this regard.

Grenada

The balance outstanding from the Government of Grenada at July 31, 2013 was EC$15.52 million. Payments totalling EC$500,003 were received during the financial year.

Montserrat

Payment of EC$1.13 million was made during the period. The amount outstanding at July 31, 2013 was EC$5.29 million. The government has promised to liquidate the balance shortly.

St. Kitts and Nevis

The Government of St. Kitts & Nevis must be thanked for its payments totalling EC$3.62 million. The amount outstanding at July 31, 2013 was EC$1.17 million.

St Lucia

The balance outstanding at July 31, 2013 was EC$14.96 million, after receiving payment of EC$1.02 million during the year. The payment was not sufficient to cover the opening balance of EC$12.71 million or the current year's billing of EC$3.27million.

St. Vincent and the Grenadines

The year started with a balance of EC$18.67 million and the billing for the year was EC$ 4.86 million. Payments totalling EC$2.99 million were received during the year. The balance outstanding at July 31, 2013 was EC$20.54 million. Further discussions regarding liquidation are in progress with the government.

INCOME

Year ended July 31, 2013 with comparatives for the year ended July 31, 2012

TABLE 1 - $'000

SOURCES	J$ 2013	J$ 2012	BDS$ 2013	BDS$ 2012	TT$ 2013	TT$ 2012	EC$ 2013	EC$ 2012
West Indian Government Contributions *	22,367,929	21,186,262	471,793	486,458	1,510,784	1,557,572	636,925	656,711
Tuition and other student Fees	7,018,815	6,359,792	148,043	146,027	474,068	467,559	199,860	197,134
Special Projects	3,171,230	3,214,709	66,889	73,813	214,193	236,339	90,301	99,646
Other Projects	9,282,959	8,462,691	195,800	194,312	626,994	622,160	264,332	262,318
Commercial Operations	2,943,531	2,616,508	62,086	60,078	198,813	192,360	83,817	81,104
Other	1,406,596	1,364,910	29,668	31,340	95,005	100,345	40,054	42,308
TOTAL INCOME	46,191,060	43,204,872	974,279	992,028	3,119,857	3,176,335	1,315,289	1,339,221

*net of transfer to capital grants

CHART 1
INCOME (%) Year ended July 31, 2013

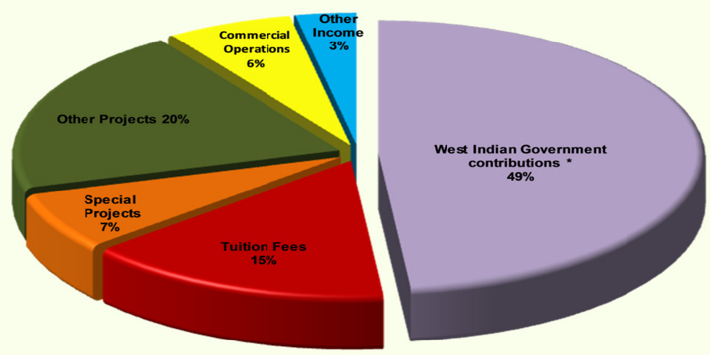
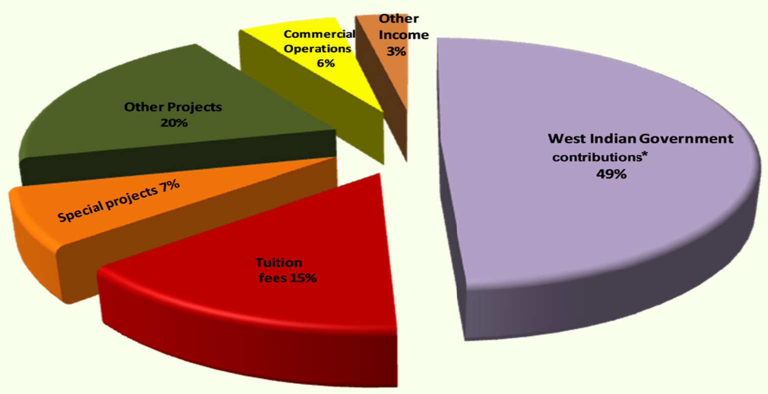


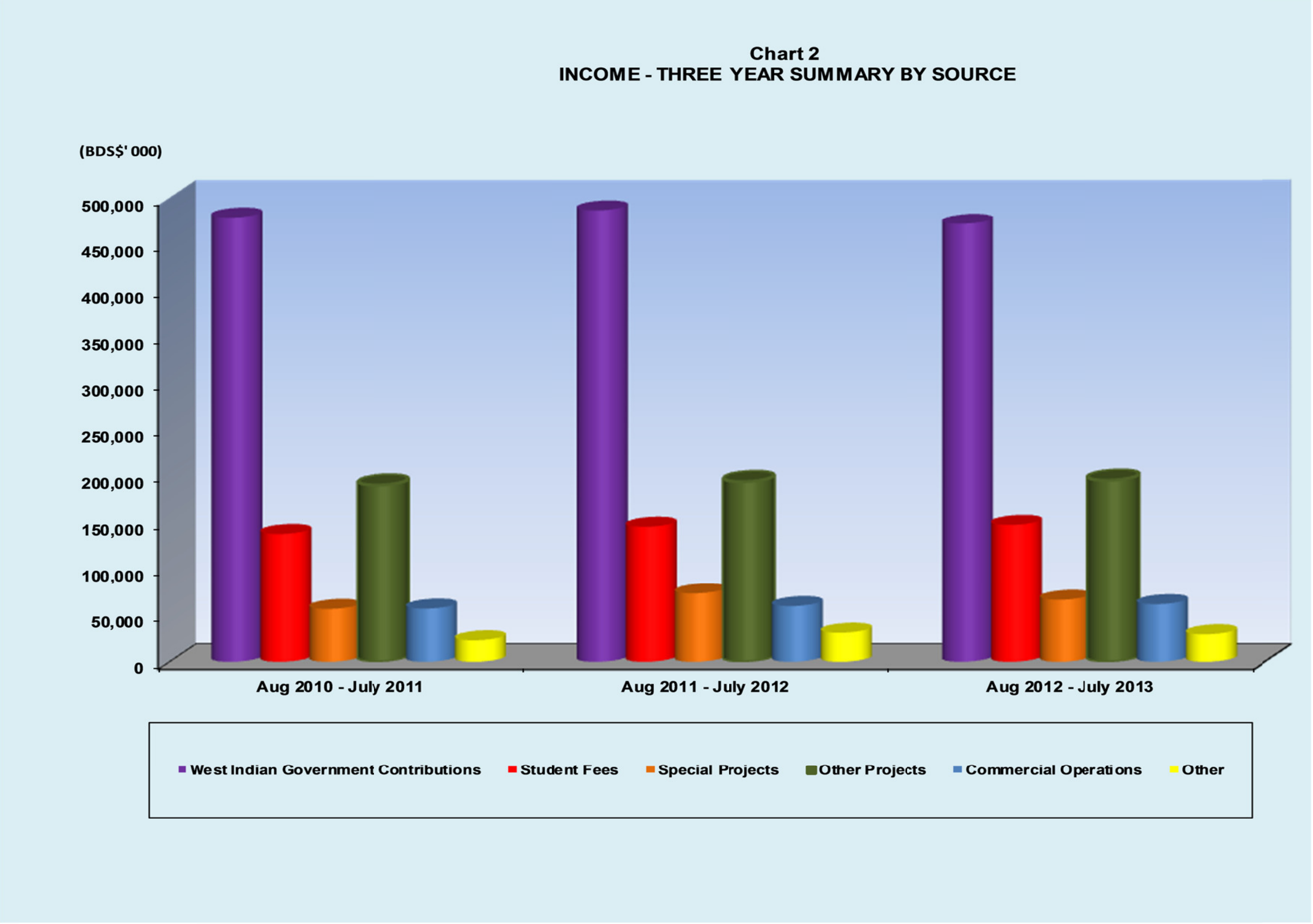
CHART 1a
INCOME (%) Year ended July 31, 2012



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

SOURCES	Aug 2010- July 2011		Aug 2011 - July 2012		Aug 2012 - July 2013	
West Indian Government Contributions *	478,751	51%	486,458	49%	471,793	49%
Tuition and other student Fees	138,259	15%	146,027	15%	148,043	15%
Special Projects	56,948	6%	73,813	7%	66,889	7%
Other Projects	190,593	20%	194,312	20%	195,800	20%
Commercial Operations	57,332	6%	60,078	6%	62,086	6%
Other	23,189	2%	31,340	3%	29,668	3%
TOTAL INCOME	945,072	100%	992,028	100%	974,279	100%

*net of transfer to capital grants

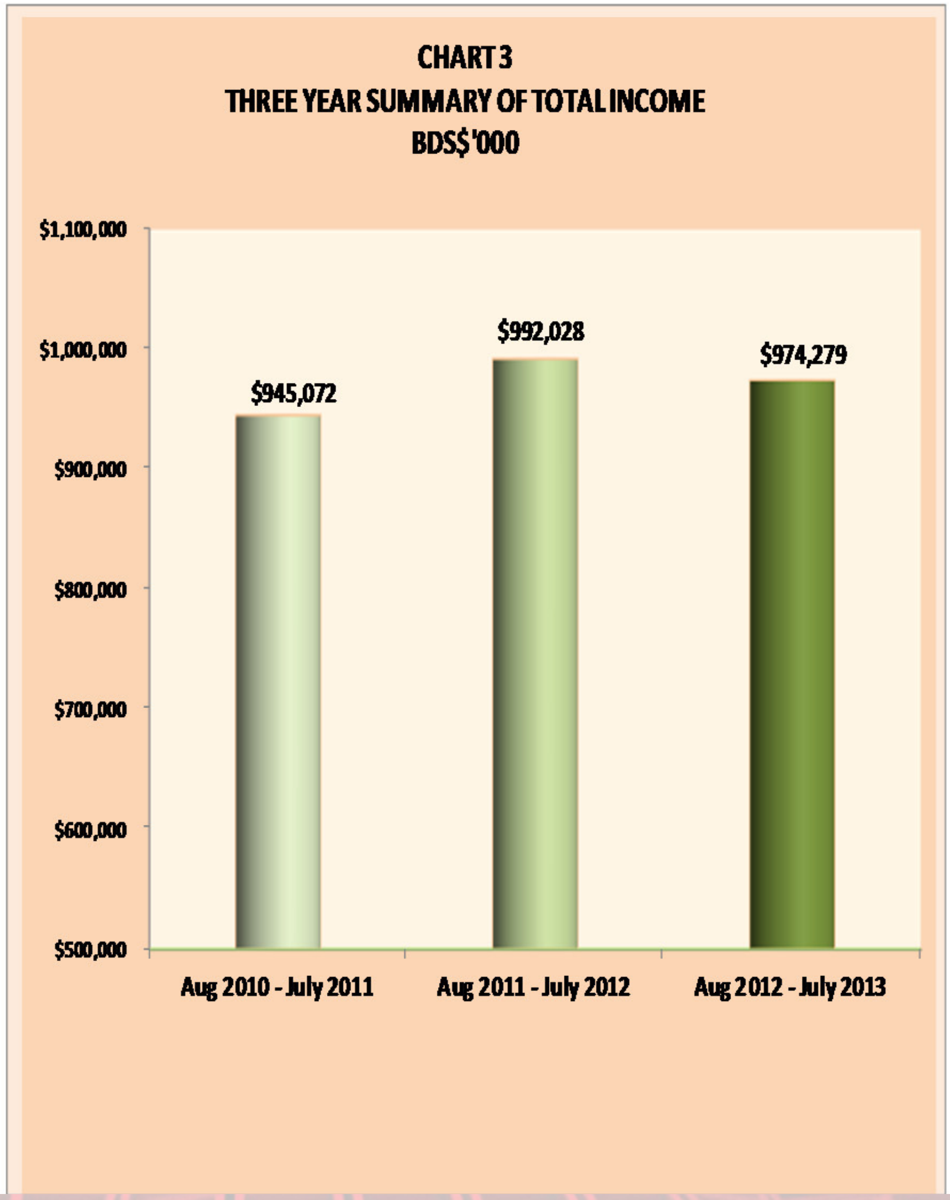


THREE YEAR SUMMARY OF TOTAL INCOME

BDS$'000

TABLE 3

2010/2011	2011/2012	2012/2013
945,072	992,028	974,279



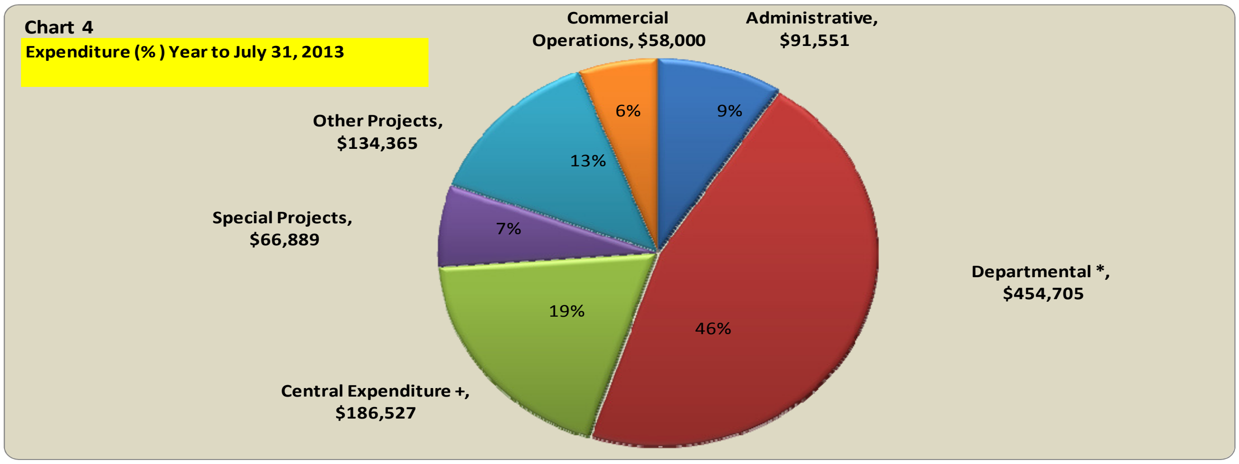
EXPENDITURE

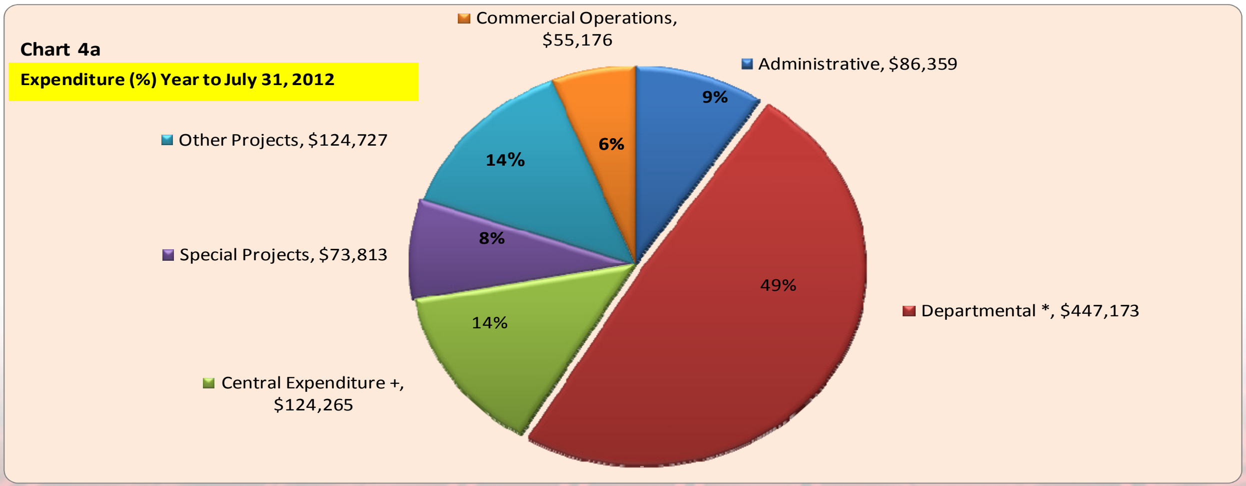
Year ended July 31, 2013 with comparatives for the year ended July 31, 2012

TABLE 4 - $'000

CATEGORIES	J$		Bds$		TT$		EC$	
	2013	2012	2013	2012	2013	2012	2013	2012
Administrative	4,340,467	3,761,110	91,551	86,359	293,166	276,509	123,594	116,583
Departmental *	21,557,812	19,475,319	454,705	447,173	1,456,067	1,431,787	613,857	603,676
Central Expenditure +	8,843,326	5,412,021	186,527	124,265	597,300	397,881	251,813	167,756
Special Projects	3,171,230	3,214,709	66,889	73,813	214,193	236,339	90,301	99,646
Other Projects	6,370,316	5,432,113	134,365	124,727	430,267	399,358	181,394	168,379
Commercial Operations	2,749,832	2,403,042	58,000	55,176	185,730	176,667	78,301	74,487
TOTAL EXPENDITURE	47,032,983	39,698,314	992,037	911,513	3,176,723	2,918,541	1,339,260	1,230,527

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



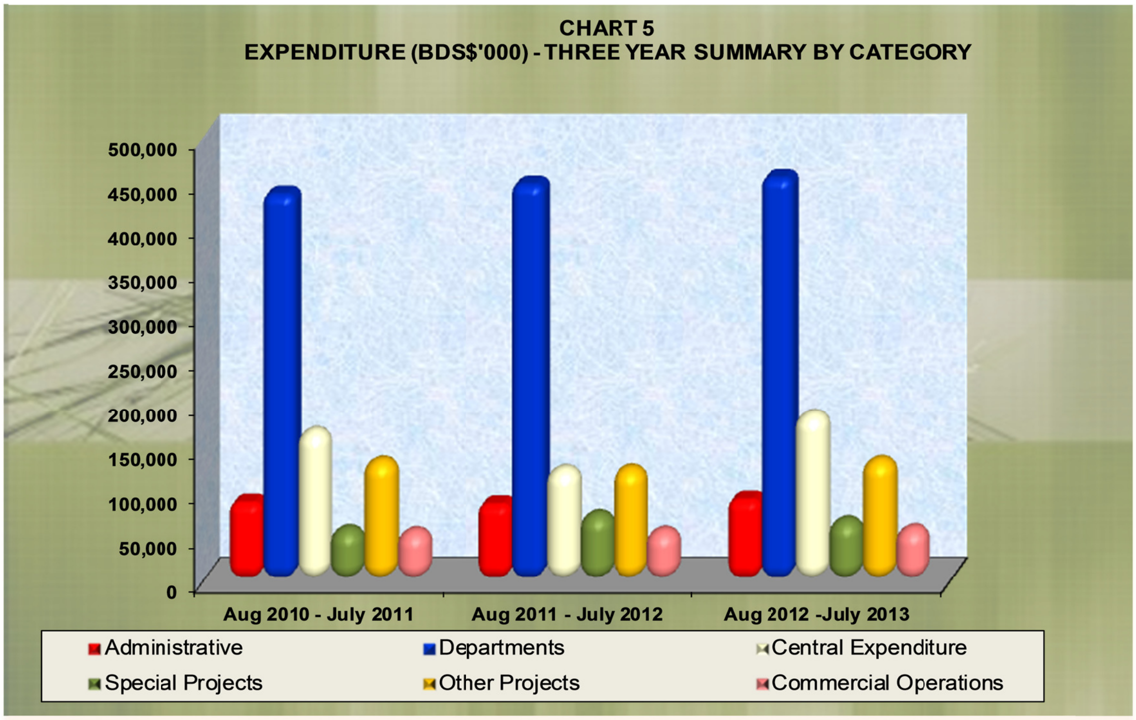


EXPENDITURE

THREE YEAR SUMMARY BY CATEGORY
Table 5
BDS$'000

CATEGORIES	Aug 2010- July 2011		Aug 2011 - July 2012		Aug 2012 - July 2013	
Administrative	88,228	9%	86,359	9%	91,551	9%
Departmental*	436,079	47%	447,173	49%	454,705	46%
Central Expenditure +	167,361	18%	124,265	14%	186,527	19%
Special Projects	56,948	6%	73,813	8%	66,889	7%
Other Projects	133,731	14%	124,727	14%	134,365	14%
Commercial Operations	54,599	6%	55,176	6%	58,000	6%
TOTAL EXPENDITURE	936,946	100%	911,513	100%	992,037	100%

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



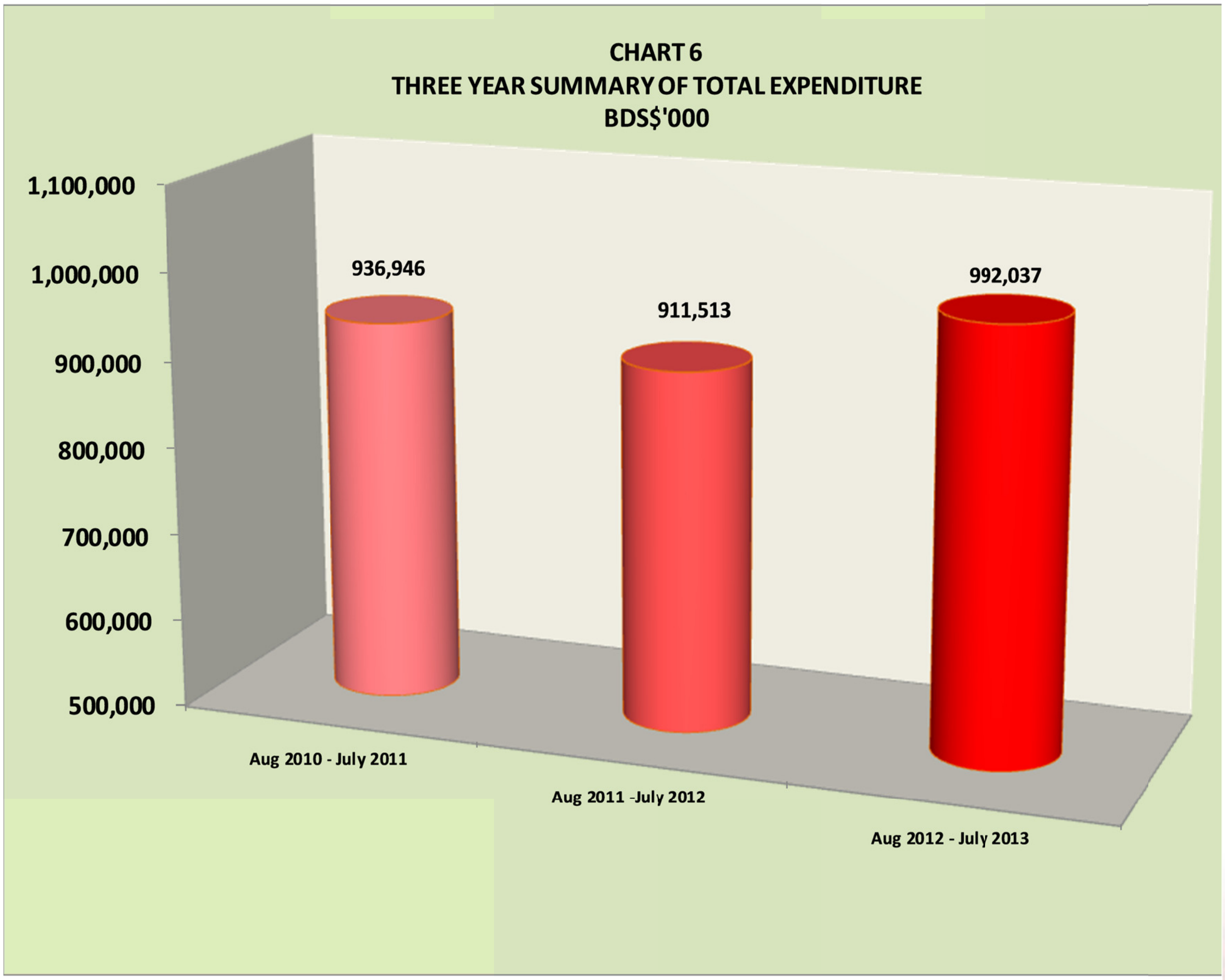
EXPENDITURE

THREE YEAR SUMMARY OF TOTAL EXPENDITURE

BDS$'000

TABLE 6

2010/2011	2011/2012	2012/2013
936,946	911,513	992,037



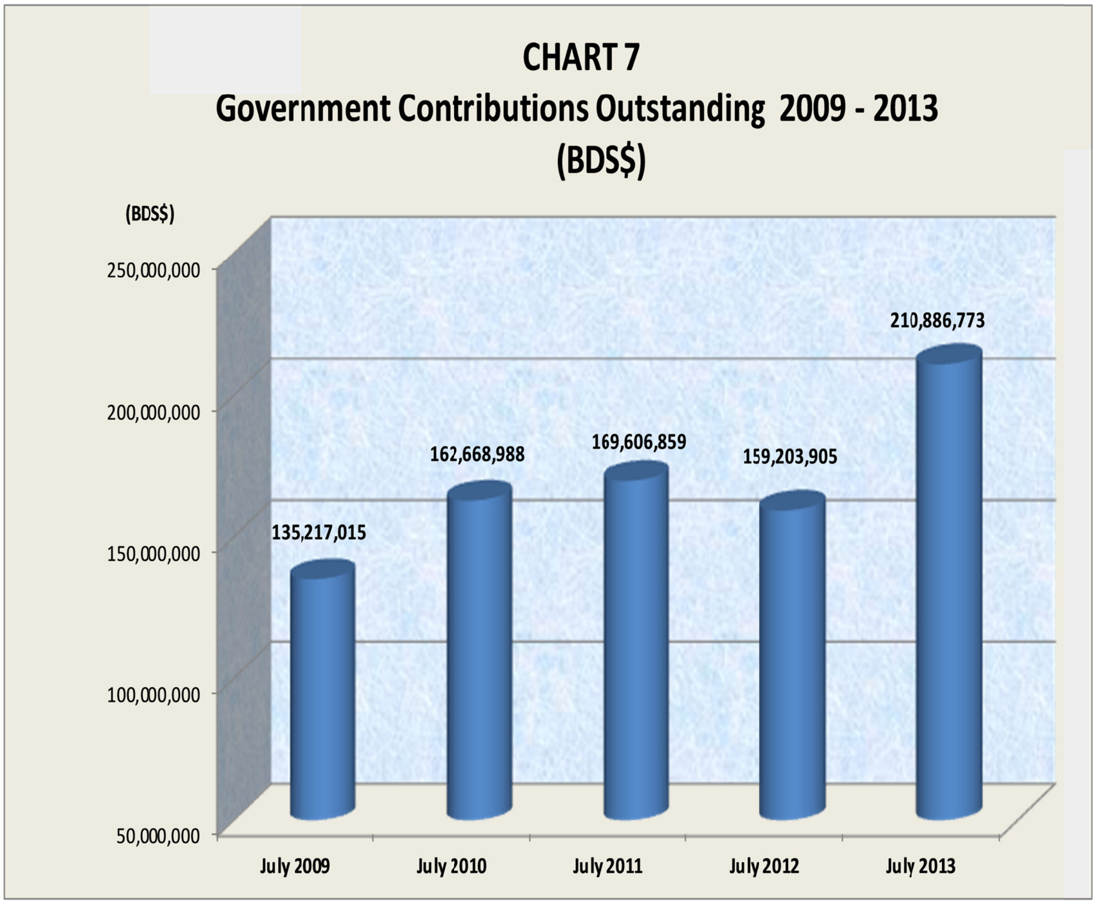


CHART 7
Government Contributions Outstanding 2009 - 2013
(BDS$)
(BDS$)
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
135,217,015
162,668,988
169,606,859
159,203,905
210,886,773
July 2009
July 2010
July 2011
July 2012
July 2013

KPMG
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the consolidated financial statements of the University of the West Indies, set out on pages 20 to 71, which comprise the consolidated statement of financial position as at July 31, 2013, the consolidated statement of comprehensive income, consolidated statement of changes in reserves and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements, cont'd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of University of the West Indies as at July 31, 2013, and of its financial performance, changes in reserves and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants
Kingston, Jamaica

October 30, 2013

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Financial Position
July 31, 2013

	Notes	2013 J$'000	Restated* 2012 J$'000	Restated * 2011 J$'000
CURRENT ASSETS				
Cash and cash equivalents	5	9,932,939	11,228,501	7,528,898
Securities purchased under resale agreements	6	984,197	1,286,779	2,186,927
Short-term investments	7	2,233,110	1,678,876	2,193,511
Accounts receivable	8	20,794,854	12,157,891	13,070,928
Stores	9	358,350	350,658	319,574
		34,303,450	26,702,705	25,299,838
CURRENT LIABILITIES	10	(15,108,388)	(11,321,265)	(8,699,831)
NET CURRENT ASSETS		19,195,062	15,381,440	16,600,007
NON- CURRENT ASSETS				
Advances	11	3,351	2,859	6,699
Long-term investments	7	6,959,575	3,644,385	3,464,964
Investment properties	12	6,715	6,963	7,212
Long-term receivables	13	3,864,205	6,725,046	2,582,404
Interest in subsidiaries	14	209,224	188,421	174,826
Property, plant and equipment	15	44,202,927	38,221,246	30,125,374
		55,245,997	48,788,920	36,361,479
		74,441,059	64,170,360	52,961,486
RESERVES				
Cumulative translation reserve	16	10,293,381	6,173,465	5,084,846
Revaluation surplus	17	5,426,213	5,426,213	5,426,213
Investment revaluation reserve	18	1,252,280	937,892	832,483
General reserve		10,297,759	11,262,867	9,559,571
Accumulated fund		6,244,701	7,112,543	5,276,437
Total reserves		33,514,334	30,912,980	26,179,550
NON-CURRENT LIABILITIES				
Unexpended donations for special projects	19	5,177,675	4,612,445	2,953,443
Endowment funds	20	298,988	304,209	305,078
Capital grants	21	11,786,539	8,421,728	6,145,130
Long-term liabilities	22	12,961,010	12,038,229	8,562,547
Employee benefits obligation	23(d)	10,702,513	7,880,769	8,815,738
Total non-current liabilities		40,926,725	33,257,380	26,781,936
		74,441,059	64,170,360	52,961,486

The financial statements on pages 20 to 71 were approved for issue by the University Finance and General Purposes Committee on October 30, 2013 and signed on its behalf by:

Eon K Harris ______ Vice Chancellor
Professor E. Nigel Harris

______ Chief Financial Officer/University Bursar
Archibald Campbell

*Restated to reflect prior year adjustments (note 31)
The accompanying notes form an integral part of the financial statements

	Notes	2013 J$'000	Restated* 2012 J$'000
INCOME			
Government contributions	4	22,975,709	21,738,992
Tuition and other student fees		7,018,815	6,359,792
Special projects		3,171,230	3,214,709
Other projects		9,282,959	8,462,691
Commercial operations		2,943,531	2,616,508
Investment income		474,805	370,377
Miscellaneous income		931,791	994,533
		46,798,840	43,757,602
Less: transfer to capital grants		(607,780)	(552,730)
Income after transfer to capital grants		46,191,060	43,204,872
EXPENSES			
Departmental		19,427,872	17,706,801
Administrative		4,340,467	3,761,110
Central		5,968,953	5,523,249
Special projects		3,171,230	3,214,709
Other projects		6,370,316	5,432,113
Commercial operations		2,749,832	2,403,042
		42,028,670	38,041,024
SURPLUS FOR THE YEAR BEFORE FINANCE COSTS, DEPRECIATION, PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS		4,162,390	5,163,848
FINANCE COSTS	24	(348,815)	(466,042)
SURPLUS FOR THE YEAR BEFORE DEPRECIATION, PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS		3,813,575	4,697,806
DEPRECIATION		(2,129,940)	(1,768,518)
PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS	23(f)	(2,525,558)	577,270
(DEFICIT)/SURPLUS FOR THE YEAR		(841,923)	3,506,558
OTHER COMPREHENSIVE INCOME:			
Item that will never be reclassified to profit or loss			
PRIOR YEAR AMOUNTS TRANSFERRED		(250,049)	-
Items that may be reclassified to profit or loss			
NET CHANGE IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL ASSETS		314,388	105,409
CURRENCY TRANSLATION ADJUSTMENTS		4,119,916	1,088,619
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,342,332	4,700,586

*Restated to reflect prior year adjustments (note 31)
The accompanying notes form an integral part of the financial statements

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Changes in Reserves
Year ended July 31, 2013

	Capital reserves			Other reserves		Total
	Cumulative Translation Reserve J$ '000	Revaluation Surplus J$ '000	Investment Revaluation Reserve J$ '000	General Reserves J$ '000	Accumulated Fund J$ '000	J$ '000
Balances as at July 31, 2011:						
As previously reported	**5,084,846**	**5,426,213**	**832,483**	**10,390,439**	**5,293,057**	**27,027,038**
Prior year adjustments (note 31)	-	-	-	(830,868)	(16,620)	(847,488)
As restated	**5,084,846**	**5,426,213**	**832,483**	**9,559,571**	**5,276,437**	**26,179,550**
Comprehensive income for the year:						
Surplus for the year, as restated (note 31)	-	-	-	-	3,506,558	3,506,558
Other comprehensive income:						
Currency translation adjustments	1,088,619	-	-	-	-	1,088,619
Appreciation in fair value of investments	-	-	105,409	-	-	105,409
Total comprehensive income for the year	1,088,619	-	105,409	-	3,506,558	4,700,586
Transactions recorded directly in equity:						
Share of subsidiary profits due to joint venture partner	-	-	-	-	(25,138)	(25,138)
Other transfers	-	-	-	459,193	-	459,193
Reclassification of special projects and capital grants	-	-	-	-	(416,218)	(416,218)
Forfeited study and travel grants transferred to sabbatical fund	-	-	-	4,687	-	4,687
Adjustment for net funds under management	-	-	-	10,320	-	10,320
Transfers between reserves	-	-	-	1,229,096	(1,229,096)	-
Total transactions recorded directly in equity	-	-	-	1,703,296	(1,670,452)	32,844
Balances as at July 31, 2012, as restated	**6,173,465**	**5,426,213**	**937,892**	**11,262,867**	**7,112,543**	**30,912,980**

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Changes of Reserves (cont'd)
Year ended July 31, 2013

	Capital reserves			Other reserves		Total
	Cumulative Translation Reserve J$ '000	Revaluation Surplus J$ '000	Investment Revaluation Reserve J$ '000	General Reserves J$ '000	Accumulated Fund J$ '000	J$ '000
Balance as at July 31, 2012, as restated	**6,173,465**	**5,426,213**	**937,892**	**11,262,867**	**7,112,543**	**30,912,980**
Comprehensive income for the year:						
Deficit for the year	-	-	-	-	(841,923)	(841,923)
Other comprehensive income:						
Currency translation adjustments	4,119,916	-	-	-	-	4,119,916
Appreciation in fair value of investments	-	-	314,388	-	-	314,388
Other transfers	-	-	-	(157,127)	-	(157,127)
Reclassification of undistributed Grant funds	-	-	-	-	(92,922)	(92,922)
Total comprehensive income for the year	4,119,916	-	314,388	(157,127)	(934,845)	3,342,332
Transactions recorded directly in equity:						
Share of subsidiary profits due to joint venture partner	-	-	-	-	(35,291)	(35,291)
Reclassification of special projects	-	-	-	-	4,441	4,441
Transfer to sabbatical fund	-	-	-	8,095	-	8,095
Adjustment for net funds under management	-	-	-	9,231	(727,454)	(718,223)
Transfers between reserves	-	-	-	(825,307)	825,307	-
Total transactions recorded directly in equity	-	-	-	(807,981)	67,003	(740,978)
Balances as at July 31, 2013	**10,293,381**	**5,426,213**	**1,252,280**	**10,297,759**	**6,244,701**	**33,514,334**

The accompanying notes form an integral part of the financial statements

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Cash Flows
Year ended July 31, 2013

	Notes	2013 J$'000	2012 J$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/surplus for the year		(841,923)	3,506,558
Adjustments for:			
Depreciation: Property, plant and equipment	15	2,129,691	1,768,269
Investment properties	12	248	249
Amortisation of capital grants	21	(131,628)	(260,702)
Employee benefits obligation		2,821,744	(934,969)
(Gain) /loss on sale of property, plant and equipment		(4,455)	17,325
Foreign exchange adjustments		2,806,803	975,316
Discount on long-term receivables		684,650	534,734
Interest income		(447,001)	(355,410)
Dividend income		(27,804)	(14,966)
Interest expense		348,815	466,042
		7,339,140	5,702,446
Changes in:			
Accounts receivable		(8,080,255)	751,645
Stores		(7,692)	(31,084)
Current liabilities		1,341,704	2,928,121
Net cash provided by operating activities		592,897	9,351,128
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		376,513	381,310
Dividend received		30,607	15,034
Investments net		(3,555,036)	440,622
Decrease in securities purchased under resale agreements		302,582	900,148
(Increase)/decrease in advances		(492)	3,840
Long-term receivables		2,176,191	(4,677,376)
Increase in interest in subsidiaries		(20,803)	(13,595)
Purchase of property, plant and equipment	15	(5,259,678)	(9,198,985)
Proceeds from sale of property, plant and equipment		22,977	2,918
Net cash used by investing activities		(5,927,139)	(12,146,084)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(272,430)	(401,773)
Unexpended donations for special projects		(148,904)	1,485,323
Endowment funds	20	(6,262)	(1,173)
Capital grants received	21	2,571,335	2,075,253
Proceeds of bank loan		907,760	142,500
Proceeds of long-term loans		2,133,605	4,019,714
Repayment of long-term loans		(1,325,568)	(680,747)
Other long term liabilities		179,144	(144,538)
Net cash provided by financing activities		4,038,680	6,494,559
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,295,562)	3,699,603
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		11,228,501	7,528,898
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	9,932,939	11,228,501
Comprised of:			
Cash and current accounts		5,624,462	6,079,439
Savings accounts		72,339	194,793
Fixed-term deposits		4,306,034	4,944,065
Treasury deposits		-	24,192
		10,002,835	11,242,489
Bank overdrafts		(69,896)	(13,988)
		9,932,939	11,228,501

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 sixteen contributing Caribbean countries. These are Anguilla, Antigua/Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines and Trinidad & Tobago. At the Council meeting of April 2010, Bermuda was approved to be an associate contributing country. The registered office of the University is located at Mona, Kingston 7, Jamaica.

The University operates from four main campuses as follows:

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

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board.

New, revised and amended standards and interpretations that became effective during the year:

Certain new revised and amended standards and interpretations which were in issue came into effect for the current financial year. The only standard that had any effect on the University financial statement is as follows:

- IAS 1, *Presentation of Financial Statements*: *Presentation of Items of Other Comprehensive Income,* which is effective for annual reporting periods beginning on or after July 1, 2012, has been amended to require an entity to present separately the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from 'Statement of Comprehensive Income' to 'Statement of Profit or Loss and Other Comprehensive Income.' However, an entity is still allowed to use other titles.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (cont'd)

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

New, revised and amended standards and interpretations not yet effective:

At the date of authorization of the financial statements the following new, revised and amended standards and interpretations were in issue but were not yet effective, and had not been adopted early by the University. Those standards and interpretations that management considers relevant to the University are as follows:

- IFRS 10, *Consolidated Financial Statements,* is effective for annual reporting periods beginning on or after January 1, 2013. IFRS 10 supersedes IAS 27, *Consolidated and Separate Financial Statements,* and SIC-12, *Consolidation Special Purpose Entities,* and provides a single model to be applied in the control analysis for all investees. An investor controls an investee when (1) it is exposed or has rights to variable returns from its involvement with that investee, (2) has the ability to affect those returns through its power over that investee and (3) there is a link between power and returns. The exposure to risks and rewards of an investee does not, on its own, determine that the investor has control over an investee. It is one of the factors of the control analysis. IFRS 10 clarifies that the investor always considers purpose and design of the investee when assessing control.

- IFRS 9*, Financial Instruments,* effective for annual reporting periods beginning on or after January 1, 2015. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. It eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, to present all fair value changes from the investment in other comprehensive income. The standard includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39, *Financial Instruments: Recognition and Measurement,* on the recognition and de-recognition of financial assets and financial liabilities.

- IFRS 12, *Disclosure of Interests in Other Entities,* effective for annual reporting periods beginning on or after 1 January 2013, contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The required disclosures aim to provide information in order to enable users to evaluate:

  – the nature of, and risks associated with, an entity's interests in other entities; and

  – the effects of those interests on the entity's financial position, financial performance and cash flows.

  Entities are encouraged to provide information required by IFRS 12 before the effective date, but this early disclosure would not compel the entity to apply either IFRS 12 in its entirety or the other new consolidation standards.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (cont'd)

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

New, revised and amended standards and interpretations not yet effective (cont'd):

- IFRS 13, *Fair Value Measurement,* effective for annual reporting periods beginning on or after January 1, 2013, replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. It defines *fair value* as 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, i.e. an exit price.

- IAS 27 (2011), *Separate Financial Statements,* has been amended effective for annual reporting periods beginning on or after January 1, 2013. The amended standard carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements, with some minor clarifications. The requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27.

- IAS 19 *Employee Benefits*, has been amended effective for annual reporting periods beginning on or after January 1, 2013, to require all actuarial gains and losses to be recognized immediately in other comprehensive income. This change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss. It also requires the expected return on plan assets recognized in profit or loss to be calculated based on the rate used to discount the defined benefit obligation. The amendment also includes changes to the definitions and disclosure requirements in the current standard.

Improvements to IFRS 2009-2010 cycle: These contain amendments to certain standards and interpretations and are effective for annual reporting periods beginning on or after January 1, 2013. The main amendments applicable to the University are as follows:

- *IAS 1, Presentation of Financial Statements* has been amended to clarify that only one comparative period, which is the preceding period, is required for a complete set of financial statements. IAS 1 requires the presentation of an opening statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification. IAS 1 has been amended to clarify that (a) the opening statement of financial position is required only if a change in accounting policy, a retrospective restatement or a reclassification has a material effect upon the information in that statement of financial position; (b) except for the disclosures required under IAS 8, notes related to the opening statement of financial position are no longer required; and (c) the appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (cont'd)

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

New, revised and amended standards and interpretations not yet effective (cont'd):

- *IAS 16 Property, Plant and Equipment* , has been amended to clarify that the definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether spare parts, standby equipment and servicing equipment should be accounted for under the standard. If these items do not meet the definition, then they are accounted for using IAS 2, *Inventories*.

Management is in the process of evaluating the impact of adopting these standards on the financial statements, when the standards become effective.

(b) Basis of preparation:

The University's financial statements are prepared on the historical cost basis, modified for the inclusion of fair value through profit or loss and available-for-sale investments at fair value. The significant accounting policies used in the preparation of the financial statements are set out in note 3. The accounting policies have been applied consistently by all the entities. Where necessary, prior year comparatives have been reclassified to conform to the 2013 presentation.

The preparation of the financial statements in accordance with IFRS assumes that the University will continue in operational existence for the foreseeable future. This means*, inter alia*, that the statements of financial position and comprehensive income assume no intention or necessity to liquidate the University or curtail the scale of its operations. This is commonly referred to as the going concern basis. The Council and management are of the view that the going concern basis continues to be appropriate in the preparation of the financial statements.

These financial statements are presented in thousands of Jamaica dollars, which is the functional currency of the University, except where otherwise indicated.

(c) Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of, and 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (cont'd)

(c) Use of estimates and judgements (cont'd):

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:

(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 from impaired receivables as well as the timing of such cash flows.

Historical loss experience is applied where indicators of impairment are not observable on individually significant receivables with similar characteristics, such as credit risks.

(ii) Pension and other post-retirement benefits:

The amounts recognised in the University's statement of financial position and statement of 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 expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-employment obligations and the expected rate of increase in medical costs for post-employment medical benefits.

The expected return on plan assets considers the long-term returns, asset allocation and future estimates of long-term investment returns; 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. 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.

(iv) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation:

The consolidated financial statements combine the financial positions, results of operations and cash flows of all four campuses and the University Centre ("entities"), made up to July 31, 2013, after eliminating all significant inter-entity amounts. The entities are collectively referred to as "University".

The St Augustine Campus has a wholly-owned subsidiary, the UWI School of Business and Applied Studies Limited (UWISBASL), which also provides a place of education and learning. Its financial position, results of operations and cash flows have been consolidated for the first time this year.

The University has not consolidated its 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, UWI Consulting Inc. and Mona Institute of Medical Science as they were considered immaterial to the consolidated financial statements. More information on the subsidiaries is listed below.

Name of Subsidiary	Principal activity	Percentage ownership	
		2013	2012
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
Mona Institute of Medical Science (MIMS)	Provision of medical services	100	100

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Summary information applicable to the subsidiaries, based on draft financial statements, as at and for the years ended July 31, 2013 and 2012, is as follows:

	Net Assets/(Liabilities)		Net income/(loss)	
	2013	2012	2013	2012
	J$'000	J$'000	J$'000	J$'000
MIL	13,681	64,313	(10,113)	(7,473)
MSBM	288,740	120,188	20,256	(15,157)
UMC	(45,874)	(178,636)	(6,212)	(8,570)
UWIC	47,766	38,029	12,834	8,078
	304,313	43,894	16,765	(23,122)

(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 for the purpose of the statement of cash flows.

(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 rate or equity price. 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 directly in the investment revaluation reserve. When an investment is derecognized, the cumulative gain or loss in equity is transferred to surplus or deficit.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) *Investments (cont'd):*

Fair value through profit or loss:

An instrument is classified as 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 therein are recognised in surplus or deficit.

Held to maturity:

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the University's management 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.

(d) *Securities purchased under resale agreements:*

Securities purchased under resale agreements are accounted for as short-term collateralised lending. The difference between the cost and the resale proceeds is accounted for as interest and recognised as income over the life of the agreements using the effective interest method.

(e) *Accounts payable:*

Accounts payable and accrued charges are stated at amortised cost.

(f) *Accounts receivable:*

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

(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 stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Investment properties:

Investment properties are stated 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).

(j) Property, plant and equipment and depreciation:

(i) Property, plant and equipment are stated 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) Property, plant and equipment, with the exception of freehold land and land improvements, 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 and fittings	10%
Office equipment	10%
Motor vehicles	20%
Computers and other electronic equipment	33⅓%
Library books	20%

No depreciation is charged on land and work-in-progress.

(iii) 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.

(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 and long service benefits; and termination benefits.

Pensions and other post-employment assets and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Employee benefits (cont'd):

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 have relied on the work of the actuary and the actuary's report.

(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 charged when they fall due.

(b) Pension:

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 Plan*

The University's obligation to contribute to the defined-contribution pension plans in accordance with the rules of the plan is recognised as an expense in surplus or deficit 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Employee benefits (cont'd):

(b) Pension (cont'd)

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

The University's net obligation in respect of its undertaking to supplement pensions as well as its obligations under the defined-benefit plans, are 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 defined-benefit plan and/or the supplementation arrangements are improved, the portion of the increased benefit that relates to past service by employees is recognised as an expense in surplus or deficit on a straight-line basis over the average service period remaining until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately.

To the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent (10%) of the greater of the fair value of plan assets and the present value of the defined benefit obligation, that portion is recognised in surplus or deficit over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the University, an asset is recognised only to the extent of the net total of (1) any unrecognised actuarial losses and past service costs and (2) the 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.

(3) Defined-benefit plan

The University's net obligation in respect of its defined-benefit pension plan is calculated as described in the first two paragraphs of note 3(k)(b)(2) above.

In calculating the University's obligation in respect of the plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent (10%) of the greater of the fair value of plan assets, and the present value of the defined benefit obligation, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Employee benefits (cont'd):

(b) Pension (cont'd)

(3) Defined benefit plan (cont'd)

When the calculation results in a benefit to the University, an asset is recognised only to the extent of the net total of any (1) unrecognised actuarial losses and past service costs and (2) the present value of any future refunds from the plan or reductions in future contributions to the plan.

(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.

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.

(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:

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Donations for designated projects (cont'd):

(i) (Cont'd)

(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 expenditures made in accordance with the donor's stipulations in advance of receipt of donations pledged are 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 surplus or deficit 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 administration and common service fees for receiving and disbursing these funds; these fees are credited in arriving at the surplus or deficit.

(n) Revenue recognition:

Government contributions are recognised as income when invoiced. Tuition fees are recognised over the period of instruction for which the fees are paid.

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

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

(o) Finance costs:

Finance costs comprise interest payable on borrowings calculated using the effective rate method and are recognised in surplus or deficit.

(p) Impairment losses:

The carrying amounts of the University's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. Impairment losses are recognised in surplus or deficit.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment losses (cont'd):

When a decline in fair value of an available-for-sale financial asset has been recognised directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income is recognised in surplus or deficit even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in surplus or deficit is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit.

(i) Calculation of recoverable amount:

The recoverable amount of the University's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

For all other assets, an impairment loss is reversed if there is an indication that the impairment loss no longer exists and there has been a change in the estimate used to determine the recoverable amount.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale investment recognised previously in equity is transferred to profit or loss. For available-for-sale equity securities, the reversal is recognised directly in equity.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through surplus or deficit.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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 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 surplus or deficit.

(iv) Gains and losses arising from conversion of inter-campus balances and government accounts are included in surplus or deficit.

(v) Gains and losses arising from consolidation are included in capital 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.

(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 for the benefit of employees of either the reporting entity or an entity related to the reporting entity.

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 (cont'd):

(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).

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 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 surplus or deficit on the effective interest rate basis.

4. GOVERNMENT CONTRIBUTIONS

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

5. CASH AND CASH EQUIVALENTS

	2013 J$'000	2012 J$'000
Cash on hand and imprest accounts	7,105	6,086
Bank current accounts	5,617,357	6,073,353
Savings accounts	72,339	194,793
Fixed-term deposits	4,306,034	4,944,065
Treasury deposit	-	24,192
	10,002,835	11,242,489
Bank overdraft	(69,896)	(13,988)
	9,932,939	11,228,501

Included in cash and cash equivalents are restricted funds totalling J$608,759,742 (2012: J$5,404,068,400). The restricted amount is from donors who have stipulated that these funds must only 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. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Securities purchased under resale agreements represent purchases of Government of Jamaica securities under agreements that they will be resold by the University to the brokers on specified dates, at specified amounts. The market value of the underlying securities as at July 31, 2013 was J$1,256,516,000 (2012: J$1,320,279,100).

Included in securities purchased under resale agreements are restricted funds with a nominal value of J$813,396,745 (2012: J$900,229,000). The restricted amount is from donors who have stipulated that these funds must only 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.

7. INVESTMENTS

	2013 J$'000	2012 J$'000
Short-term investments: [see (i)]		
At fair value through profit or loss		
International quoted equities	-	516,751
Available-for-sale		
Regional equities	2,084,953	1,033,247
Loans and receivables		
Mortgages	12	38
Government securities [see (ii)]	9,423	10,477
Fixed-term deposits	138,722	118,363
	148,157	128,878
Total short-term investments	2,233,110	1,678,876
Long-term investments:		
Loans and receivables		
Government securities [see (ii)]	1,600,068	1,411,425
Fixed-term deposits	5,782,529	2,605,427
	7,382,597	4,016,852
Provision for impairment	(423,022)	(372,467)
Total long-term investments	6,959,575	3,644,385
Total investments [see (iii)]	9,192,685	5,323,261

(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) Included in investments are restricted funds totalling J$2,686,622,800 (2012: J$1,555,375,500).The restricted amount is from donors who have stipulated that these funds must only 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.

8. ACCOUNTS RECEIVABLE

	2013 J$'000	2012 J$'000
Contributions due from Governments [see (a) below]	7,646,205	2,778,427
Staff accounts	176,892	167,759
Student accounts	1,907,291	1,555,455
Government Assistance for Tuition Expense (GATE)	2,472,291	1,082,137
Cave Hill School of Business	44,799	39,445
Advances for special projects	398,413	570,251
Other accounts receivable [see (b) below]	8,746,371	6,506,071
	21,392,262	12,699,545
Less: impairment losses:		
- Student accounts	(488,039)	(449,295)
- GATE	(109,369)	(92,359)
	20,794,854	12,157,891

(a) Contributions due from Governments:

	2013 J$'000	2012 J$'000
Anguilla	148,890	109,297
Antigua	171,240	150,846
Barbados	6,700,636	5,353,566
Belize	113,991	119,001
Bermuda	550	7,200
British Virgin Islands	194,228	207,547
Cayman Islands	127,929	81,547
Dominica	621,254	464,141
Grenada	583,575	428,627
Jamaica	80,093	-
Montserrat	199,225	174,610
St. Kitts & Nevis	44,084	50,857
St. Lucia	562,852	420,974
St Vincent & The Grenadines	772,316	618,228
Trinidad & Tobago	407,682	-
	10,728,545	8,186,441
Less: transfers to long-term receivables (note 13)	(3,082,340)	(5,408,014)
	7,646,205	2,778,427

(b) Included in other accounts receivable is J$467,448,639 (2012: J$301,580,200) for current salary arrears due from the Government of Jamaica arising from wage agreements for the 2008/2009 to 2010/2011 Union contract periods.

9. STORES

	2013 J$'000	2012 J$'000
General stores	113,116	93,987
Bookshop inventory	235,330	247,678
Stationery	9,904	8,993
	358,350	350,658

10. CURRENT LIABILITIES

	2013 J$'000	2012 J$'000
Joint venture partner – RBC	320,863	252,139
Government contributions received in advance	21,391	1,069,336
University Hospital of the West Indies (UHWI)	222,844	243,501
Student accounts	355,798	301,506
Accrued vacation leave	1,753,417	1,845,088
Bank of Nova Scotia short- term loan	1,050,260	142,500
Current portion of long-term liabilities (note 22)	1,766,228	1,336,633
Sundry creditors	9,617,587	6,130,562
	15,108,388	11,321,265

11. ADVANCES

	University Press J$'000	Joint Board of Teacher Education J$'000	Total J$'000
Balances as at July 31, 2011	(26)	6,725	6,699
Net movements	(493)	(3,347)	(3,840)
Balances as at July 31, 2012	(519)	3,378	2,859
Net movements	492	-	492
Balances as at July 31, 2013	(27)	3,378	3,351

12. INVESTMENT PROPERTIES

	2013 J$'000	2012 J$'000
Cost	9,948	9,948
Less: accumulated depreciation	(3,233)	(2,985)
Balance at end of year	6,715	6,963
Depreciation charge for year	248	249

12. INVESTMENT PROPERTIES (cont'd)

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

	2013 J$'000	2012 J$'000
Income earned from the rental of properties	6,270	5,739
Expenses incurred by the properties	4,920	4,046

The fair value was last determined by Cooper Kauffman Limited and D.C. Tavares & Finson Realty Limited in their valuation reports dated September 2011 for J$260,323,300. Management is of the view that there has been no material change in the fair value.

13. LONG-TERM RECEIVABLES

	2013 J$'000	2012 J$'000
Contributions due from Governments: (a)		
Anguilla	148,890	-
Barbados	-	4,012,436
British Virgin Islands	194,228	-
Dominica	621,254	464,141
Grenada	583,575	428,627
Montserrat	199,225	-
St. Lucia	562,852	-
St. Vincent	772,316	502,810
	3,082,340	5,408,014
Medical Sciences students (b)	44,437	45,684
Retroactive salaries receivable (c)	780,817	725,571
Government of Barbados re NIB Loan [note 22(o)]	1,994,872	1,832,878
	5,902,466	8,012,147
Less: discount/impairment loss	(1,670,172)	(985,523)
	4,232,294	7,026,624
Less: current portion	(368,089)	(301,578)
	3,864,205	6,725,046

(a) This represents Government contributions outstanding for periods in excess of one year. An impairment loss of J$684,650,215 (BDS$13,484,786) [2012:J$534,733,700 (BDS$12,278,046)] has been charged to the statement of comprehensive income for the year ended July 31, 2013.

(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.

(c) This relates to salary arrears due from the Government of Jamaica arising from wage agreements for the 2008/2009 to 2010/2011 union contract periods. The amount is to be settled over a period of 42 months.

14. INTEREST IN SUBSIDIARIES

	2013				
	MSBM	UMC	MIL	UWIC	TOTAL
	J$'000	J$'000	J$'000	J$'000	J$'000
Shares at cost	116	79,697	100	-	79,913
Loans receivable	25,318*	51,235**	39,194***	-	115,747
Current accounts	7,159	51,741	1,408	19,306	79,614
Net interest subsidy	(18,533)	(47,517)	-	-	(66,050)
	14,060	135,156	40,702	19,306	209,224

	2012				
	MSBM	UMC	MIL	UWIC	TOTAL
	J$'000	J$'000	J$'000	J$'000	J$,000
Shares at cost	116	79,697	100	-	79,913
Loans receivable	33,752*	51,235**	39,194***	-	124,181
Current accounts	3,465	26,808	798	19,306	50,377
Net interest subsidy	(18,533)	(47,517)	-	-	(66,050)
	18,800	110,223	40,092	19,306	188,421

* In accordance with an agreement dated June 14, 2002, between the Mona Campus and Mona School of Business and Management (MSBM), loans receivable is due in instalments over 20 years bearing interest at five percent per annum, with a moratorium of three years on the principal. The payment of interest commenced on August 1, 2002. If MSBM's finances at any point can allow for earlier or larger instalments, this will be permitted without penalty. The balance is stated net of an imputed interest subsidy amounting to J$18,533,000 (2012: J$18,533,000) reflecting the effect of the significantly below market rate of interest that the loan bears. The imputed interest was calculated using the discounted cash flow technique at an estimated market rate of interest of 22%, which was the rate at the date of receipt of the loan funds.

** 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 a rate of 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 purchased the shares held by the minority shareholders of UMC resulting in UMC reverting to the status of a wholly-owned subsidiary. A decision is still to be made by UWI Mona on the loan receivable from this subsidiary.

***Mona Informatix Limited (MIL) is a wholly-owned subsidiary of the University. The loan receivable from this subsidiary relates to contributions made by the University towards operations.

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
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Cost								
Balances as at July 31, 2011	752,593	24,848,559	5,554,190	559,466	4,950,348	4,351,807	4,802,285	45,819,248
Currency translation adjustments	32,141	749,377	158,726	11,941	125,678	163,854	10,035	1,251,752
Additions	-	1,883,017	986,141	77,164	330,964	349,220	5,572,479	9,198,985
Transfers	-	2,639,085	6,083	-	7,972	-	(2,653,140)	-
Other adjustments	-	(12,543)	(62,538)	-	-	-	-	(75,081)
Disposals	-	(3,244)	(52,265)	(5,290)	(56,528)	-	-	(117,327)
Balances as at July 31, 2012	784,734	30,104,251	6,590,337	643,281	5,358,434	4,864,881	7,731,659	56,077,577
Currency translation adjustments	104,084	2,703,858	577,144	44,576	420,945	574,740	177,082	4,602,429
Additions	647,356	2,255,903	771,205	45,705	350,268	367,375	821,866	5,259,678
Transfers	-	7,108,043	-	-	-	-	(7,108,043)	-
Other adjustments	-	-	1,696	-	-	-	-	1,696
Disposals	-	(71)	(48,247)	(36,094)	(59,995)	-	-	(144,407)
Balances as at July 31, 2013	1,536,174	42,171,984	7,892,135	697,468	6,069,652	5,806,996	1,622,564	65,796,973
Depreciation								
Balances as at July 31, 2011	-	4,146,567	3,387,645	430,921	4,077,111	3,651,631	-	15,693,875
Charge for the year	-	575,100	512,615	70,878	299,323	310,353	-	1,768,269
Disposals	-	-	(43,880)	-	(53,205)		-	(97,085)
Currency translation adjustments	-	120,785	117,143	5,161	101,440	146,743	-	491,272
Balances as at July 31, 2012	-	4,842,452	3,973,523	506,960	4,424,669	4,108,727	-	17,856,331
Charge for the year	-	808,456	567,917	61,824	354,959	336,535	-	2,129,691
Disposals	-	-	(45,461)	(21,123)	(59,301)	-	-	(125,885)
Other adjustments	-	1,353	81,966	-	(384)	-	-	82,935
Currency translation adjustments	-	418,689	382,246	24,234	334,435	491,370	-	1,650,974
Balances as at July 31, 2013	-	6,070,950	4,960,191	571,895	5,054,378	4,936,632	-	21,594,046
Net book values:								
At July 31, 2013	1,536,174	36,101,034	2,931,944	125,573	1,015,274	870,364	1,622,564	44,202,927
At July 31, 2012	784,734	25,261,799	2,616,814	136,321	933,765	756,154	7,731,659	38,221,246
At July 31, 2011	752,593	20,701,992	2,166,545	128,545	873,237	700,176	4,802,285	30,125,374

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.

18. INVESTMENT REVALUATION RESERVE

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

19. UNEXPENDED DONATIONS FOR SPECIAL PROJECTS

	Departmental J$'000	Scholarships J$'000	Prizes J$'000	Total J$'000
Balances as at July 31, 2011	3,151,263	(208,706)	10,886	2,953,443
New receipts	3,441,076	5,693,940	-	9,135,016
Expenditure	(2,601,001)	(5,544,400)	-	(8,145,401)
Transfers	156,504	-	-	156,504
Currency translation adjustments	19,448	(2,272)		17,176
Prior year adjustment [Note 31 (a)]	495,707	-	-	495,707
Balances as at July 31, 2012	4,662,997	(61,438)	10,886	4,612,445
New receipts	3,195,155	2,083,680	-	5,278,835
Expenditure	(2,791,889)	(2,095,118)	-	(4,887,007)
Transfers	(540,732)	-	-	(540,732)
Currency translation adjustments	215,587	498,547	-	714,134
Balances as at July 31, 2013	4,741,118	425,671	10,886	5,177,675

20. ENDOWMENT FUNDS

	2013 J$'000	2012 J$'000
Balance at beginning of year	304,209	305,078
Disbursement during the year	(6,262)	(1,173)
Currency translation adjustments	1,041	304
Balance at end of year	298,988	304,209

21. CAPITAL GRANTS

	2013 J$'000	2012 J$'000
Balance at beginning of year	8,421,728	6,145,130
Receipts	2,571,335	2,075,253
Amortisation	(131,628)	(260,702)
Transfers	-	259,714
Currency translation adjustments	925,104	202,333
Balance at end of year	11,786,539	8,421,728

22. LONG-TERM LIABILITIES

(i) Long-term Loans

	Interest Rates %	Notes	2013 J$'000	2012 J$'000
United States Agency for International Development (USAID)	3.0	(a)	162,433	176,661
European Union	1.0	(b)	431,969	371,151
Inter-American Development Bank (IDB)	2.8-6.4	(c)	1,617,849	1,785,264
Caribbean Development Bank (CDB)	2.0-8.0	(d)(i)&(ii)	1,210,241	1,100,966
Caribbean Development Bank (CDB)	3.66	(d)(iii)	293,005	263,754
Development bonds	6.75	(e)	182,629	239,217
National Housing Trust – Loan #1	8.0	(f)(i)	529,964	549,740
National Housing Trust – Loan #2	8.0	(f)(ii)	1,718,687	1,231,656
CLICO International	5.5	(g)	151,194	145,147
Republic Bank (Barbados) Limited	8.2	(h)	34,597	40,817
Republic Bank (Barbados) Limited convertible loan		(i)	18,726	20,511
Republic Bank (Barbados) Limited		(j)	304,633	-
Republic Finance and Trust (Barbados) Corporation- Bond Issue	9.45	(k)	1,355,902	1,339,898
Butterfield Bank Barbados Limited	8.0	(l)	561,998	564,610
NCB Capital Markets Limited and National Commercial Bank Jamaica Limited	13.75	(m)	1,676,748	1,945,000
Republic Finance and Trust (Barbados) Corporation	7.5	(n)	544,141	416,907
National Insurance Board of Barbados	7.75	(o)	1,994,872	1,832,878
Development Bank of Jamaica (DBJ)	4.5	(p)	269,172	-
			13,058,760	12,024,177
Less: current portion of long-term loans (note 10)			(1,325,997)	(1,035,053)
Non-current portion of long-term loans			11,732,763	10,989,124

(ii) Other Long-term Liabilities

		2013 J$'000	2012 J$'000
University Hospital of the West Indies	(q)	536,927	449,572
Retroactive salaries	(r)	444,775	725,635
Trade creditors	(s)	686,776	175,478
		1,668,478	1,350,685
Less: current portion of other long-term liabilities (note 10)		(440,231)	(301,580)
Non-current portion of other long-term liabilities		1,228,247	1,049,105
		12,961,010	12,038,229

(a) In February 1977, a loan of US$8.5 million was granted to the University by USAID. 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 is 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 principal outstanding at July 31, 2013 was US$1,611,838 (2012: US$1,976,500).

22. LONG-TERM LIABILITIES (cont'd)

(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, 2013, was €3,195,866 million (2012: €3,390,800 million).

(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 is guaranteed by the Governments of Trinidad and Tobago, Jamaica and Barbados. This loan is repayable in thirty-two (32) semi-annual, consecutive and, in so far as possible, equal instalments. Repayment commenced in May 2001, and the last instalment is scheduled to be paid no later than April 7, 2017.

Interest accrues 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. The balance outstanding at July 31, 2013 was US$16,047,400 (2012: US$19,973,500).

(d) *(i)* 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$883,517,300) to July 31, 2013 [2012: US$8,695,300 (J$777,198,900)].

Repayment terms vary with each component, viz:

Special Funds Resources Loan

Portion A, amounting to US$5,544,000 (J$495,531,000), 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, 2013 was US$3,607,700 (J$366,571,800) [2012: US$3,785,800 (J$338,384,400)].

Ordinary Capital Resources Loan

Portion B, amounting to US$2,174,000 (J$194,315,400), is repayable in sixty (60) equal quarterly instalments, which commenced on December 31, 2001. Interest on this portion is 4% per annum, payable quarterly. The amount outstanding as at July 31, 2013 was US$40,300 (J$4,097,700) [2012: US$201,600 (J$18,023,000)].

22. LONG-TERM LIABILITIES (cont'd)

(d) **(i) (cont'd)**

Ordinary Capital Resources Loan (cont'd)

Portion C, amounting to US$977,300 (J$87,352,500), is repayable in sixty (60) equal quarterly instalments, which commenced on December 31, 2001. Interest on this portion is 8% per annum, payable quarterly. The balance outstanding as at July 31, 2013 was US$16,800 (J$1,709,600) [2012: US$84,100 (J$7,519,200)].

(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 (J$737,397,400) 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.

Interest is being paid quarterly at the rate of 4.8% 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, 2013 the amount disbursed was US$8,246,000 (2012: US$3,524,600) which equates to J$837,862,300 (2012: J$737,039,900) at the year-end exchange rate.

(iii) On March 6, 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 3.61% (2012: 3.66%) 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.

(e) In June 2003, the University of the West Indies (Cave Hill Campus) was successful in raising US$10,475,000, described as the University of the West Indies US$10,475,000 Series A Guaranteed Fixed and Floating Rate Bonds 2003-2013, for the Cave Hill Campus.

The proceeds of the issue were used to finance the upgrading of student accommodation, building additional teaching and training spaces, and the building of a Creative Arts Centre. The guarantee was issued by the Government of Barbados for the repayment of the principal of US$10,475,000 and interest. The current effective interest rate is 6.5% (2012: 6.75%) per annum. Repayment of principal and interest is by twenty-four (24) equal semi-annual payments of US$436,658, which commenced on September 15, 2003.

22. LONG-TERM LIABILITIES (cont'd)

(f) (i) In April 2001, the National Housing Trust ("The Trust") granted a loan of J$584,800,458 to the University 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 periods, 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 five (5) years, i.e. in April, 2006. Interest is payable on a quarterly basis.

(ii) In June 2011, The Trust granted a loan of J$1,440,335,000 to UWI Mona towards the construction of a new student residence. 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 August 1, 2012, the Board of the Trust approved a reduction in interest rate from 8% to 5%.

(g) CLICO International Life Insurance Limited ("CLICO"), in partnership with the University of the West Indies, 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 (2012: 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.

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 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 now 7% per annum.

(h) In February 2006, the Barbados National Bank (BNB), renamed Republic Bank (Barbados) Limited, granted a loan of BDS$2,000,000 to the University to support the outfitting of the Creative Arts Centre at the Cave Hill Campus. The loan is unsecured and bears interest at the rate of 1.0% below Republic Bank (Barbados) Limited's prime rate, currently 9.2% (2012: 9.2%), for an effective rate of 8.2% (2012:8.2%). The loan is repayable by monthly instalments of BDS$24,840 covering principal and interest, over a period of 10 years.

(i) In August 2006 the Barbados National Bank, renamed 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. 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.

22. LONG-TERM LIABILITIES (cont'd)

(j) On January 29, 2013 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 7.7% per annum which is 1.0% per annum below the bank's prime rate, currently 8.7%. 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 is secured on fixed deposits totalling BDS$8,000,000 and in the name of the campus. BDS$6,000,000 had been drawn-down at July 31, 2013.

(k) Barbados National Bank Finance and Trust Corporation, renamed Republic Finance & 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% (2012: 9.45%). The bond issue is guaranteed by the Government of Barbados.

(l) In September 2008 the University obtained a loan of BDS$16,000,000 from Butterfield 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. There is a moratorium on the repayment 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.

(m) In February 2011 UWI Mona entered into an agreement with NCB Capital Markets Limited and National Commercial Bank Jamaica Limited for a J$2,100,000,000 loan facility towards the partial financing of the construction of a complex at the Mona Campus to house the Basic Medical Sciences Departments of the Faculty of Medical Sciences. 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 quarterly on a calendar quarter 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. The principal balance outstanding at July 31, 2013 was J$1,408,448,000 (2012: J$1,945,000,000). The remainder represents interest capitalized at the restructuring date.

22. LONG-TERM LIABILITIES (cont'd)

(n) In June 2010, the University entered into an agreement with Barbados National Bank Finance and Trust Corporation, renamed 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. At July 31, 2013, a total of BDS$9,500,000 had been raised from investors and BDS$9,325,872 of the facility had been drawn down by the University.

(o) This loan of BDS$41,000,000, which equates to J$1,832,878,400 at the year-end exchange rate, was provided in the prior year 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.

(p) In December 2012, DBJ granted a loan of US$3,000,000 towards capital expenditure for the construction of a business process outsourcing facility and the purchase of related equipment. The repayment terms include a twelve (12) month moratorium on the principal, and the principal amount due shall be repaid in United States Dollars in quarterly instalments over ten (10) years. The loan shall be repaid at an annual rate of 4.5% and is secured by a debenture over fixed and floating assets of the business process outsourcing facility. The amount disbursed and outstanding as at July 31, 2013 amounted to US$2,649,000.

(q) This represents funds held on behalf of the University Hospital of the West Indies by UWI for upgrading the facilities at the hospital.

(r) This represents salary arrears due by the Government of Jamaica.

(s) This represents long-term credit arrangements extended to UWI Mona by 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.

(a) Plan for academic and senior administrative staff:

The scheme for the academic and senior administrative staff is the Federated Superannuation Scheme for Universities (FSSU), which is a UK based defined-contribution plan invested with a number of UK life insurance and investment companies.

23. EMPLOYEE BENEFITS OBLIGATION (cont'd)

(a) Plan for academic and senior administrative staff (cont'd):

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 salaries (10% by the University as employer and 5% by members). Members also have the option of voluntarily contributing up to an additional 5% of salaries.

The University has committed itself to supplementing pensions under certain circumstances. Under the Supplementation Scheme, 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 fractionally less for shorter service in excess of ten years). If the pension derived from all his 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.

(a) 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 the University as employer and 5% payable by the employees). Sagicor Life Jamaica Limited ("Sagicor") is the Administrator and one of the Investment Managers of the plan. Guardian Life is also an Investment Manager.

The assets are held in local currency except for the portion attributable to members subsequently 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:

	2013	Restated 2012
	J$'000	J$'000
Defined contribution supplementation plan	7,839,961	5,952,505
Defined benefit plan	38,672	(64,702)
	7,878,633	5,887,803
Post-employment medical benefits [note 23(d)]	2,823,880	1,992,966
Amount recognised in the statement of financial position	10,702,513	7,880,769

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	
	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000
Present value of funded obligations	-	-	7,022,074	6,602,733	7,022,074	6,602,733
Present value of unfunded obligations	11,266,696	11,448,278	-	-	11,266,696	11,448,278
Unrecognised actuarial gain	(3,426,735)	(5,495,773)	(659,416)	(1,052,122)	(4,086,151)	(6,547,895)
Fair value of plan assets	-	-	(6,323,986)	(5,615,313)	(6,323,986)	(5,615,313)
Recognised liability/(asset)	7,839,961	5,952,505	38,672	(64,702)	7,878,633	5,887,803

Movements in the net liability/(asset) recognised in the statement of financial position:

	F.S.S.U.		St. Augustine Campus		Total	
	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000
Net liability/(asset) at beginning of year	5,952,505	7,294,367	(64,702)	(112,702)	5,887,803	7,181,665
Contributions paid	(350,945)	(351,422)	(165,647)	(179,786)	(516,592)	(531,208)
(Income)/expense recognised in surplus or deficit [note 23(f)]	1,533,987	(1,188,961)	270,360	231,192	1,804,347	(957,769)
Currency translation adjustments	704,414	198,521	(1,339)	(3,406)	703,075	195,115
Net liability/(asset) at end of year	7,839,961	5,952,505	38,672	(64,702)	7,878,633	5,887,803

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	
	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000
Fair value of plan assets at beginning of year	-	-	5,301,490	4,946,414	5,301,490	4,946,414
Plan participants' contributions	-	-	79,437	89,892	79,437	89,892
Expected return on plan assets	-	-	360,309	413,826	360,309	413,826
Contributions paid	-	-	166,868	179,786	166,868	179,786
Benefits paid	-	-	(245,025)	(240,631)	(245,025)	(240,631)
Actuarial gain/(loss) on plan assets	-	-	(39,430)	13,372	(39,430)	13,372
Currency translation adjustments	-	-	700,337	212,654	700,337	212,654
Fair value of plan assets at end of year	-	-	6,323,986	5,615,313	6,323,986	5,615,313

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

(Income)/expense recognised in surplus or deficit:

	F.S.S.U.		St. Augustine Campus		Total	
	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000
Current service costs	433,058	497,803	180,606	207,969	613,664	705,772
Interest on obligation	846,778	1,009,239	403,988	425,980	1,250,766	1,435,219
Actuarial loss recognised	401,167	226,593	22,775	-	423,942	226,593
Expected return on plan assets	-	-	(337,009)	(402,757)	(337,009)	(402,757)
Past service costs vested benefits	(84,089)	(2,861,434)	-	-	(84,089)	(2,861,434)
Past service costs non vested benefits	(62,927)	(61,162)	-	-	(62,927)	(61,162)
	1,533,987	(1,188,961)	270,360	231,192	1,804,347	(957,769)

23. EMPLOYEE BENEFITS OBLIGATION (cont'd)

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

(ii) Post-employment medical benefits:

	2013 J$'000	Restated 2012 J$'000
Present value of unfunded obligations	3,997,869	2,788,495
Unrecognised actuarial gain	(1,173,989)	(795,529)
Amount recognised in the statement of financial position	2,823,880	1,992,966

The movements in the obligation recognised in the statement of financial position are as follows:

	2013 J$'000	Restated 2012 J$'000
Liability at beginning of year	1,992,966	1,634,778
Contributions paid	(49,249)	(32,428)
Currency translation adjustments	158,952	10,117
Expense recognised in surplus or deficit [note 23(f)]	721,211	380,499
Liability at end of year	2,823,880	1,992,966

The expense recognised in surplus or deficit is made up as follows:

	2013 J$'000	Restated 2012 J$'000
Current service costs	215,904	170,473
Interest on obligation	246,378	201,243
Past service cost - vested	226,245	-
- non vested	8,206	-
Actuarial loss recognised	24,478	8,783
	721,211	380,499

(e) The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	FSSU		St. Augustine	
	2013	2012	2013	2012
Discount rate at the beginning of the year	6.0 - 10.0%	7.5 - 10.5%	6.0%	8.0%
Discount rate at the end of the year	5.0 - 10%	6.0 - 10.0%	6.0%	6.0%
Expected return on plan assets at July 31	-	-	6.0%	6.0%
Future salary increases	4.0 - 6.0%	5.0 - 7.0%	3.0%	3.0%
Future pension increases	2.0 - 3.0%	2.5 - 4.5%	-	-
Medical claims growth	5.5 - 7.5%	7.5%	-	-

23. EMPLOYEE BENEFITS (cont'd)

(f) Summary of post-employment supplementation costs and medical benefits.

	2013 J$'000	Restated 2012 J$'000
Pension supplementation-defined contribution plan [note 23(d)(i) and 27]	1,533,987	(1,188,961)
Defined benefit pension plan [note 23(d)(i) and 27]	270,360	231,192
	1,804,347	(957,769)
Post-employment medical care [note 23(d)(ii) and 27]	721,211	380,499
Amount recognised in surplus or deficit	2,525,558	(577,270)

(g) The assumed medical claims growth trend can have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	One percentage point increase		One percentage point decrease	
	2013 J$'000	2012 J$'000	2013 J$'000	2012 J$'000
Effect on the aggregate service and interest cost	145,978	96,305	(224,307)	(71,769)
Effect on the present value of the defined benefit obligation	700,182	224,114	(537,613)	(173,406)

(h) Historical information

Defined contribution supplementation plan and defined benefit pension plan

	2013 J$'000	2012 J$'000	2011 J$'000	2010 J$'000	2009 J$'000
Present value of the defined benefit obligation	(18,288,770)	(18,051,011)	(16,178,073)	(14,610,873)	(11,955,000)
Fair value of plan assets	6,323,986	5,615,313	4,946,414	4,702,570	4,475,353
Deficit in plan	(11,964,784)	(12,435,698)	(11,231,659)	(9,908,303)	(7,479,647)
Experience adjustments arising on plan liabilities	(2,319,393)	197,974	(67,251)	(832,751)	1,180,286
Experience adjustments arising on plan assets	(42,156)	(89,522)	(157,453)	2,288	(42,638)

23. EMPLOYEE BENEFITS (cont'd)

(h) Historical information (cont'd)

Post-employment medical benefits

	2013 J$'000	2012 J$'000	2011 J$'000	2010 J$'000	2009 J$'000
Present value of the defined benefit obligation	(4,018,559)	(2,474,145)	(1,884,404)	(810,915)	(427,479)
Experience adjustments arising on plan liabilities	402,019	143,819	96,926	(79,666)	(59,179)

24. FINANCE COSTS

	2013 J$'000	2012 J$'000
Interest expense - Loans	285,878	433,159
Other finance costs	62,937	32,883
	348,815	466,042

25. FINANCIAL RISK MANAGEMENT

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. For the purposes of the financial statements, financial assets have been determined to include cash and cash equivalents, securities purchased under resale agreements, accounts receivable, investments, advances and long-term receivables. Financial liabilities have been determined to include current liabilities and long-term loans.

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.

25. FINANCIAL RISK MANAGEMENT (cont'd)

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, investments and securities purchased under resale agreements.

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.

Exposure to credit risk

The following table sets out the financial assets that are exposed to credit risk and the maximum amount of the exposure:

	2013 J$'000	2012 J$'000
Cash and cash equivalents	9,925,834	11,222,415
Accounts receivable (note 8) excluding withholding tax and prepayments	10,709,664	6,901,755
Securities purchased under resale agreements	984,197	1,286,779
Short-term investments	2,233,110	1,286,799
Advances	3,351	2,859
Long-term investments	6,959,575	3,644,385
Long- term receivables	3,864,205	6,725,046

Management of credit risk relating to different types of financial assets

Cash and cash equivalents, securities purchased under resale agreements and investments

Cash and cash equivalents, resale agreements and investments are placed with substantial financial institutions 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.

25. 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 pay. Since the outstanding balances are not all current, 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:

	Gross 2013 J$'000	Discount 2013 J$'000	Gross 2012 J$'000	Discount 2012 J$'000
Past due 0-30 days	650,727	-	582,403	-
Past due 31-60 days	1,308,847	-	1,170,732	-
Past due 61- 120 days	2,602,907	-	2,312,955	-
Past due 121-365 days	2,977,976	-	2,298,727	-
More than one year	3,188,088	1,670,172	1,821,624	985,523
Total	10,728,545	1,670,172	8,186,441	985,523

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.

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

	Gross 2013 J$'000	Impairment 2013 J$'000	Gross 2012 J$'000	Impairment 2012 J$'000
Past due 0-120 days	115,510	-	204,984	-
Past due 121-365 days	787,084	-	705,450	-
More than one year	1,004,697	488,039	645,021	449,295
	1,907,291	488,039	1,555,455	449,295

25. 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

The movement in the allowance for impairment in respect of student receivables during the year was as follows:

	2013 J$'000	2012 J$'000
Balance at beginning of year	449,295	422,797
Currency translation adjustment	60,266	13,676
Amount recognised/(recovered)	(21,522)	12,822
Balance at end of year	488,039	449,295

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. These amounts are all current and not impaired.

(ii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the University will encounter difficulty 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.

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

	Carrying amount J$'000	Cash outflow J$'000	Less than 1 year J$'000	1-2 years J$'000	Over 2 years J$'000
July 31, 2013:					
Accounts payable and accruals	11,588,745	11,588,745	11,588,745	-	-
Long-term liabilities	16,076,570	19,653,736	3,331,033	2,371,199	13,951,504
	27,665,315	31,242,481	14,919,778	2,371,199	13,951,504

25. FINANCIAL RISK MANAGEMENT (cont'd)

(ii) Liquidity risk (cont'd):

	Carrying amount J$'000	Cash outflow J$'000	Less than 1 year J$'000	1-2 years J$'000	Over 2 years J$'000
July 31, 2012:					
Accounts payable and accruals	6,942,456	6,942,456	6,942,456	-	-
Long-term liabilities	11,541,984	14,128,600	2,304,261	4,441,097	7,383,242
	18,484,440	21,071,056	9,246,717	4,441,097	7,383,242

(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 assets that are subject to this risk. Presently, the University has no formal market risk management mechanism; however, the management of the exposure comes within the purview of the Investment Committee.

(a) Interest rate risk:

Interest rate risk is the risk that the value 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.

Interest earning financial assets are primarily represented by cash and cash equivalents, securities purchased under resale agreements, and both short-term and long-term 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:

	2013 J$'000	2012 J$'000
Fixed rate instruments:		
Financial assets	10,290,017	9,960,503
Financial liabilities	(12,974,267)	(8,181,564)
	(2,684,250)	1,778,939

25. FINANCIAL RISK MANAGEMENT (cont'd)

(iii) Market risk (cont'd):

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

	2013	2012
	J$'000	J$'000
Variable rate instruments		
Financial assets	7,237,401	6,197,464
Financial liabilities	(1,209,920)	(3,822,100)
	6,027,481	2,375,364

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

An increase of 250 (2012: 100) basis points in interest rates would have decreased deficit for the year by J$150,687,000 (2012: J$23,753,600). This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

A decrease of 100 basis points in interest rates would have increased deficit for the year by J$60,274,800 (2012: J$23,753,600). This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

(b) Foreign currency risk:

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

The University has foreign currency exposure on transactions 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.

25. FINANCIAL RISK MANAGEMENT (cont'd)

(iii) Market risk (cont'd):

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

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

2013

	BAH $'000	BDS $'000	BZE $'000	CDN $'000	CAY $'000	EC $'000	EURO €'000	GB £'000	TT $'000	US $'000
Cash and cash Equivalents	11	6,134	57	238	-	671	41,276	16,347	22,787	36,421
Short-term investments	-	2,732	-	-	-	-	-	229	60,344	10,702
Accounts payable	(7)	-	(16)	-	-	(2,713)	-	(13)	(7,795)	(1,430)
Long-term loans	-	-	-	-	-	(1,206)	(10,691)	-	-	(77,328)
Accounts receivable	25	-	1,642	-	711	37,648	-	-	-	3,509
Government Contributions	(211)	131,975	2,245	-	1,050	82,519	-	-	25,755	1,917
Net exposure	(182)	140,841	3,928	238	1,761	116,919	30,585	16,563	101,091	(26,209)

2012

	BAH $'000	BDS $'000	BZE $'000	CDN $'000	CAY $'000	EC $'000	EURO €'000	GB £'000	TT $'000	US $'000
Cash and cash equivalents	1	4,760	1	137	-	2,832	27,529	7,875	6,150	51,745
Short-term investments	-	2,648	-	-	-	-	-	173	60,286	111,934
Accounts payable	(525)	-	(16)	-	-	(1,204)	-	(4)	(6,994)	(5,256)
Long-term loans	-	-	-	-	-	-	(10,466)	-	-	(88,095)
Accounts receivable	-	-	-	-	-	-	44	-	-	226
Government contributions	(362)	119,755	2,662	-	760	73,007	-	-	(74,199)	2,403
Net exposure	(886)	127,163	2,647	137	760	74,635	17,107	8,044	(14,757)	72,957

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

	2013	2012
BAH$1.00	= J$101.5441	= J$89.4088
BDS$1.00	= J$50.7721	= J$44.7044
BZE$1.00	= J$50.7721	= J$44.7044
CDN$1.00	= J$98.2208	= J$88.3945
Cay$1.00	= J$121.8529	= J$107.2905
EC$1.00	= J$37.6089	= J$33.1143
EURO€1.00	= J$134.5561	= J$109.4586
GB£1.00	= J$154.8558	= J$139.6236
TT$1.00	= J$15.8291	= J$13.9760
US$1.00	= J$101.6085	= J$89.3815

25. FINANCIAL RISK MANAGEMENT (cont'd)

(iii) Market risk (cont'd):

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

Sensitivity analysis

A 1% (2012: 5%) strengthening of the currencies listed above against the Jamaica dollar would have decreased deficit for the year by J$92,124,000 (2012: J$323,685,000). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% (2012: 5%) weakening of the currencies against the Jamaica dollar would have increased deficit for the year by $921,240,000 (2012: $323,685,000). This analysis assumes that all other variables, in particular interest rates, remain constant.

(iv) Operational risk:

Operational risk is the risk of the direct or indirect loss arising from a wide variety of causes associated with the University's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements, generally accepted standards of corporate behaviour and natural disasters.

The University's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the University's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of procedures, including controls;
- Requirement for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- Training and professional development;
- Ethical ,business standards and risk mitigation, including insurance, where this is effective; and
- Safety policies and procedures.

26. FAIR VALUES

Fair value represents estimates of the arm's length consideration that would be currently agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Many of the University's financial instruments lack an available trading market. Therefore, these instruments have been valued using a generally accepted alternative technique and may therefore not necessarily be indicative of the amounts realisable in an immediate realisation of the financial assets or settlement of financial liabilities.

26. FAIR VALUES (cont'd)

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

Financial asset/liability	Method
Cash and cash equivalents, accounts receivable, and current liabilities.	Fair values assumed to be their carrying values because of the relatively short-term nature of the instruments.
Securities purchased under resale agreements	Discounting of future cash flows using the reporting date yield of securities with similar risk; for short duration instruments the market yield would likely be equal to or approximate the contracted rate.
Investments: Government securities	Estimated by discounting future cash flows using the reporting date yield on similar securities.
Preference shares	Management assessment using available financial information of respective investee companies.
Regional quoted equities	Quoted market bid price.
International quoted equities	Quoted market bid prices.
Mortgages	Discounting of future cash flows using current yield of securities with similar risk.
Long-term loans	Determined by discounting future cash flows using the current yields of loans with similar risk.

Determination of fair values hierarchy:

IFRS 7 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:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset and 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.

26. FAIR VALUES (cont'd)

Determination of fair values hierarchy (cont'd):

The University does not have any level 2 or 3 financial instruments carried at fair value and considers relevant and observable market prices in its valuations where possible.

	2013		
	Level 1	Level 2	Level 3
	J$'000	J$'000	J$'000
Available-for-sale financial assets	2,084,953	-	-

	2012		
	Level 1	Level 2	Level 3
	J$'000	J$'000	J$'000
Fair value through profit or loss	516,751	-	-
Available-for-sale financial assets	1,033,247	-	-
	1,549,998	-	-

27. STAFF COSTS

	2013	2012
	J$'000	J$'000
Salaries and wages	25,665,362	20,322,937
Statutory payroll contributions	1,003,892	2,679,756
Pension plan contributions-defined contribution plans	949,994	341,678
Post-employment benefit costs: [note 23(f)]		
Supplementation arrangements	1,533,987	(1,188,961)
Defined benefit plans	270,360	231,192
Medical care	721,211	380,499
Other	906,251	935,921
	31,051,057	23,703,022

Key management personnel compensation paid during the year was as follows:

	2013	2012
	J$'000	J$'000
Salaries and short-term employee benefits	372,670	336,261

28. TAXATION

In the countries where the University has campuses located 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 & 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.

29. CAPITAL COMMITMENT

The University is committed to incur contractual capital expenditure of approximately J$802,500,000 (2012: J$6,399,848,000).

30. 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 as follows:

- The Campus has guaranteed academic staff housing loans with Republic Bank Limited. 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 Republic Bank Limited. The University has provided the Bank 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.

31. PRIOR YEAR ADJUSTMENTS

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

St Augustine Campus and University Centre:

(i) An actuarial valuation done on the University's post-retirement medical plan, identified a liability of J$1,052,387,000 [TT$75,300,000, (BDS$23.5 million)] for the Campus and J$20,279,000 [TT$1,451,000, (BDS$452,376)] for the Centre on the post-retirement medical plan in respect of prior years. These amounts have been booked in 2011 and 2012 as prior year adjustments.

(ii) The financial position, results of operations and cash flows of UWISBASL were consolidated for the first time in 2013. The comparative figures for 2012 and 2011 were restated accordingly.

Cave Hill Campus:

(iii) The Campus engaged in an extensive review of all construction projects and transferred to property, plant and equipment those projects that completion pre-dated the year ended July 31, 2013. This gave rise to a prior year adjustment of J$116,138,000 (BDS$2,597,921) in 2012.

Open Campus:

(iv) A payment of J$4,967,000 [BDS$111,110, (EC$150,000)] to a consultant in St. Lucia during 2011/2012 was classified as an expense in error. The property, plant and equipment balance for 2012 has been restated to show the correct accounting treatment.

a) Effects of the adjustments on the statement of financial position:

	As previously reported	Prior year adjustments	As restated
	J$'000	J$'000	J$'000
July 31, 2011:			
Accounts receivable	12,949,179	121,749	13,070,928
Property, plant and equipment	30,101,485	23,889	30,125,374
Current liabilities	(8,578,082)	(121,749)	(8,699,831)
General reserve	(10,390,439)	830,868	(9,559,571)
Accumulated fund	(5,293,057)	16,620	(5,276,437)
Employee benefits obligation	(7,944,361)	(871,377)	(8,815,738)
		-	

31. PRIOR YEAR ADJUSTMENTS (cont'd)

(a) Effects of the adjustments on the statement of financial position (cont'd):

	As previously reported	Prior year adjustments	As restated
	J$'000	J$'000	J$'000
July 31, 2012:			
Cash and cash equivalents	11,058,327	170,174	11,228,501
Accounts receivable	10,402,697	1,755,194	12,157,891
Stores	347,222	3,436	350,658
Property, plant and equipment	38,075,244	146,002	38,221,246
Current liabilities	(10,124,177)	(1,197,088)	(11,321,265)
General reserve	(12,054,350)	791,483	(11,262,867)
Accumulated fund	(7,011,717)	(100,826)	(7,112,543)
Unexpended donations for special projects	(4,116,738)	(495,707)	(4,612,445)
Employee benefits obligation	(6,808,101)	(1,072,668)	(7,880,769)
		-	

(b) Effects of the adjustments on the statement of comprehensive income:

	As previously reported	Prior year adjustments	As restated
	J$'000	J$'000	J$'000
July 31, 2012:			
Other projects income	(7,727,807)	(734,884)	(8,462,691)
Departmental expense	17,581,938	124,863	17,706,801
Other projects expense	4,746,159	685,954	5,432,113
Pension plans and post-employment medical benefits	(778,561)	201,291	(577,270)
Effect on surplus for the year		277,224	

(c) Surplus for the year is affected as follows:

Surplus for the year as previously reported at July 31, 2012	3,783,782
Prior year adjustment	(277,224)
As restated	3,506,558

THE UNIVERSITY OF THE WEST INDIES

Supplementary Information to the Financial Statements for the Year Ended July 31, 2013

Basis of Presentation of Supplementary Information

The Consolidated Financial Statements presented in thousands of Jamaica dollars, as set out on pages 20, 21 and 24, have been translated to thousands of Barbados and United States dollars and included on pages 73 to 78 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, 2013 BDS$1: J$50.7721 (2012: BDS$1: J$44.7044) and US$1: J$101.6086 (2012: US$1: J$89.3815).

The consolidated statement of comprehensive income is translated using the average rates of exchange for the year 2013 BDS$1: J$47.4105(2012: BDS$1: J$43.5521) and US$1: J$94.8468 (2012: US$1: J$87.1080).

The consolidated statement of cash flows is translated using the closing rates of exchange at July 31, 2013 and 2012 and items related to the consolidated statement of comprehensive income are translated at the average rates of exchange for 2013 and 2012.

Exchange differences are included in foreign exchange adjustments.

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Financial Position
(expressed in thousands of Jamaica and Barbados dollars)
July 31, 2013

	2013 J$'000	Restated * 2012 J$'000	Restated * 2011 J$'000	2013 BDS$'000	Restated * 2012 BDS$'000	Restated * 2011 BDS$'000
CURRENT ASSETS						
Cash and cash equivalents	9,932,939	11,228,501	7,528,898	195,638	251,172	150,782
Securities purchased under resale agreements	984,197	1,286,779	2,186,927	19,385	28,785	43,798
Short-term investments	2,233,110	1,678,876	2,193,511	43,983	37,555	43,930
Accounts receivable	20,794,854	12,157,891	13,070,928	409,573	271,962	261,774
Stores	358,350	350,658	319,574	7,058	7,844	6,400
	34,303,450	26,702,705	25,299,838	675,637	597,318	506,684
CURRENT LIABILITIES	(15,108,388)	(11,321,265)	(8,699,831)	(297,573)	(253,249)	(174,233)
NET CURRENT ASSETS	19,195,062	15,381,440	16,600,007	378,064	344,069	332,451
NON-CURRENT ASSETS						
Advances	3,351	2,859	6,699	66	65	134
Long-term investments	6,959,575	3,644,385	3,464,964	137,074	81,522	69,393
Investment properties	6,715	6,963	7,212	132	156	144
Long-term receivables	3,864,205	6,725,046	2,582,404	76,109	150,434	51,718
Interest in subsidiaries	209,224	188,421	174,826	4,121	4,215	3,501
Property, plant & equipment	44,202,927	38,221,246	30,125,374	870,615	854,978	603,326
	55,245,997	48,788,920	36,361,479	1,088,117	1,091,370	728,216
	74,441,059	64,170,360	52,961,486	1,466,181	1,435,439	1,060,667
RESERVES						
Cumulative translation reserve	10,293,381	6,173,465	5,084,846	202,737	138,095	101,835
Revaluation surplus	5,426,213	5,426,213	5,426,213	106,874	121,380	108,672
Investment revaluation reserve	1,252,280	937,892	832,483	24,665	20,980	16,672
General	10,297,759	11,262,867	9,559,571	202,823	251,941	191,451
Accumulated fund	6,244,701	7,112,543	5,276,437	122,995	159,102	105,672
Total reserves	33,514,334	30,912,980	26,179,550	660,094	691,498	524,302
NON-CURRENT LIABILITIES						
Unexpended donations for special projects	5,177,675	4,612,445	2,953,443	101,979	103,177	59,149
Endowment funds	298,988	304,209	305,078	5,889	6,806	6,110
Capital grants	11,786,539	8,421,728	6,145,130	232,146	188,387	123,069
Long -term liabilities	12,961,010	12,038,229	8,562,547	255,278	269,285	171,483
Employee benefits obligation	10,702,513	7,880,769	8,815,738	210,795	176,286	176,554
Total non-current liabilities	40,926,725	33,257,380	26,781,936	806,087	743,941	536,365
	74,441,059	64,170,360	52,961,486	1,466,181	1,435,439	1,060,667

* Restated to reflect prior year adjustments (note 31)

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Comprehensive Income
(expressed in thousands of Jamaica and Barbados dollars)
Year ended July 31, 2013

	2013 J$'000	Restated * 2012 J$'000	2013 BDS$'000	Restated * 2012 BDS$'000
INCOME				
Government contributions	22,975,709	21,738,992	484,612	499,149
Tuition and other student fees	7,018,815	6,359,792	148,043	146,027
Special projects	3,171,230	3,214,709	66,889	73,813
Other projects	9,282,959	8,462,691	195,800	194,312
Commercial operations	2,943,531	2,616,508	62,086	60,078
Investment income	474,805	370,377	10,015	8,504
Miscellaneous income	931,791	994,533	19,654	22,835
	46,798,840	43,757,602	987,099	1,004,718
Less:Transfer to capital grants	(607,780)	(552,730)	(12,820)	(12,691)
Income after transfer to capital grants	46,191,060	43,204,872	974,279	992,027
EXPENSES				
Departmental	19,427,872	17,706,801	409,780	406,566
Administrative	4,340,467	3,761,110	91,551	86,359
Central	5,968,953	5,523,249	125,899	126,819
Special projects	3,171,230	3,214,709	66,889	73,813
Other projects	6,370,316	5,432,113	134,365	124,727
Commercial operations	2,749,832	2,403,042	58,001	55,176
	42,028,670	38,041,024	886,485	873,460
SURPLUS FOR THE YEAR BEFORE FINANCE COSTS, DEPRECIATION , PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS	4,162,390	5,163,848	87,794	118,567
FINANCE COSTS	(348,815)	(466,042)	(7,357)	(10,701)
SURPLUS FOR THE YEAR BEFORE DEPRECIATION, PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS	3,813,575	4,697,806	80,437	107,866
DEPRECIATION	(2,129,940)	(1,768,518)	(44,925)	(40,607)
PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS	(2,525,558)	577,270	(53,270)	13,255
(DEFICIT)/SURPLUS FOR THE YEAR	(841,923)	3,506,558	(17,758)	80,514
OTHER COMPREHENSIVE INCOME:				
Item that will never be reclassified to profit or loss				
PRIOR YEAR AMOUNTS TRANSFERRED	(250,049)	-	(5,274)	-
Items that may be reclassified to profit or loss				
NET CHANGE IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL ASSETS	314,388	105,409	6,631	2,420
CURRENCY TRANSLATION ADJUSTMENTS	4,119,916	1,088,619	86,899	24,996
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,342,332	4,700,586	70,498	107,930

Consolidated Statement of Cash Flows
(expressed in thousands of Jamaica and Barbados dollars)
Year ended July 31, 2013

	2013 J$'000	2012 J$'000	2013 BDS$'000	2012 BDS$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Deficit)/surplus for the year	(841,923)	3,506,558	(17,758)	80,514
Adjustments				
Depreciation :Property, plant & equipment	2,129,691	1,768,269	44,920	40,601
Investment properties	248	249	6	6
Amortization of capital grants	(131,628)	(260,702)	(2,776)	(5,986)
Employee benefits obligation	2,821,744	(934,969)	59,517	(21,468)
(Gain)/loss on sale of property, plant & equipment	(4,455)	17,325	(94)	398
Foreign exchange adjustments	2,806,803	975,316	19,323	36,733
Discount on long-term receivables	684,650	534,734	13,485	11,962
Interest income	(447,001)	(355,410)	(9,428)	(8,161)
Dividend income	(27,804)	(14,966)	(586)	(344)
Interest expense	348,815	466,042	7,357	10,701
	7,339,140	5,702,446	113,966	144,956
Changes in :				
Accounts receivable	(8,080,255)	751,645	(159,148)	16,814
Stores	(7,692)	(31,084)	(152)	(695)
Current liabilities	1,341,704	2,928,121	26,426	65,500
Net cash provided by operating activities	592,897	9,351,128	(18,908)	226,575
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	376,513	381,310	7,942	8,755
Dividend received	30,607	15,034	646	345
Investments net	(3,555,036)	440,622	(70,020)	9,856
Decrease in securities purchased under resale agreements	302,582	900,148	5,960	20,136
(Increase)/decrease in advances	(492)	3,840	(10)	86
Long-term receivables	2,176,191	(4,677,376)	42,862	(104,629)
Increase in interest in subsidiaries	(20,803)	(13,595)	(410)	(304)
Purchase of property, plant & equipment	(5,259,678)	(9,198,985)	(103,594)	(205,774)
Proceeds from sale of property, plant and equipment	22,977	2,918	453	65
Net cash used by investing activities	(5,927,139)	(12,146,084)	(116,171)	(271,464)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(272,430)	(401,773)	(5,366)	(8,987)
Unexpended donations for special projects	(148,904)	1,485,323	(2,933)	33,225
Endowment funds	(6,262)	(1,173)	(123)	(26)
Capital grants received	2,571,335	2,075,253	50,645	46,422
Proceeds of bank loan	907,760	142,500	17,879	3,188
Proceeds of long-term loans	2,133,605	4,019,714	42,023	89,918
Repayment of long-term loans	(1,325,568)	(680,747)	(26,108)	(15,228)
Other long term liabilities	179,144	(144,538)	3,528	(3,233)
Net cash provided by financing activities	4,038,680	6,494,559	79,545	145,279
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,295,562)	3,699,603	(55,534)	100,390
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11,228,501	7,528,898	251,172	150,782
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,932,939	11,228,501	195,638	251,172
Comprised of:				
Cash and current accounts	5,624,462	6,079,439	110,779	135,991
Savings accounts	72,339	194,793	1,425	4,357
Fixed-term deposits	4,306,034	4,944,065	84,811	110,595
Treasury deposits	-	24,192	-	541
	10,002,835	11,242,489	197,015	251,484
Bank overdrafts	(69,896)	(13,988)	(1,377)	(312)
	9,932,939	11,228,501	195,638	251,172

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Financial Position
(expressed in thousands of Jamaica and United States dollars)
July 31, 2013,

	2013 J$'000	Restated * 2012 J$'000	Restated * 2011 J$'000	2013 US$'000	Restated * 2012 US$'000	Restated * 2011 US$'000
CURRENT ASSETS						
Cash and cash equivalents	9,932,939	11,228,501	7,528,898	97,757	125,624	87,683
Securities purchased under resale agreements	984,197	1,286,779	2,186,927	9,686	14,396	25,470
Short-term investments	2,233,110	1,678,876	2,193,511	21,978	18,783	25,546
Accounts receivable	20,794,854	12,157,891	13,070,928	204,657	136,023	152,227
Stores	358,350	350,658	319,574	3,527	3,924	3,722
	34,303,450	26,702,705	25,299,838	337,605	298,750	294,648
CURRENT LIABILITIES	(15,108,388)	(11,321,265)	(8,699,831)	(148,692)	(126,662)	(101,320)
NET CURRENT ASSETS	19,195,062	15,381,440	16,600,007	188,913	172,088	193,328
NON-CURRENT ASSETS						
Advances	3,351	2,859	6,699	33	32	78
Long-term investments	6,959,575	3,644,385	3,464,964	68,494	40,773	40,354
Investment properties	6,715	6,963	7,212	66	78	84
Long-term receivables	3,864,205	6,725,046	2,582,404	38,030	75,240	30,075
Interest in subsidiaries	209,224	188,421	174,826	2,059	2,108	2,036
Property, plant & equipment	44,202,927	38,221,246	30,125,374	435,032	427,619	350,848
	55,245,997	48,788,920	36,361,479	543,714	545,850	423,475
	74,441,059	64,170,360	52,961,486	732,627	717,938	616,803
RESERVES						
Cumulative translation reserve	10,293,381	6,173,465	5,084,846	101,304	69,069	59,219
Revaluation surplus	5,426,213	5,426,213	5,426,213	53,403	60,707	63,196
Investment revaluation reserve	1,252,280	937,892	832,483	12,325	10,493	9,695
General	10,297,759	11,262,867	9,559,571	101,347	126,009	111,333
Accumulated fund	6,244,701	7,112,543	5,276,437	61,458	79,576	61,451
Total reserves	33,514,334	30,912,980	26,179,550	329,837	345,854	304,894
NON-CURRENT LIABILITIES						
Unexpended donations for special projects	5,177,675	4,612,445	2,953,443	50,957	51,604	34,397
Endowment funds	298,988	304,209	305,078	2,944	3,404	3,552
Capital grants	11,786,539	8,421,728	6,145,130	115,999	94,222	71,568
Long -term liabilities	12,961,010	12,038,229	8,562,547	127,559	134,684	99,722
Employee benefits obligation	10,702,513	7,880,769	8,815,738	105,331	88,170	102,670
Total non-current liabilities	40,926,725	33,257,380	26,781,936	402,790	372,084	311,909
	74,441,059	64,170,360	52,961,486	732,627	717,938	616,803

Consolidated Statement of Comprehensive Income
(expressed in thousands of Jamaica and United States dollars)
Year ended July 31, 2013

	2013 J$'000	Restated * 2012 J$'000	2013 US$'000	Restated * 2012 US$'000
INCOME				
Government contributions	22,975,709	21,738,992	242,240	249,564
Tuition and other student fees	7,018,815	6,359,792	74,002	73,010
Special projects	3,171,230	3,214,709	33,435	36,905
Other projects	9,282,959	8,462,691	97,873	97,152
Commercial operations	2,943,531	2,616,508	31,035	30,038
Investment income	474,805	370,377	5,006	4,252
Miscellaneous income	931,791	994,533	9,824	11,417
	46,798,840	43,757,602	493,415	502,338
Less:Transfer to capital grants	(607,780)	(552,730)	(6,408)	(6,345)
Income after transfer to capital grants	46,191,060	43,204,872	487,007	495,993
EXPENSES				
Departmental	19,427,872	17,706,801	204,834	203,274
Administrative	4,340,467	3,761,110	45,763	43,178
Central	5,968,953	5,523,249	62,933	63,407
Special projects	3,171,230	3,214,709	33,435	36,905
Other projects	6,370,316	5,432,113	67,164	62,361
Commercial operations	2,749,832	2,403,042	28,992	27,587
	42,028,670	38,041,024	443,121	436,712
SURPLUS FOR THE YEAR BEFORE FINANCE COSTS, DEPRECIATION , PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS	4,162,390	5,163,848	43,886	59,281
FINANCE COSTS	(348,815)	(466,042)	(3,678)	(5,350)
SURPLUS FOR THE YEAR BEFORE DEPRECIATION PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS	3,813,575	4,697,806	40,208	53,931
DEPRECIATION	(2,129,940)	(1,768,518)	(22,457)	(20,303)
PENSION PLANS AND POST-EMPLOYMENT MEDICAL BENEFITS	(2,525,558)	577,270	(26,628)	6,627
SURPLUS FOR THE YEAR	(841,923)	3,506,558	(8,877)	40,255
OTHER COMPREHENSIVE INCOME:				
Item that will never be reclassified to profit or loss				
PRIOR YEAR AMOUNTS TRANSFERRED	(250,049)	-	(2,636)	-
Items that may be reclassified to profit or loss				
NET CHANGE IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL ASSETS	314,388	105,409	3,315	1,210
CURRENCY TRANSLATION ADJUSTMENTS	4,119,916	1,088,619	43,438	12,497
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,342,332	4,700,586	35,240	53,962

* Restated to reflect prior year adjustments (note 31)

THE UNIVERSITY OF THE WEST INDIES
Consolidated Statement of Cash Flows
(expressed in thousands of Jamaica and United States dollars)
Year ended July 31, 2013

	2013 J$'000	2012 J$'000	2013 US$'000	2012 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Deficit)/surplus for the year	(841,923)	3,506,558	(8,877)	40,255
Adjustments for:				
Depreciation :Property, plant & equipment	2,129,691	1,768,269	22,454	20,300
Investment properties	248	249	3	3
Amortization of capital grants	(131,628)	(260,702)	(1,388)	(2,993)
Employee benefits obligation	2,821,744	(934,969)	29,750	(10,733)
(Gain)/loss on sale of property, plant & equipment	(4,455)	17,325	(47)	199
Foreign exchange adjustments	2,806,803	975,316	9,525	6,119
Discount on long- term receivables	684,650	534,734	6,738	5,983
Interest income	(447,001)	(355,410)	(4,713)	(4,080)
Dividend income	(27,804)	(14,966)	(293)	(172)
Interest expense	348,815	466,042	3,678	5,350
	7,339,140	5,702,446	56,830	60,231
Changes in :				
Accounts receivable	(8,080,255)	751,645	(79,523)	8,409
Stores	(7,692)	(31,084)	(76)	(348)
Current liabilities	1,341,704	2,928,121	13,205	32,760
Net cash provided by operating activities	592,897	9,351,128	(9,564)	101,052
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	376,513	381,310	3,970	4,377
Dividend received	30,607	15,034	323	173
Investments net	(3,555,036)	440,622	(34,988)	4,930
Decrease/(increase) in securities purchased under resale agreements	302,582	900,148	2,978	10,071
(Increase)/decrease in advances	(492)	3,840	(5)	43
Long-term receivables	2,176,191	(4,677,376)	21,417	(52,330)
Increase in interest in subsidiaries	(20,803)	(13,595)	(205)	(152)
Purchase of property, plant & equipment	(5,259,678)	(9,198,985)	(51,764)	(102,918)
Proceeds from sale of property, plant & equipment	22,977	2,918	226	33
Net cash used by investing activities	(5,927,139)	(12,146,084)	(58,048)	(135,773)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(272,430)	(401,773)	(2,681)	(4,495)
Unexpended donations for special projects	(148,904)	1,485,323	(1,465)	16,618
Endowment funds	(6,262)	(1,173)	(62)	(13)
Capital grants received	2,571,335	2,075,253	25,306	23,218
Proceeds of bank loan	907,760	142,500	8,934	1,594
Proceeds of long-term loans	2,133,605	4,019,714	20,998	44,973
Repayment of long-term loans	(1,325,568)	(680,747)	(13,046)	(7,616)
Other long term liabilities	179,144	(144,538)	1,761	(1,617)
Net cash provided by financing activities	4,038,680	6,494,559	39,745	72,662
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,295,562)	3,699,603	(27,867)	37,941
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11,228,501	7,528,898	125,624	87,683
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,932,939	11,228,501	97,757	125,624
Comprised of:				
Cash and current accounts	5,624,462	6,079,439	55,354	68,017
Savings accounts	72,339	194,793	712	2,179
Fixed-term deposits	4,306,034	4,944,065	42,379	55,314
Treasury deposits	-	24,192	-	271
	10,002,835	11,242,489	98,445	125,781
Bank overdrafts	(69,896)	(13,988)	(688)	(157)
	9,932,939	11,228,501	97,757	125,624