C.P7

THE UNIVERSITY OF THE WEST INDIES

Cave Hill
Campus

St. Augustine
Campus

Mona
Campus

Open
Campus

Five Islands
Campus

University
Centre

Financial Report & Combined Accounts

For the Year Ended July 31, 2021

2021

OVERVIEW OF THE COMBINED FINANCIAL STATEMENTS

The Combined Financial Statements of The University of the West Indies ('The University') represent the financial operations of the five Campuses, certain of their subsidiaries and the University Centre for the year ended July 31, 2021, and are presented in Jamaica dollars. The Combined Statement of Financial Position, Combined Statement of Comprehensive Income and Combined Statement of Cash Flows are also represented in Barbados dollars on **pages 95 to 97** and in United States dollars on **pages 98 to 100** as supplementary information.

The commentary on **pages 1 to 9** refers to the Barbados dollar equivalent of certain balances for the financial year being reported, compared with those of the previous year(s).

I. COMBINED STATEMENT OF COMPREHENSIVE INCOME

RESULTS FOR THE YEAR

For the year ended July 31, 2021, the operations of The University resulted in a **deficit of BDS$ 29.3 million** representing a 57% reduction in the deficit of **BDS$68.3 million** in 2020 after finance costs, depreciation and post-employment pension and medical benefits expense. Prior to the inclusion of these items of expenditure the operations showed a surplus of BDS$67.8 million (2020: BDS$32.7 million). The improved results were primarily due to reduction in expenditure.

Campus	BDS$ million	
	July 2021	**July 2020**
Cave Hill	1.4	3.8
Five Islands	0.8	0.5
Mona	(15.0)	(19.3)
Open	(20.2)	(21.1)
St. Augustine	16.1	(5.0)
University Centre	(12.4)	(27.2)
Total	**(29.3)**	**(68.3)**

Other comprehensive income was BDS$103.8 million (2020: BDS$23.4 million) comprising primarily of a gain of BDS$80.8 million from the actuarial re-measurement of the post-employment pension and medical benefits liability. Contributing factors were the increase in the discount rates used to measure the liability as well as a significant reduction in actual premium rates for medical insurance, compared to that previously expected. Total comprehensive income for the year therefore stood at BDS$74.5 million (2020: BDS$44.9 million loss).

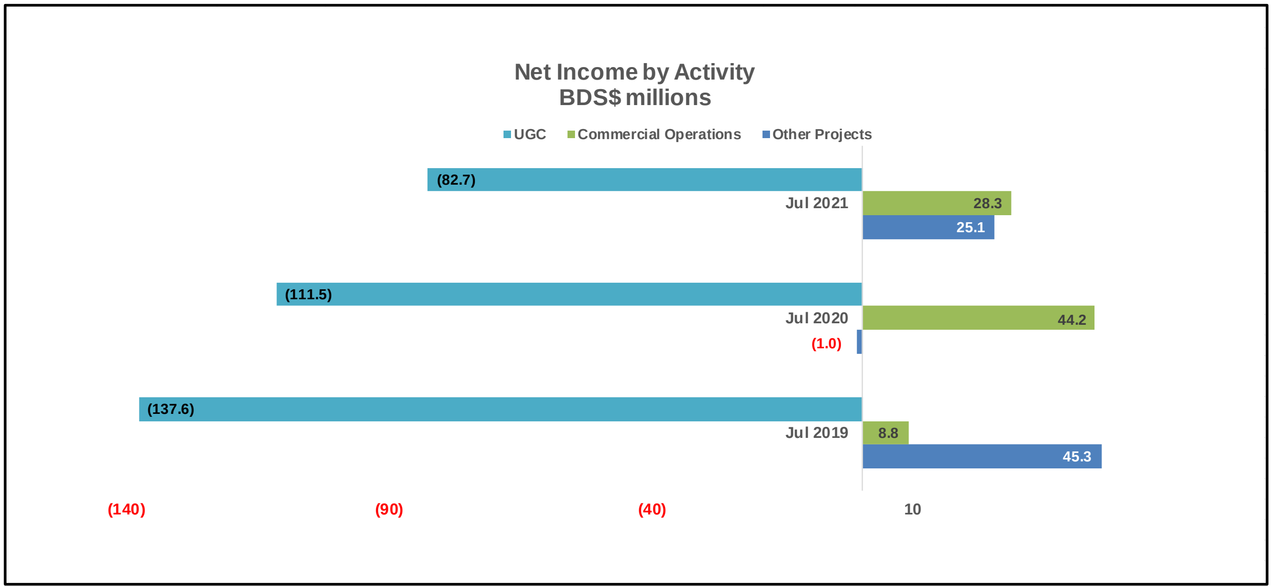
The **total income** of The University for the year was **BDS$847.8** million, compared with **BDS$905.2** million for the prior year, a decrease of 6.3%. **Total expenditure** for the year was **BDS$877.1** million compared with **BDS$973.6** million for 2020, a decrease of 9.9%.

I. COMBINED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

The deficit for the year comprised:

Activity	BDS$ million	
	July 2021	**July 2020**
UGC Funded	(82.7)	(111.5)
Commercial Operations	28.3	(8.5)
Other Projects	25.1	51.7
Total	**(29.3)**	**(68.3)**

The net income by activity for the comparative years 2019 to 2021 is shown below:



COMBINED INCOME

The sources of income for the University were:

Source	July 2021	July 2020
	%	%
Government Contributions	46	47
Tuition and Other Student Fees	16	15
Special and Other Projects	21	20
Commercial Operations	12	13
Other	5	5
Total	**100**	**100**

I. COMBINED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

COMBINED INCOME (cont'd)

The income distribution is illustrated in **Table 1** and **Charts 1** and **1a** on **page 10**. A five year summary of income by source is shown in **Table 2** and **Chart 2** on **page 11**. A five year summary of total income is shown in **Chart 3** on page **12**.

Government Contributions

Income from Government Contributions totalled BDS$ 391.9 million and represented 46% of total income. In the prior year Government Contributions were BDS$426.6 million and represented 47% of total income. The income shown is net of adjustments totalling BDS$121.6 million (2020: BDS$106.4 million) to gross billing for the year, to reflect commitments from contributing governments.

Project Income

a) ***Special Projects***

For the year this source of income totalled BDS$ 40.4 million (2020: BDS$39.2 million), and represented 5% (2020: 5%) of total income. Special Projects income did not contribute to the surplus, as it matched expenditure from grants received from sponsors particularly for research. During the year ended July 31, 2021, the value of new grants received for research was BDS$45.3 million compared with BDS$26.2 million in the previous year.

Some examples of new projects and their donors are listed below:

Location	Faculty / Department	Donor	Name of Project	Amount
Cave Hill Campus	School of Education	U.S. Agency for International Development (USAID)	Caribbean Education Research Initiative	US$3,687,919
Mona Campus	Faculty of Science & Technology	National Baking Company Foundation	Build Out Our Science Teacher (BOOST) Programme	J$159,600,000
Open Campus	Advanced Programmes and Academic Division (APAD)	Caribbean Law Institute Centre (CLIC)	UWI Open Campus Paralegal Program	US$150,000
St. Augustine Campus	S.T.A.C.I.E	European Union (EU)	Resilient Settlements Coastal Zones	€4,941,173
University Centre	Office Of PVC Research	European Union (EU)	Intra-Caribbean Academic Mobility Programme	€2,000,000

I. COMBINED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

COMBINED INCOME (cont'd)

b) Other Projects

Income from Other Projects totalled BDS$ 136.4 million (2020: BDS$140.7 million) and was derived mainly from self-financing programmes and full fee paying programmes in the Faculties of Medical Sciences and Law. Funds earned by departments through consultancies and from coordination of Special Projects were also included. Other Projects also includes the combined results of The UWI School of Business and Applied Studies Limited (ROYTEC) and the St. Augustine Campus Enterprises Company Limited (SACECL). For the year ended July 31, 2021, income from Other Projects represented 16% of total income.

Total projects income (Special Projects and Other Projects) represented 21% of total income (2020: 20%).

Tuition and Other Student Fees

Income from tuition and other student fees for the UGC funded programmes totalled BDS$137.5 million in 2021 and showed a marginal increase over BDS$137 million in 2020. Some Campuses experienced a decline in enrolment, while at other campuses enrolment was marginally increased or remained flat for the academic year 2020/2021. Tuition fees remained unchanged at the 2020 levels at all Campuses.

Other Income

Other Income totalled BDS$42.3 million (2020: BDS$40.7 million) and comprised investment income of BDS$10.8 million (2020: BDS$6.8 million) and miscellaneous income of BDS$31.5 million (2020: BDS$33.9 million). Miscellaneous income included income earned from rental of facilities as well as an amount of BDS$14.4 million (2020: BDS$14.5 million) representing the value of Capital Grants amortised during the year. Also included is BDS$1.5 million (2020: BDS$1.3 million) earned by Mona School of Business and Management (MSBM) from professional services and grants.

Commercial Operations

Income from commercial operations decreased from BDS$121 million in 2020 to BDS$99.2 million, and represented 12% of total income (2020: 13%). 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 at the School of Continuing Studies in Trinidad and Tobago.

I. *COMBINED STATEMENT OF COMPREHENSIVE INCOME* (Cont'd)

COMBINED EXPENDITURE

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

Category	July 2021	July 2020
	%	%
Departmental	47	45
Administrative	13	12
Central	15	16
Special and Other Projects	17	19
Commercial Operations	8	8
Total	100	100

The distribution is illustrated by **Table 4** and **Charts 4** and **4a** on **page 13**. Expenditure has been tightly controlled particularly due to funding limitations, and there was no significant increase in most categories for the period.

For the year ended July 31, 2021, there was an actuarially determined expense of **BDS$45.2 million** (2020: BDS$43.2 million) for post-employment pension and medical benefits. This is included in Central Expenditure.

A net impairment expense totalling **BDS$16.3 million** (2020: BDS$22.7 million) was recorded on Government contributions outstanding, investments, student receivables and other receivables.

A five year summary of expenditure by category is shown in **Table 5** and **Chart 5** on **page 14** and a five year summary of total expenditure is illustrated in **Chart 6** on **page 15**.

II. *COMBINED STATEMENT OF FINANCIAL POSITION*

Net Current Assets

Current assets exceeded current liabilities by BDS$195.7 million (2020: BDS$207.5 million), an overall decrease of 5.7%. The balance for cash and cash equivalents decreased by BDS$49.1 million while short-term investments decreased by BDS$7.9 million. Accounts receivable showed an increase of BDS$39.2 million or 15.2% over the prior year. Current liabilities decreased by 1.3%.

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

Included in this category are cash, current and savings accounts as well as fixed deposits held for periods not exceeding ninety days. The balance includes designated funds for special projects, commercial operations, and funds held for committed expenditure, which have been invested in resale agreements, Government securities, fixed deposits, and equities. Income earned from these investments is used to supplement funding to meet current liabilities. Total designated funds, which are not available for general use by the University, amounted to BDS$79.4 million.

When short-term investments, resale agreements and cash and cash equivalents are combined, this total showed a decrease of 18.4% compared with 2020.

Accounts Receivable

Accounts receivable amounted to BDS$297.7 million (2020: BDS$258.5 million). This includes amounts due from Governments for economic costs, scholarships, Government Assistance for Tuition Expenses (GATE), Public Sector Investment Programme (PSIP) and Value Added Tax (VAT) and tuition fees. Amounts due from students for tuition fees are also included.

The increase of BDS$39.2 million was mainly due to a rise in other receivables of BDS$29.5 million primarily due for scholarships. There were other contributing increases in government and student receivables.

The status of each Government with respect to contributions due to The University can be found on **pages 17 to 21**. The trend in total Government contributions outstanding over the past five years is shown in **Table 7** and **Chart 7** on **page 16**.

Current Liabilities

The balance of BDS$353.8 million (2020: BDS$358.3 million) includes amounts due to suppliers for goods and services received totalling BDS$177.7 million and BDS$18.3 million for affiliated entities. It also includes vacation leave accrual of BDS$46.2 million (2020: BDS$44.7 million), and other staff benefits such as study and travel and book grants. The current portion of long-term liabilities was BDS$16.6 million (2020: BDS$12.1 million), which is due to be paid within the next twelve months. Also included is BDS$19.2 million representing Government contributions received in advance.

Short-term loans and advances of BDS$14.9 million (2020: BDS$24.7 million) were also included in current liabilities.

II. ***COMBINED STATEMENT OF FINANCIAL POSITION*** **(Cont'd)**

Long-Term Investments

There was an increase of 21.8% in the balance for long-term investments which totalled BDS$179.3 million (2020: BDS$147.2 million). Total designated funds which are not available for general use by the University amounted to BDS$171.7 million.

Long–Term Receivables

At July 31, 2021, long-term receivables included a total of BDS$76.5 million (2020: BDS$79.5 million) for Government contributions not expected to be received within 12 months. Of this figure BDS$32.5 million (2020: BDS$28.3 million) has been impaired.

Property, Plant and Equipment

During the period, additions to property, plant and equipment totalled BDS$11.3 million (2020: BDS$179.9 million). Of this amount approximately 57% was spent for additions to buildings, furniture and fixtures and equipment; 27% on computers and other electronic equipment and work-in-progress represented 7%. The prior year's figure includes additions related to the South Campus, St. Augustine.

Right-of-Use Assets

An amount of BDS$22.5 million was transferred to this category on the adoption of IFRS 16 in 2020. At July 31, 2021 the balance amounted to BDS$20.5 million.

Long-Term Liabilities

The balance of BDS$86.7 million (net of the current portion) for long-term liabilities decreased when compared with the balance at July 31, 2020 (BDS$93.4 million). The current portion amounted to BDS$16.6 million.

a) Long-term Loans

The balance of BDS$102.7 million (2020: BDS$105.4 million) for long-term loans represents an overall decrease of 2.6%.

All loan payments were made in accordance with the signed agreements.

b) Other Long–term Liabilities

Other long-term liabilities include the balance of BDS$519,605 (US$259,802) due to Digicel by the Mona Campus for cabling infrastructure for the halls of residence, and faculty lecture rooms for implementation of a Wi-Fi solution.

II. *COMBINED STATEMENT OF FINANCIAL POSITION* (Cont'd)

Lease Liabilities

The balance of BDS$22.9 million (2020: BDS$23.9 million) relates to lease liabilities at the Mona and Cave Hill Campuses, comprising operating leases for buildings and equipment.

Investment Revaluation Reserve

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

The net movement (appreciation) in the investment revaluation reserve for the year ended July 31, 2021 totalled BDS$3.3 million (2020: BDS$5.1 million depreciation).

Revaluation Surplus

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

Employee Benefits Obligation

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

The actuarial report on the obligation as at July 31, 2021 was prepared by the actuaries Eckler Partners Ltd. Based on this report an estimated net obligation of BDS$387.4 million has been included in these financial statements. The estimated obligation at July 31, 2020 was BDS$458.3 million.

III. PERFORMANCE INDICATORS

		2021	2020	2019
a)	Total Operating Expenses/ Income	103%	108%	110%
b)	Government Contributions/ Total Operating Income	46%	47%	48%
c)	Total Income/Total Assets	49%	50%	55%
d)	Liquidity ratio (acid test)	1.5	1.6	1.6
e)	Average collection period for government contributions (months)	3.1	3.5	3.5
f)	Income per FTE (BDS$)	23,106	23,690	25,338
g)	Expense per FTE (BDS$)	23,906	25,478	27,576

a) For the year ended July 31, 2021 the ratio of total operating expenses to income was 103% which was a decrease of five percentage points from the prior year. The ratio remains above 100%, indicating that income for the year was not adequate to cover the necessary expenditure.

b) The ratio of Government Contributions to total operating income indicates that for the year ended July 31, 2021, the University relied on Governments to provide 46% of its income, which is slightly less than the corresponding period in the prior year.

c) Total income to total assets was 49%, a one percentage point decrease from the prior year.

d) The liquidity ratio of 1.5 reflects a marginal decrease from prior year in the ratio of liquid assets to current liabilities. The liquidity ratio indicates that The University should still be able to meet its current obligations from available cash and near liquid assets. However, the unpredictability of the timing and value of collections from Governments and students makes it extremely challenging to convert near liquid assets (accounts receivable) to cash in order to satisfy current obligations. Additionally, a significant portion of the cash included in the computation of liquid assets is restricted for use only on projects determined by Grant agencies.

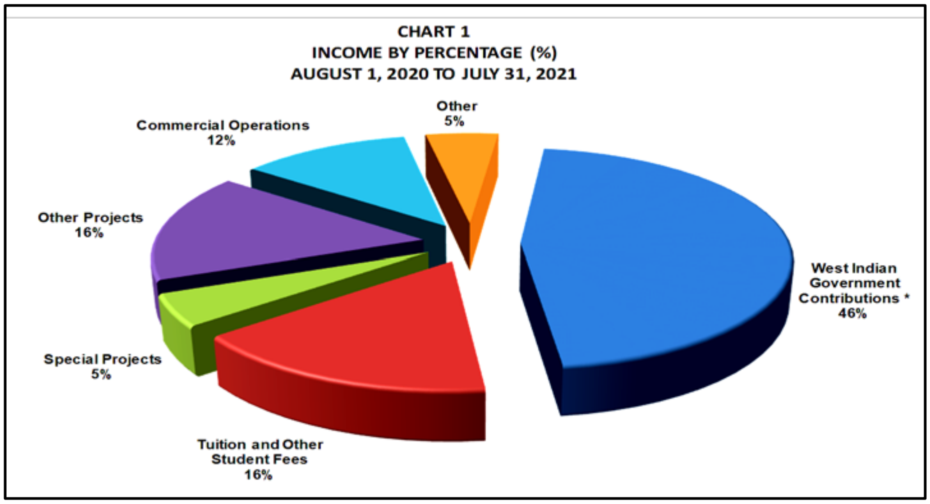
e) The time needed for the UWI to collect outstanding Government contributions is currently averaging 3.1 months. This has remained fairly constant in recent years.

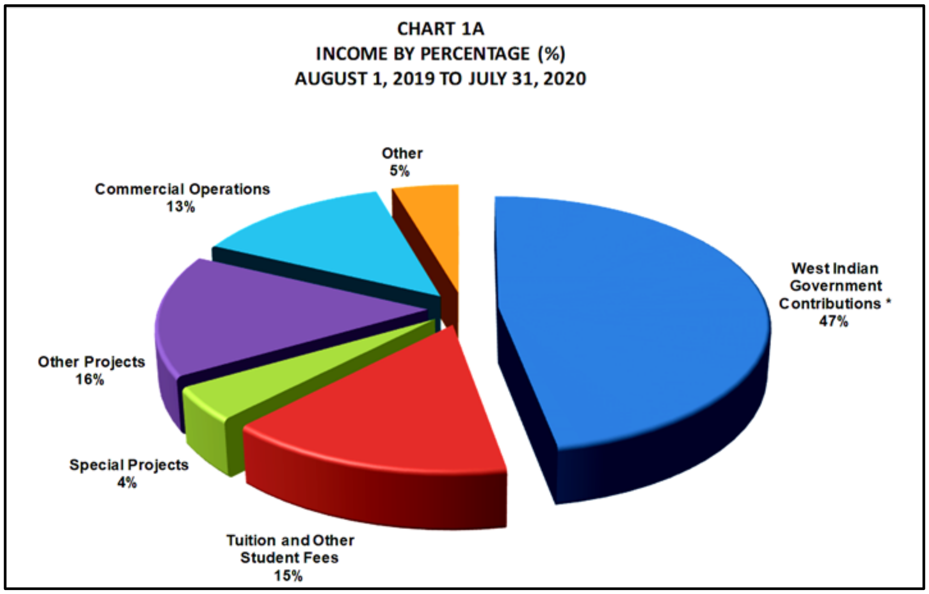
INCOME

For the period August 1, 2020 to July 31, 2021 with comparatives for the period August 1, 2019 to July 31, 2020
TABLE 1 - $'000

SOURCES	J$		BDS$		TT$		EC$	
	2021	2020	2021	2020	2021	2020	2021	2020
West Indian Government Contributions *	28,687,251	29,262,316	391,949	426,568	1,322,741	1,440,613	528,707	556,438
Tuition and Other Student Fees	10,066,030	9,400,278	137,530	137,031	464,135	462,785	185,517	178,751
Special Projects	2,954,876	2,687,692	40,372	39,179	136,246	132,318	54,458	51,108
Other Projects	9,979,809	9,654,306	136,352	140,734	460,159	475,291	183,928	183,582
Commercial Operations	7,261,945	8,300,908	99,219	121,005	334,841	408,662	133,838	157,846
Other	3,101,643	2,793,729	42,377	40,726	143,014	137,538	57,163	53,124
TOTAL INCOME	**62,051,554**	**62,099,229**	**847,799**	**905,243**	**2,861,136**	**3,057,207**	**1,143,611**	**1,180,849**

*net of transfer to capital grants

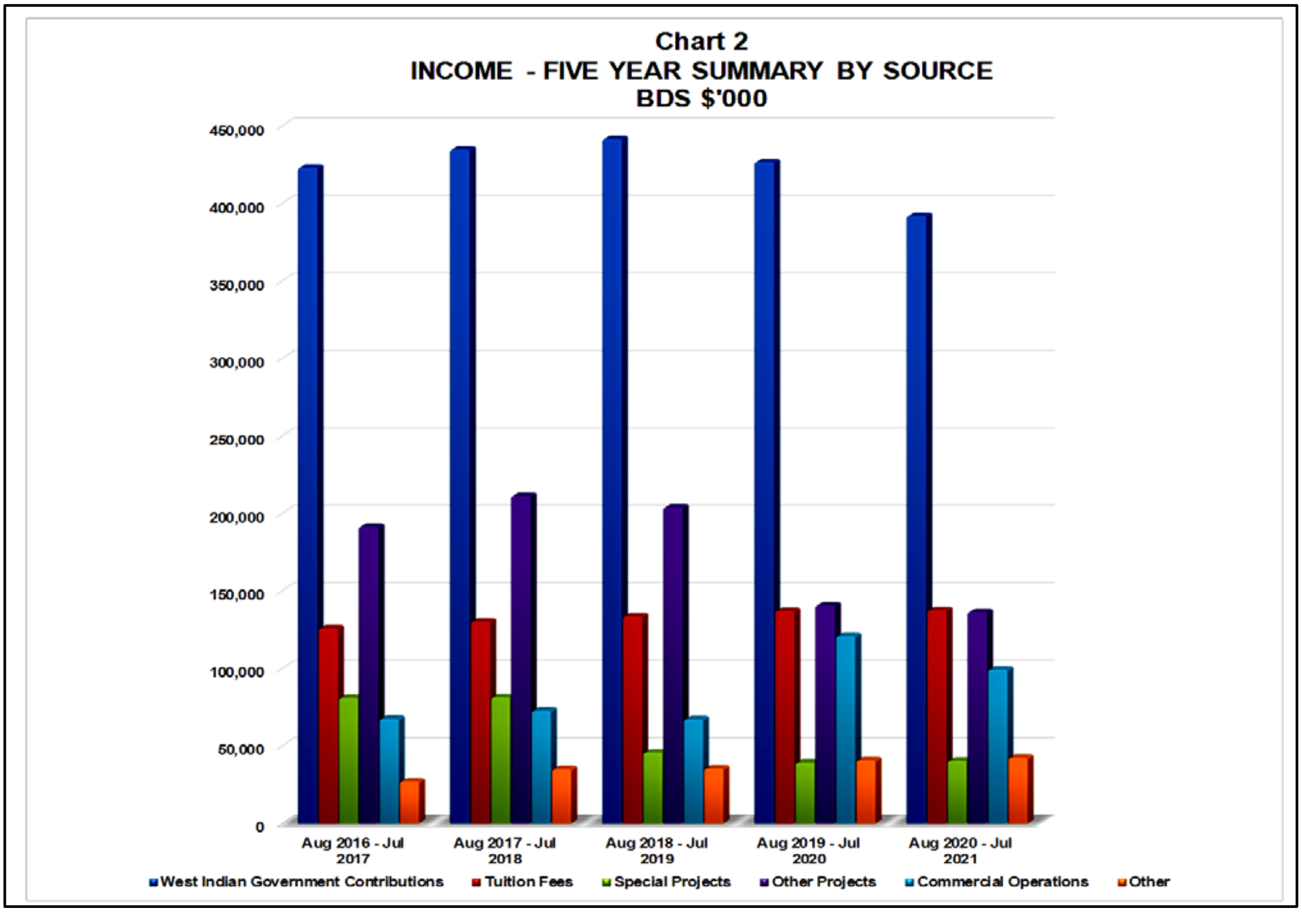




INCOME - FIVE YEAR SUMMARY BY SOURCE
Table 2 - BDS$'000

SOURCES	Aug 2016 - Jul 2017		Aug 2017 - Jul 2018		Aug 2018 - Jul 2019		Aug 2019 - Jul 2020		Aug 2020 - Jul 2021	
West Indian Government Contributions *	422,982	46%	434,798	45%	441,485	48%	426,568	47%	391,949	46%
Tuition and other Student Fees	125,857	14%	130,154	13%	133,522	14%	137,031	15%	137,530	16%
Special Projects	80,893	9%	81,292	8%	45,692	5%	39,179	4%	40,372	5%
Other Projects	191,407	21%	211,349	22%	203,802	22%	140,734	16%	136,352	16%
Commercial Operations	67,575	7%	72,708	8%	67,292	7%	121,005	13%	99,219	12%
Other	27,090	3%	35,038	4%	35,454	4%	40,726	5%	42,377	5%
TOTAL INCOME	**915,804**	**100%**	**965,339**	**100%**	**927,247**	**100%**	**905,243**	**100%**	**847,799**	**100%**

*net of transfer to capital grants



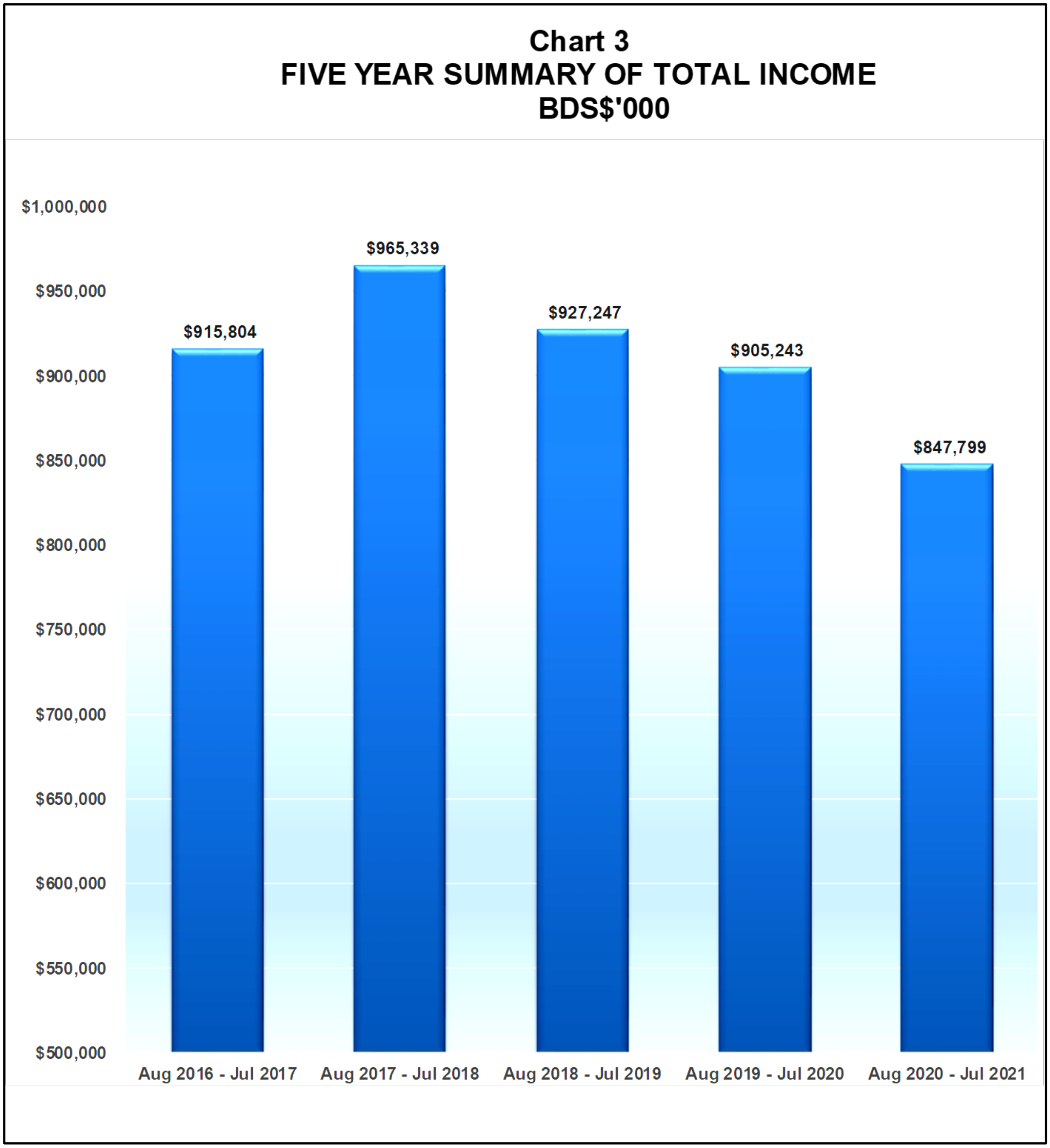
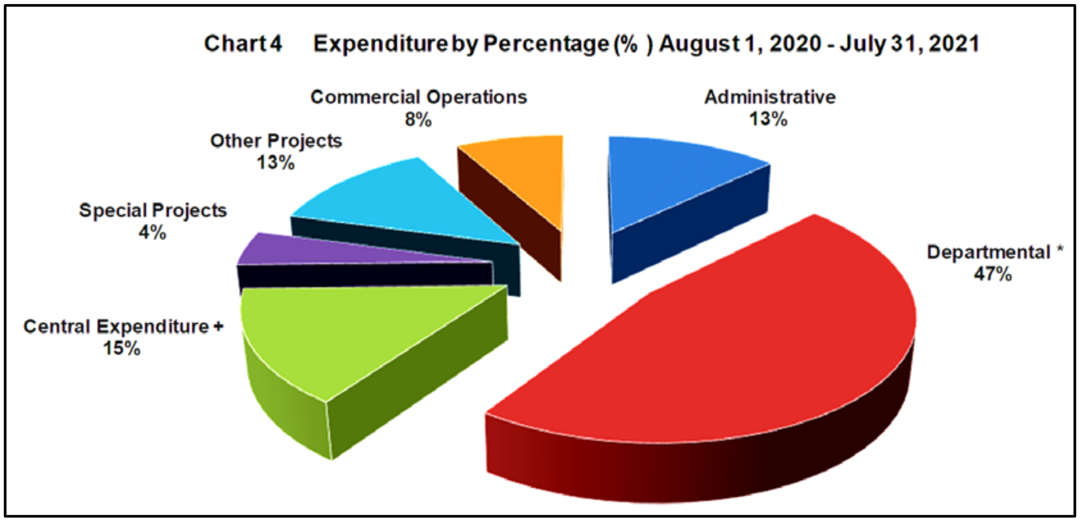


Chart 3
FIVE YEAR SUMMARY OF TOTAL INCOME
BDS$'000
$1,000,000
$950,000
$900,000
$850,000
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$915,804
$965,339
$927,247
$905,243
$847,799
Aug 2016 - Jul 2017
Aug 2017 - Jul 2018
Aug 2018 - Jul 2019
Aug 2019 - Jul 2020
Aug 2020 - Jul 2021

EXPENDITURE
For the period August 1, 2020 to July 31, 2021 with comparatives for the period August 1, 2019 to July 31, 2020
TABLE 4 - $'000

CATEGORIES	J$		Bds$		TT$		EC$	
	2021	2020	2021	2020	2021	2020	2021	2020
Administrative	8,213,743	7,733,385	112,223	112,732	378,728	380,722	151,380	147,054
Departmental *	30,112,407	30,371,243	411,421	442,732	1,388,454	1,495,207	554,973	577,525
Central Expenditure +	9,588,230	10,998,025	131,002	160,322	442,104	541,444	176,711	209,133
Special Projects	2,954,876	2,687,692	40,372	39,179	136,246	132,318	54,458	51,108
Other Projects	8,141,841	9,724,854	111,241	141,763	375,412	478,764	150,054	184,923
Commercial Operations	5,187,727	5,272,213	70,879	76,855	239,201	259,556	95,610	100,254
TOTAL EXPENDITURE	**64,198,824**	**66,787,412**	**877,138**	**973,583**	**2,960,145**	**3,288,011**	**1,183,186**	**1,269,997**

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



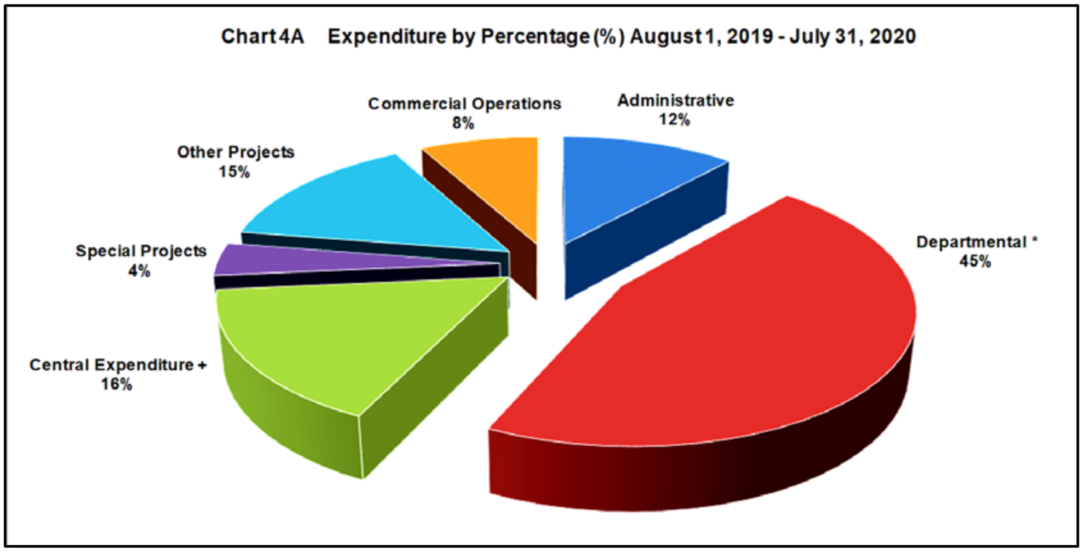
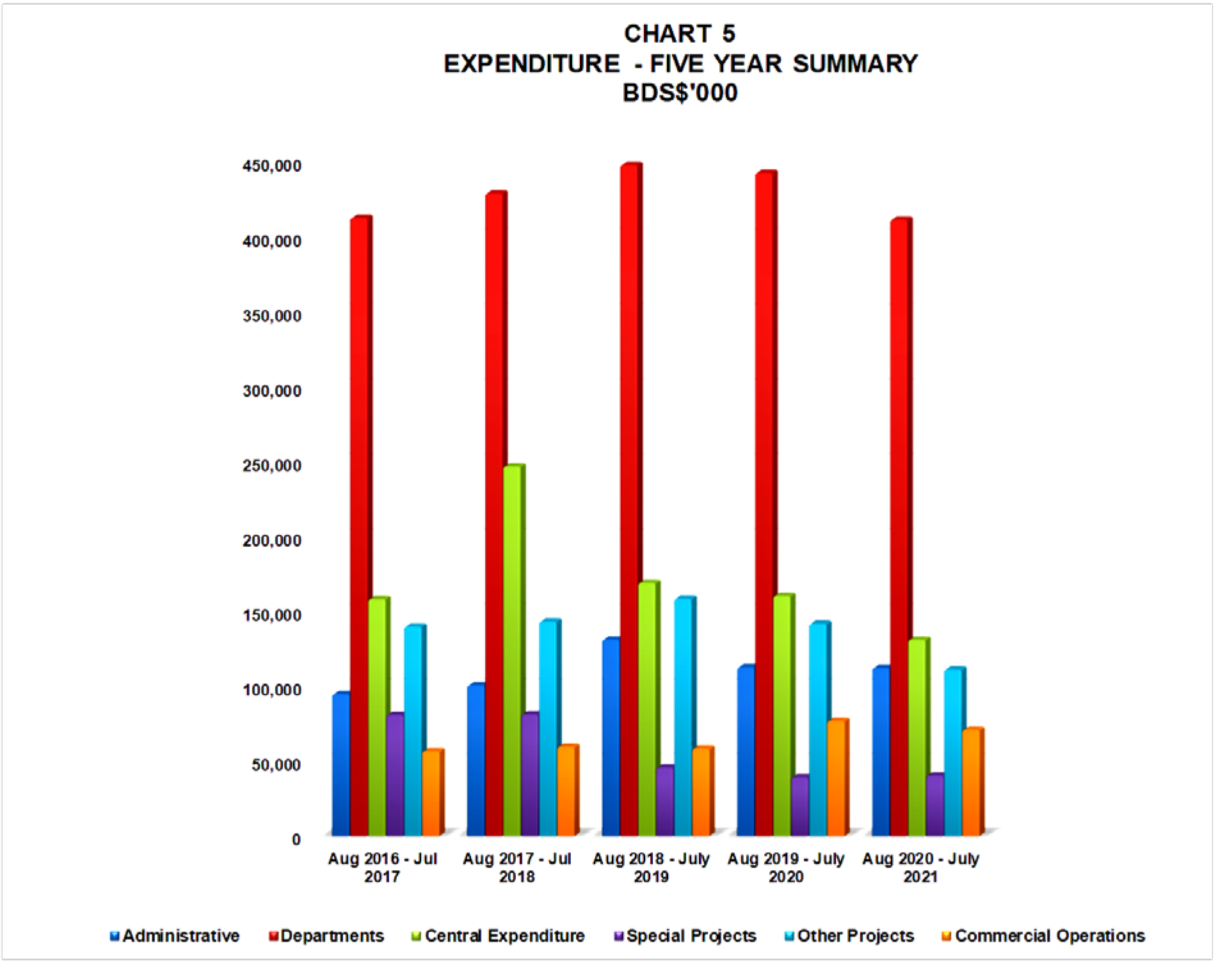


Table 5
EXPENDITURE
FIVE YEAR SUMMARY
BDS$'000

CATEGORIES	Aug 2016 - Jul 2017		Aug 2017 - Jul 2018		Aug 2018 - July 2019		Aug 2019 - July 2020		Aug 2020 - July 2021	
Administrative	94,828	10%	100,666	9%	131,121	13%	112,732	12%	112,223	13%
Departmental*	412,605	44%	428,997	40%	447,970	44%	442,732	45%	411,421	47%
Central Expenditure +	158,205	17%	246,789	23%	169,004	17%	160,322	16%	131,002	15%
Special Projects	80,893	8%	81,292	8%	45,692	5%	39,179	4%	40,372	4%
Other Projects	139,803	15%	143,210	14%	158,461	15%	141,763	15%	111,241	13%
Commercial Operations	56,814	6%	59,609	6%	58,498	6%	76,855	8%	70,879	8%
TOTAL EXPENDITURE	**943,148**	**100%**	**1,060,563**	**100%**	**1,010,746**	**100%**	**973,583**	**100%**	**877,138**	**100%**

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



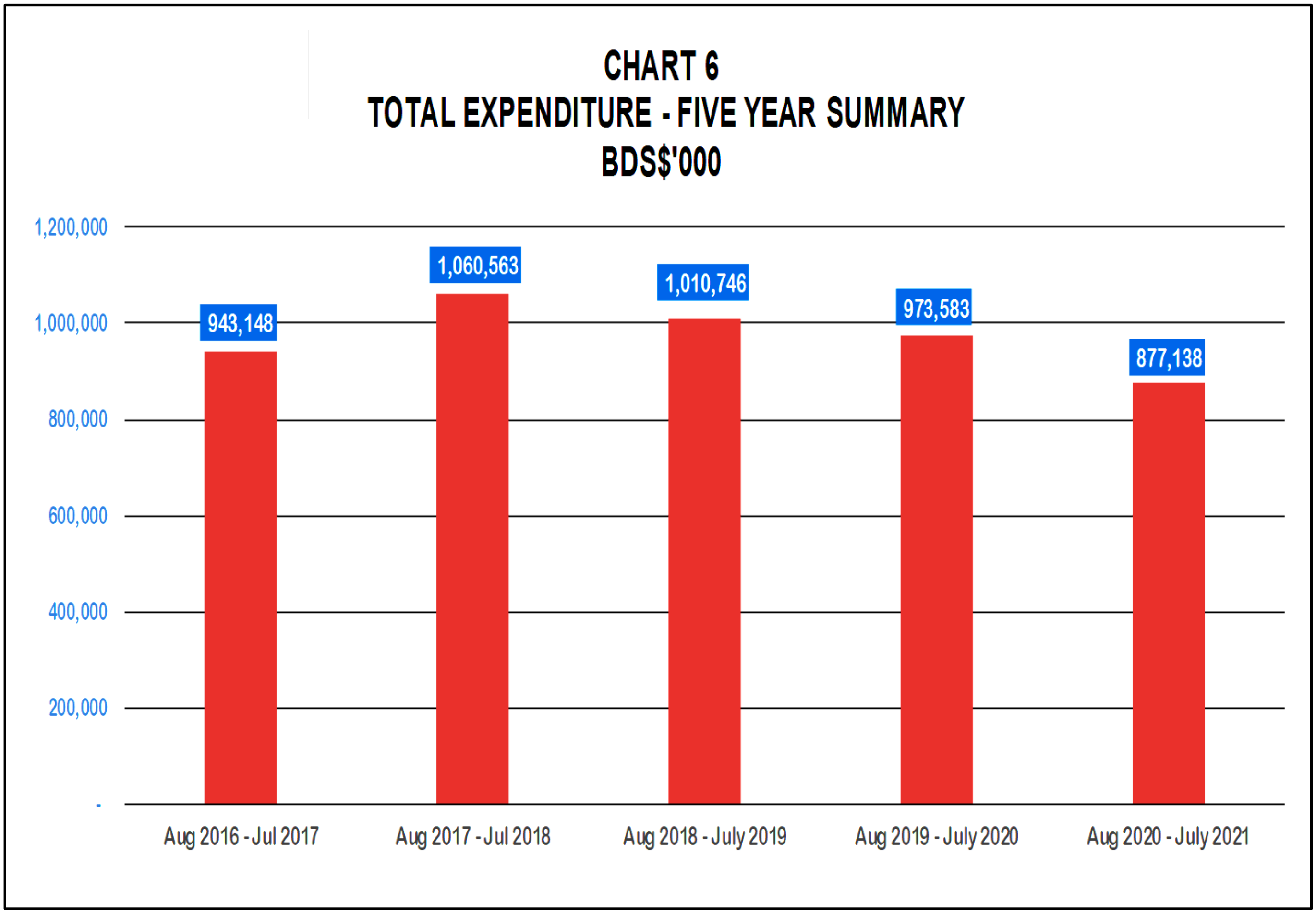


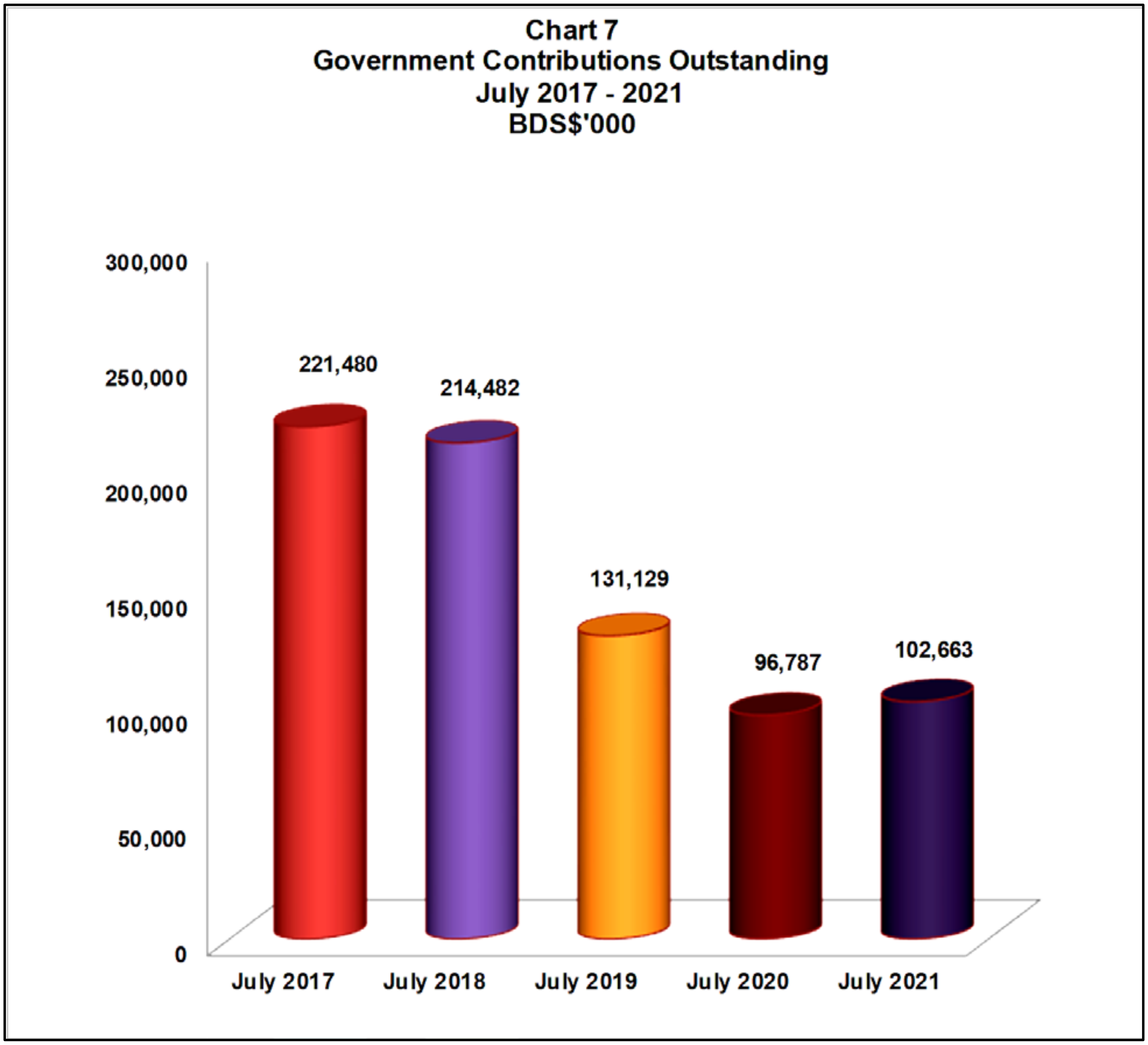
CHART 6
TOTAL EXPENDITURE - FIVE YEAR SUMMARY
BDS$'000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
943,148
1,060,563
1,010,746
973,583
877,138
Aug 2016 - Jul 2017
Aug 2017 - Jul 2018
Aug 2018 - July 2019
Aug 2019 - July 2020
Aug 2020 - July 2021

GOVERNMENT CONTRIBUTIONS OUTSTANDING

JULY 2017 - JULY 2021

TABLE 7 BDS$'000

PERIOD	BDS$'000
July 2017	221,480
July 2018	214,482
July 2019	131,129
July 2020	96,787
July 2021	102,663



STATUS OF GOVERNMENT CONTRIBUTIONS

Overview

The responsibility for interfacing with Governments on matters concerning Government contributions resides primarily with the Office of Finance. To assist Governments in budgeting for their respective annual contributions toward funding The University of The West Indies (The UWI), the Office of Finance prepares yearly assessments for each Government and based on requests provides projections for contributions required beyond the period covered by the University's annual biennium budget. The Office of Finance follows up with the relevant Government ministries by way of correspondence, telephone calls and visits. Campus Principals and Bursars also communicate with the respective campus Governments regarding outstanding balances.

Annually Governments are provided with a finalized bill which is determined for the landed Campuses on the basis of actual student numbers for the respective countries and the University's approved budgets. The billing for the Open Campus is an allocation of the cost of its operations. Commentary on the status of the account of each Government is provided below.

At July 31, 2021 contributing Governments owed the University of the West Indies BDS$102.7M (net) for amounts billed as contributions towards economic cost of the University. This represented an increase of BDS$5.9M or 6% compared with the balance of BDS$96.8M that was outstanding at the start of the financial year. In addition, BDS$1.1 million is outstanding to the Five Islands Campus from the Government of Antigua and Barbuda.

Barbados

The Government of Barbados had an outstanding balance of BDS$5.53M at August 1, 2020. For the twelve month reporting period the Government made payments totalling BDS$95.91M. The 2020/2021 final billing showed a required funding contribution of BDS$115.19 M. The Government committed the amount of BDS$96.87M .The outstanding balance as at July 31, 2021 was BDS$6.49M.

STATUS OF GOVERNMENT CONTRIBUTIONS (Continued)

Jamaica

At the beginning of the academic year, The Government of Jamaica had a prepaid balance of J$1,848.96M. The 2020/2021 final billing for the year to July 31, 2021 indicated a funding allocation of J$13,448.92M. The Government committed the amount of J$7,460.65M and made consistent monthly payments amounting to J$6,855.13M. At July 31, 2021 the Government of Jamaica had a prepaid balance J$1,243.44M representing payments made in advance for the first two months in the academic year 2021/2022. This was subsequently applied against billings for those months. The University appreciates the efforts made by the Government of Jamaica to pay its subvention quarterly in advance.

Trinidad and Tobago

The Government of Trinidad & Tobago at the start of the year had an outstanding balance of TT$111.14M. The final billing for the year to July 31, 2021 indicated a funding allocation of TT$656.14M. The Government committed funding of TT$589.83M for the year. Consistent monthly payments received over the year amounted to TT$589.72M. The outstanding balance at July 31, 2021 stood at TT$111.25M.

Anguilla

The balance owed by the Government of Anguilla at August 1, 2020 was XCD6.51M and a final billing of XCD 0.88M for the year to July 31, 2021, was applied to the account. For the twelve month reporting period the Government made payments totally XCD 1.90M resulting in a balance of XCD5.49M as at July 31, 2021. Discussions will continue with the Government to liquidate the outstanding balance.

Antigua and Barbuda

The Government of Antigua and Barbuda had an outstanding balance of XCD4.36M at August 1, 2020, and a final billing of XCD2.31M for the year to July 31 2021 was added to Antigua and Barbuda's account resulting in a balance of XCD6.67M as at July 31, 2021. No payments were received during the year. The Government has committed to settling the arrears and the University will continue to follow up for the balance to be settled as soon as possible. In addition, BDS$1.1 million for subvention was outstanding to the Five Islands Campus from the Government of Antigua and Barbuda.

STATUS OF GOVERNMENT CONTRIBUTIONS (Continued)

Bahamas

The Government of the Bahamas opened the year with a prepaid amount of BAH$0.029M. The final billing for the year to July 31, 2021 was BAH$3.73M, and an adjustment of BAH$0.23M was made for the year 2018/2019 resulting in a net billing of BAH$3.50M. Payments received during the year totalled BAH$4.70M which resulted in a prepayment of BAH$1.23M at July 31, 2021, which has been applied against the subsequent billing for 2021/2022.

Belize

At August 1, 2020 the amount owed by the Government of Belize stood at BZE$0.79M.The final billing for the year to July 31, 2021 was BZE$1.61M and the receipt of payments on account amounted to BZE$2.03M resulting in an outstanding balance at July 31, 2021 of BZE$0.37M. The balance was cleared subsequent to year-end.

Bermuda

The balance on the account of the Government of Bermuda at August 1, 2020 was US$90,393 which increased to US$110,569 at July 31, 2021 due to the application of the final billing of US$20,176 for the period, as no payments were received. The Government is in discussion with the University regarding this balance.

The Virgin Islands

The amount outstanding as at August 1, 2020 stood at US$2.49M. Final billing for the period to July 31, 2021 of US$0.49M was applied to the account resulting in a balance of US$2.98M.

Cayman Islands

The Cayman Islands had an outstanding balance of CI$82,941 at August 1, 2020. The Government was billed CI$463,098 for the period and a payment of CI$591,871 received resulting in a prepaid balance of CI$45,832 at July 31, 2021, which has been applied against the billing for 2021/2022.

STATUS OF GOVERNMENT CONTRIBUTIONS (Continued)

Dominica

The Government of Dominica had a balance outstanding at August 1, 2020 of XCD30.57M which represents an accumulation of several years' billings. The final billing for the period to July 31, 2021 of XCD1.58M was added to the amount owing. No payment was received during the period resulting in a balance outstanding at July 31, 2021 of XCD32.15M. The Government was provided with payment plans, for which agreement was not communicated to the University. Follow up will continue with the Government to have the balance settled.

Grenada

The balance outstanding from the Government of Grenada at August 1, 2020 was XCD7.13M and at July 31, 2021 the balance stood at XCD3.61M after applying a final billing of XCD2.67M and monthly payments totalling XCD6.19M. The Government of Grenada has been complying with a monthly payment arrangement which it made with the University with the objective of liquidating its arrears as well as current billings.

Montserrat

Montserrat opened the year with a balance of XCD 578,395. A final billing for the period to July 31, 2021 of XCD 1,064,264 was applied to the account. In addition there was an adjustment of XCD 292,710 to reflect the commitment to the Open Campus and a payment of XCD 1,136,185. This reduced the outstanding balance at July 31, 2021 to XCD 213,764. The balance was cleared subsequent to the year-end.

St. Kitts and Nevis

The opening balance at August 1, 2020 was an outstanding balance of XCD0.38M. For the current period the Government was billed a final amount of XCD 2.79M to July 31, 2021. Payments of XCD2.73M were received which resulted in a balance of XCD 0.44M at July 31, 2021. The balance was cleared subsequent to the year-end.

STATUS OF GOVERNMENT CONTRIBUTIONS (Continued)

St. Lucia

The Government of St Lucia, at August 1, 2020 had a balance of XCD 27.48M owing to the University. The final billing for the year to July 31, 2021 indicated a funding allocation of XCD 3.11M. The Government committed funding of XCD 0.82M for the year. Payments totalling XCD1.77M were received. The Government of St Lucia at July 31, 2021 had a balance of XCD 26.53M outstanding on its account. The Government has been provided with payment plans to be considered to settle its arrears but agreement to the plans were not received. Discussions will continue with the Government towards arriving at a satisfactory outcome.

St. Vincent and the Grenadines

At the start of the year, XCD 28.93M was due from the Government of St Vincent and the Grenadines. The Government made payments totalling XCD 5.78M during the year and after applying the 2020/2021 final billing of XCD 4.23M the amount owing at July 31, 2021 stood at XCD 27.38M. Payments totalling XCD 1.9M were received in August and October 2021.

Turks & Caicos Islands

The Government of Turks and Caicos Islands started the year on August 1, 2020 with a prepayment of US$ 592,322. This decreased to US$ 250,289 at July 31, 2021 after the final billing of US$342,033 was applied.

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Independent auditor's report

To the Members of the Council of The University of the West Indies

Report on the audit of the combined financial statements

Our opinion

In our opinion, the combined financial statements give a true and fair view of the combined financial position of The University of the West Indies (the University) as at 31 July 2021, and of its combined financial performance and its combined cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The University's combined financial statements comprise:

- the combined statement of financial position as at 31 July 2021;
- the combined statement of comprehensive income for the year then ended;
- the combined statement of changes in reserves for the year then ended;
- the combined statement of cash flows for the year then ended; and
- the notes to the combined financial statements , which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the combined financial statements* section of our report.

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

Independence

We are independent of the University in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Responsibilities of management and those charged with governance for the combined financial statements

Management is responsible for the preparation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor's responsibilities for the audit of the combined financial statements

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

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

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers

Chartered Accountants
22 December 2021
Kingston, Jamaica

The University of the West Indies
Combined Statement of Financial Position
For the year ended 31 July 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Current Assets			
Cash and cash equivalents	5	15,229,305	18,152,242
Resale agreements	6	1,424,495	1,207,187
Short-term investments	7	2,193,476	2,680,921
Accounts receivable	8	22,988,439	19,046,477
Inventories	9	592,655	599,368
		42,428,370	41,686,195
Current Liabilities	10	(27,314,643)	(26,399,906)
Net Current Assets		15,113,727	15,286,289
Non-Current Assets			
Advances	11	19,019	29,020
Long-term investments	7	13,844,458	10,844,728
Investment properties	12	4,725	4,974
Long-term receivables	13	3,575,856	3,790,855
Property, plant and equipment	14	67,268,771	67,117,669
Right-of-use assets	26	1,584,132	1,655,919
		86,296,961	83,443,165
		101,410,688	98,729,454
Reserves			
Cumulative translation reserve	15	20,532,525	19,099,012
Revaluation surplus	16	5,426,313	5,426,313
Investment revaluation reserve	17	1,781,123	1,529,025
General reserve		(1,038,832)	(1,038,832)
Accumulated (deficit)/surplus		(2,389,766)	(6,156,888)
Total reserves		24,311,363	18,858,630
Non-Current Liabilities			
Unexpended donations for special projects	18	5,111,139	4,580,995
Endowment funds	19	220,824	243,177
Capital grants	20	33,267,189	32,496,600
Long-term liabilities	21	6,693,456	6,878,635
Employee benefits obligation	22(d)	29,909,405	33,763,843
Deferred income	23	129,167	140,833
Lease liabilities	26	1,768,145	1,766,741
Total non-current liabilities		77,099,325	79,870,824
		101,410,688	98,729,454

Approved for issue by the University Audit Committee on 9 December 2021 and signed on its behalf by:

Sir Hilary Beckles — Vice Chancellor

Mrs Andrea McNish — University Bursar / Chief Financial Officer

The University of the West Indies

Combined Statement of Comprehensive Income

For the year ended 31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Income			
Government contributions	4	28,881,314	29,531,120
Tuition and other student fees		10,066,030	9,400,278
Special projects		2,954,876	2,687,692
Other projects		9,979,809	9,654,306
Commercial operations		7,261,945	8,300,908
Investment income		788,449	466,559
Miscellaneous income		2,313,194	2,327,170
		62,245,617	62,368,033
Less: transfer to capital grants	20	(194,063)	(268,804)
Income after transfer to capital grants		62,051,554	62,099,229
Expenses			
Departmental		(27,204,007)	(27,292,005)
Administrative		(8,213,743)	(7,733,385)
Central		(4,190,913)	(5,585,704)
Net impairment losses on financial assets		(1,194,554)	(1,557,045)
Special projects		(2,954,876)	(2,687,692)
Other projects		(8,141,841)	(9,724,854)
Commercial operations		(5,187,727)	(5,272,213)
	24	(57,087,661)	(59,852,898)
Surplus for the year before finance costs		4,963,893	2,246,331
Finance costs	25	(894,306)	(889,414)
Surplus for the year before depreciation, pension and post- employment medical benefits		4,069,587	1,356,917
Depreciation		(2,908,400)	(3,079,237)
Pension and post-employment medical benefits	22(e)	(3,308,457)	(2,965,862)
Deficit for the Year		(2,147,270)	(4,688,182)
Other Comprehensive Income			
Item that will never be reclassified to profit or loss			
Re-measurement of employee benefits obligation	22(e)	5,914,392	(110,462)
Items that may be reclassified to profit or loss			
Changes in fair value of debt instruments at fair value through other comprehensive income		252,098	(378,174)
Currency translation adjustments		1,433,513	2,093,748
Total Other Comprehensive Income		7,600,003	1,605,112
Total Comprehensive Income for the Year		5,452,733	(3,083,070)

The University of the West Indies
Combined Statement of Changes in Reserves
For the year ended 31 July 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Capital Reserves			Other Reserves		
	Cumulative translation reserve	**Revaluation surplus**	**Investment revaluation reserve**	**General reserves**	**Accumulated deficit**	**Total reserves**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balances at July 31, 2019	17,005,264	5,426,313	1,907,199	(1,056,636)	(1,140,381)	22,141,759
Comprehensive income for the year:						
Deficit for the year	-	-	-	-	(4,688,182)	(4,688,182)
Other comprehensive income	2,093,748	-	(378,174)	-	(110,462)	1,605,112
Total comprehensive income for the year	2,093,748	-	(378,174)	-	(4,798,644)	(3,083,070)
Transactions recorded directly in equity:						
Transfer to sabbatical fund	-	-	-	17,804	-	17,804
Transfer to net funds under management	-	-	-	-	(217,863)	(217,863)
Total transactions recorded directly in equity	-	-	-	17,804	(217,863)	(200,059)
Balances at July 31, 2020	19,099,012	5,426,313	1,529,025	(1,038,832)	(6,156,888)	18,858,630
Comprehensive income for the year:						
Deficit for the year	-	-	-	-	(2,147,270)	(2,147,270)
Other comprehensive income	1,433,513	-	252,098	-	5,914,392	7,600,003
Total comprehensive income for the year	1,433,513	-	252,098	-	3,767,122	5,452,733
Balances at July 31, 2021	20,532,525	5,426,313	1,781,123	(1,038,832)	(2,389,766)	24,311,363

	Note	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		(2,147,270)	(4,688,182)
Adjustments for:			
Depreciation: Property, plant and equipment	14	2,864,226	3,032,293
Investment properties	12	249	249
Right of use assets	14	43,925	46,695
Amortisation of capital grants	20	(1,056,480)	(997,265)
Employee benefits obligation		3,308,457	2,965,862
Gain on sale of property, plant and equipment		13,198	(12,567)
Foreign exchange adjustments		(2,072,615)	908,156
Impairment of financial assets (excluding economic cost)		768,760	1,351,959
Impairment of government receivables (for economic cost)		425,793	205,086
Interest income		(728,146)	(452,960)
Dividend income		(60,303)	(13,599)
Deferred income	23	(11,666)	(7,500)
Interest expense		894,306	889,414
		2,242,434	3,227,641
Changes in:			
Accounts receivable		(3,941,962)	2,635,786
Inventories		6,717	(67,368)
Current liabilities		1,263,904	1,701,953
Net cash (used in)/provided by operating activities		(428,907)	7,498,012
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		836,048	516,298
Dividend received		60,303	13,599
Investment, (net)		(2,260,188)	1,746,303
(Increase) /decrease in resale agreements		(217,308)	(76,403)
(Increase)/decrease in advances		10,001	(14,331)
(Increase)/decrease in long-term receivables		640,791	(93,243)
Purchase of property, plant and equipment	14	(869,684)	(13,261,972)
Proceeds from sale of property, plant and equipment		4,938	12,567
Net cash used in investing activities		(1,795,099)	(11,157,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(748,132)	(808,454)
Unexpended donations for special projects		530,144	670,571
Endowment funds	19	(22,959)	5,590
Capital grants received	20	351,578	10,745,641
Proceeds of long-term loans		243,359	242,037
Repayment of long-term loans		(739,111)	(476,530)
Lease repayments		(245,479)	(245,479)
Other long-term liabilities, (net)		(68,331)	(338,673)
Net cash (used in)/provided by financing activities		(698,931)	9,794,703
Net increase in cash and cash equivalents		(2,922,937)	6,135,533
Cash and cash equivalents at beginning of the year		18,152,242	12,016,709
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	15,229,305	18,152,242

1. The University

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

The University operates from five main campuses as follows:

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

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

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

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) *Basis of preparation*

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in current year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The University has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following, which are immediately relevant to its operations:

Amendments to IAS 1 'Presentation of financial statements and IAS 8 'Accounting policies, changes in accounting estimates and errors', (effective for annual periods beginning on or after 1 January 2020). The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole. The amendment also clarifies the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. The adoption of this amendment did not have any significant impact on the operations of the University.

Amendments to IFRS 3 – definition of a business (effective for annual periods beginning or after 1 January 2020). This amendment revises the definition of a business. The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. The adoption of this amendment did not have a significant impact on the University.

Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. No amendments were required to the accounting policies following the application of the revised Conceptual Framework.

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the University.

The University has concluded that the following standards which are published but not yet effective, are relevant to its operations and will impact the University's accounting policies and financial disclosures as discussed below.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Amendments to IFRS 16, 'Covid-19-related Rent Concessions', (effective for annual periods beginning on or after 1 April 2021). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this would result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognized in profit or loss arising from the rent concessions. Management is currently assessing the impact of this standard.

Amendments to IAS 16, 'Property, Plant and Equipment' (effective for annual periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. Management is currently assessing the impact of this standard.

Amendment to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' (effective for annual periods beginning on or after 1 January 2022). This amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, the entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract. Management is currently assessing the impact of this standard.

Annual Improvements 2018-2020 (effective for annual periods beginning on or after 1 January 2022). The IASB issued its Annual Improvements to IFRS 2018-2020 cycle amending a number of standards, the following of which are relevant to the University:

- IFRS 9, 'Financial Instruments', to clarify the fees that should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16, 'Leases', to clarify the treatment of lease incentives and payments from lessors relating to leasehold improvements.

The adoption of these improvements is not expected to have any significant impact on the operations of the University.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the University (continued).

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023).The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. Management is currently assessing the impact of this standard.

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after 1 January 2023). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Management is currently assessing the impact of this standard.

Amendments to IAS 1, 'Presentation of Financial Statements' (effective for annual periods beginning on or after 1 January 2023). The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date, such as, the receipt of a waiver or a breach of covenant. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023. Management is currently assessing the impact of this standard.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on the accounting policies or financial disclosures of the University.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

2. Significant Accounting Policies (Continued)

(d) Basis of combination

The combined financial statements include the financial positions, results of operations and cash flows of all five campuses and the University Centre, made up to July 31, 2021, after eliminating all significant inter-campus amounts. The Campuses and the University Centre (entities) are collectively referred to as "The University".

The financial statements of the entities are included in the combined financial statements from the date on which control commences until the date on which control ceases.

The University has combined the financial position, results of operations and cash flows for the following subsidiaries.

Campus	Name of entities	Principal activities
Mona Campus	Mona Informatix Limited (MIL)	Provision of data processing services.
	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.
St. Augustine Campus	UWI School of Business & Applied Studies Limited (UWISBASL)	Provision of a place for education and learning.
	St. Augustine Campus Enterprises Limited	Provision of accommodation and conference facilities for university-related purposes.
Open Campus	Early Childhood Centres of Excellence	Provision of early childhood educational services

2. Significant Accounting Policies (Continued)

(d) Basis of combination (continued)

The University has not combined the financial position, results of operations and cash flows for the following subsidiaries, on the basis that they are immaterial to the combined financial statements.

Name of Subsidiaries	Principal activity	Percentage ownership	
		2021	**2020**
Universal Media Company Limited (UMC)	Provision of communication services	100%	100%
Lumin Consulting Inc. (Lumin)	Provision of consulting services	100%	100%

Summary information applicable to the non-combined subsidiaries, based on draft financial statements, as at and for the years ended July 31, 2021 and 2020, is as follows:

	Net assets/(liabilities)		Net (loss)/profit	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
UMC	(66,952)	(60,341)	(6,611)	(5,833)
Lumin	(1,697)	3,337	(5,034)	(18,206)
	(68,649)	(57,004)	(11,645)	(24,039)

(e) 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.

2. Significant Accounting Policies (Continued)

(f) Investments

(i) Classification

The University classifies its financial assets in the following measurement categories:

- At fair value (either through OCI or through profit or loss); and
- At amortised cost.

The classification is based on the University's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss or OCI.

The University will reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on the date at which the University becomes a party to the contractual provisions of the instrument, i.e., the date they originated. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the University measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the University's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the University classifies its debt instruments:

2. Significant Accounting Policies (Continued)

(f) Investments (continued)

(iii) Measurement (continued)
Debt instruments (continued)

- Amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

- FVOCI - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

- FVPL - Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

Equity instruments

The University subsequently measures all equity investments at fair value. Where the University's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the University's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in gains/ (losses) in the profit or loss statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2. Significant Accounting Policies (Continued)

(f) Investments (continued)

(iv) Impairment

The University assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the University applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 27 for further details.

(g) Resale agreements

Resale agreements are short-term transactions whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price. Although the security is delivered to the "buyer" at the time of the transaction, title is not actually transferred unless the counterparty fails to repurchase the securities on the date specified. Resale agreements are accounted for as short-term collateralised lending. The difference between the purchase and resale consideration is recognised on an accrual basis over the period of the transaction, using the effective interest method, and is included in interest income.

(h) Accounts receivable

Trade and other receivables are measured at amortized cost, less impairment losses. For trade receivables, the University applies the simplified approach permitted by IFRS 9 in determining impairment provisions, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 27 for further details. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(i) Accounts payable

Accounts payable and accrued charges are measured at amortised cost.

(j) 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.

2. Significant Accounting Policies (Continued)

(k) Inventories

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

(l) Investment property

Investment property is measured at cost less accumulated depreciation and impairment losses. Investment property is depreciated on the straight-line basis at an annual rate of 2½%. Rental income from investment property is accounted for as described in accounting policy 2(q).

(m) Property, plant and equipment and depreciation

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

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

Buildings	$2^1/2$%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computers and other electronic equipment	$33^1/3$%
Library books	20%

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

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2. Significant Accounting Policies (Continued)

***(n)* Employee benefits**

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

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

The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the University's post-employment benefits obligation as computed by the actuary.

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 and other leave that accumulates is recognised when the employee becomes entitled to the leave. Post- employment benefits are accounted for as described in (b) and (c) below.

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

b. Pension benefits

The University provides pension benefits for retired employees by the operation of two defined-contribution plans, one, the Federated Superannuation Scheme for Universities ("FSSU"), for academic and senior administrative staff, [Note 22(a)], and the other for non-academic staff [Note 22(c)] and a defined-benefit plan for administrative and technical staff [Note 22(b)].

2. Significant Accounting Policies (Continued)

***(n)* Employee benefits (continued)**

b. Pension benefits (cont'd)

i. Defined-contribution plans

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

ii. 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 22) is to create an obligation consistent with that for a defined- benefit plan. Therefore, this obligation for the supplementation arrangements is determined and accounted for in the same way as the obligation arising under a defined-benefit plan.

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

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

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

2. Significant Accounting Policies (Continued)

(n) **Employee benefits (continued)**

b. Pension benefits (continued)

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

c. Post-employment medical care

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

(o) **Capital grants**

Capital grants comprise the following:

(i) Estimated fair value of property, plant and equipment donated to the University [note 2(m)c]; and

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

The amounts meeting the condition include:

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

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

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

2. Significant Accounting Policies (Continued)

***(p)* 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 18). Such donations are accounted for as follows:

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

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

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

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

***(q)* Revenue recognition**

Government contributions are recognised as income on the accrual basis. Tuition fees are recognised over the period of instruction for which the fees are paid. Fees received but not yet earned are included as deferred revenue in current liabilities.
Rental income from investment property is recognised in profit or loss on the straight-line basis over the term of the lease agreement.
Investment income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.
Income from commercial operations is accounted for on the accrual basis, and on the straight-line basis over the period of the lease, where there are lease agreements.

2. Significant Accounting Policies (Continued)

***(q)* Revenue recognition (continued)**

Grants:

Grants that are not subject to donor-imposed stipulations are credited to profit or loss when received. Other grants that are subject to donor-imposed stipulations are included in deferred income and transferred to profit or loss when the conditions are met.

Special purpose funds:

The University receives funds from donors for special projects which it undertakes. These funds are initially deferred and credited to profit or loss in a manner which reflects the utilization of the funds.

***(r)* Finance costs**

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

***(s)* Impairment losses**

Non-financial assets:

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

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

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

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

2. Significant Accounting Policies (Continued)

***(t)* Foreign currency**

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

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

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

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

***(u)* 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 established for the benefit of employees of either the University or an entity related to the University.

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

2. Significant Accounting Policies (Continued)

(u) Related parties (continued)

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

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

(viii) Management personnel of the entity (or of a parent of the entity).

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

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

(v) Leases

As lessee

The University leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 3 to 15 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The University allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the University.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2. Significant Accounting Policies (Continued)

(v) Leases (continued)

Some equipment and motor vehicle leases contain variable lease payment terms that are linked to usage. These payments are excluded from the measurement of the lease liability and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the University uses recent third-party financing received by the individual lessee as a starting point.

The University is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the University is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The lease term is determined as the non-cancellable period of the lease and also takes account of extension and termination options if reasonably certain to be exercised. The majority of extension and termination options held are exercisable only by the University and not by the respective lessor. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the University.

2. Significant Accounting Policies (Continued)

(v) Leases (continued)

As lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Lease income is recognised over the term of the lease so as to reflect a constant periodic rate of return.

(w) Expenses

Expenses are recognized on the accrual basis.

(x) Interest-bearing borrowings

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

(y) Long-term receivables

Long term receivables are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest and are measured at amortized cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as a separate line item in the income statement.

(z) Reserves

Translation reserve comprises unrealized gains and losses on combination of entities that have a functional currency different from that of the University.

Revaluation surplus comprises unrealized surplus arising on the revaluation of certain property, plant and equipment. The valuation of certain property, plant and equipment has been treated as deemed cost under IFRS 1, first time adoption of IFRS.

Investment revaluation reserve represents unrealized surplus on the revaluation of investment securities carried at fair value.

General reserve comprises the surplus or deficit on non-commercial operations for one entity; savings on the operations of the University up to July 31, 2003; as well as amounts transferred to sabbatical fund annually.

Accumulated fund or deficit comprises the surplus or deficit on operations for all other entities.

2. Significant Accounting Policies (Continued)

(z) Reserves

Endowment funds

Endowment funds represent the value of restricted funds provided by donors for specified purposes. The use of the earnings from the investment of the endowment funds is also restricted.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

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

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

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

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

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

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

c. 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.

4. Government Contributions

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

5. Cash and Cash Equivalents

	2021 $'000	2020 $'000
Cash on hand and imprest accounts	19,096	201,764
Bank current accounts	11,810,676	13,297,884
Savings accounts	429,432	555,417
Fixed-term deposits	3,085,740	4,259,359
	15,344,944	18,314,424
Bank overdraft	(115,639)	(162,182)
	15,229,305	18,152,242

Included in cash and cash equivalents are designated funds totalling J$5,578,012,000 (2020: J$4,652,924,000). The designated amount is from donors who have stipulated that these funds be used to fund scholarships, prizes, and special projects, as the case may be. Accordingly, these funds are not available for general use by the University.

6. Resale Agreements

The fair value of the underlying securities for resale agreements as at 31 July 2021, approximates carrying value.

Included in resale agreements are designated funds with a nominal value of J$548,549,907 (2020: J$1,201,268,118). The designated amount is from donors who have stipulated that these funds be used to fund scholarships, prizes and endowments, as the case may be. Accordingly, these funds are not available for general use by the University.

7. Investments

	2021 $'000	2020 $'000
Short-term investments:		
Fair value through other comprehensive income:		
Regional quoted equities	2,183,652	2,635,649
Government securities	25,211	25,211
Unit trust accounts	-	26,664
	2,208,863	2,687,524
IFRS 9 expected credit loss adjustment	(15,387)	(6,603)
Total short-term investments	2,193,476	2,680,921
Long-term investments:		
Fair value through other comprehensive income:		
Regional quoted equities	552,798	-
Unit trust accounts	53,853	-
	606,651	-
Amortised cost:		
Government securities	1,105,211	1,061,012
Fixed-term deposits	13,062,500	10,687,727
	14,774,362	11,748,739
IFRS 9 expected credit loss adjustment	(929,904)	(904,011)
Total long-term investments	13,844,458	10,844,728
Total investments	16,037,934	13,525,649

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

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

c. Included in investments are designated funds totalling J$13,258,735,000 (2020: J$10,685,535,000). The designated amount is from donors who have stipulated that these funds be used to fund special projects, scholarships and prizes. Also included are funds for affiliated entities, pension reserves and capital projects which have not commenced. Accordingly, these funds are not available for general use by the University.

8. Accounts Receivable

	2021 $'000	2020 $'000
Contributions due from governments [see (a) below]	3,591,126	3,212,122
Government Assistance for Tuition Expense (GATE)	5,127,050	4,897,242
Other Government receivables	7,222,918	6,642,305
Staff accounts	93,087	97,622
Student accounts	8,001,673	6,892,565
Cave Hill School of Business	87,143	83,155
Mona Tech Engineering Services	(69,776)	(54,016)
Advances for special projects	981,519	873,096
Other accounts receivable	6,855,623	4,334.469
	31,890,363	26,978,560
Less: impairment provisions [Note 27(i)]:		
- Student accounts	(5,514,858)	(4,622,788)
- Third parties	(649,655)	(1,172,137)
- Government of Trinidad and Tobago	(2,737,411)	(2,137,158)
	(8,901,924)	(7,932,083)
	22,988,439	19,046,477

(a) Contributions due from governments:

	2021 $'000	2020 $'000
Anguilla	313,819	355,440
Antigua	381,884	238,102
Barbados	501,100	407,360
Belize	28,526	58,372
Bermuda	17,074	13,328
The Virgin Islands	461,700	368.181
Cayman Islands	-	14,904
Dominica	1,838,888	1,668,299
Grenada	206,459	389,126
Montserrat	12,226	31,567
St. Kitts and Nevis	25,101	20,892
St. Lucia	1,517,255	1,500,054
St. Vincent and the Grenadines	1,566,206	1,578,863
Trinidad and Tobago	2,538,006	2,427,598
	9,408,244	9,072,086
Transferred to long-term receivables (Note 13)	(5,904,327)	(5,859,964)
	3,503,917	3,212,122
Antigua (due to Five Islands Campus)	87,209	-
	3,591,126	3,212,122

9. Inventory

	2021	2020
	$'000	$'000
General stores	274,659	279,063
Bookshop inventory	271,048	275,357
Stationery	46,948	44,948
	592,655	599,368

10. Current Liabilities

	2021	2020
	$'000	$'000
Government contributions received in advance (i)	1,481,178	1,940,713
University Hospital of the West Indies (UHWI)	(3,545)	16,894
Norman Manley Law School	2,762	1,351
Student accounts	719,396	543,081
Staff accounts	6,177,286	5,235,201
Affiliated institutions	1,411,945	1,355,490
Accrued vacation leave	3,566,238	3,293,466
Short- term loan (ii)	1,148,790	1,820,698
Current portion of long-term liabilities (Note 21)	1,280,765	999,088
Deferred revenue	750,849	770,088
Sundry creditors	10,728,386	10,379,8200
Current portion of lease liabilities (Note 26)	50,593	44,016
	27,314,643	26,399,906

(i) Contributions received in advance

	2021	2020
	$'000	$'000
Bahamas	190,456	4,412
Jamaica	1,243,442	1,848,964
Cayman Islands	8,631	-
Turks and Caicos Islands	38,649	87,337
	1,481,178	1,940,713

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

11. Advances

	University Press $'000	Joint Board of Teacher Education $'000	Total
Balances as at July 31, 2019	11,310	3,378	14,688
Net movement	14,332	-	14,332
Balances as at July 31, 2020	25,642	3,378	29,020
Net movement	(10,001)	-	(10,001)
Balances as at July 31, 2021	15,641	3,378	19,019

12. Investment Properties

	2021 $'000	2020 $'000
Cost	9,948	9,948
Less: accumulated depreciation	(5,223)	(4,974)
Balance at end of year	4,725	4,974
Depreciation charge for year	249	249

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

	2021 $'000	2020 $'000
Income earned from the rental of properties	7,203	7,811
Expenses incurred by the properties	(8,180)	(8,011)

The fair value was last determined by Cooper Kauffman Limited and D.C. Tavares & Finson Realty Limited, in their valuation reports dated November 2021 for J$430,893,469.

12. Investment Properties (Continued)

Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the University may obtain bank guarantees for the term of the lease. Although the University is exposed to changes in the residual value at the end of the current leases, the University typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Minimum lease payments receivable on leases of investment properties are as follows:

	2021 $'000	2020 $'000
Within 1 year	7,037	7,127
Between 1 and 2 years	7,389	7,483
Between 2 and 3 years	7,758	7,857
Between 3 and 4 years	8,146	8,250
Between 4 and 5 years	8,553	8,662
Later than 5 years	8,981	9,095
	47,864	48,474

13. Long-term Receivables

	2021 $'000	2020 $'000
Contributions due from governments [see (a) below]		
Anguilla	313,819	355,440
The Virgin Islands	461,700	368,181
Dominica	1,838,888	1,668,299
Grenada	206,459	389,126
St. Lucia	1,517,255	1,500,054
St. Vincent and the Grenadines	1,566,206	1,578,863
	5,904,327	5,859,964
Less: impairment loss [see (a) below], [Note 27(a)]	(2,510,897)	(2,085,104)
	3,393,430	3,774,860
Medical Sciences students [see (b) below]	14,099	15,995
UHWI	168,327	-
Net long-term receivables	3,575,856	3,790,855

(a) This represents government contributions outstanding for periods in excess of one year. An increase in the ECL provision of J$425,793,000 [2020: J$205,086,000] has been recognised for the year.

(b) This relates to a special arrangement with the Faculty of Medical Sciences at Mona Campus wherein students are granted extended payment terms in self-financing programmes.

14. (a) Property, Plant and Equipment

	Land and Leasehold Improvements $'000	Buildings $'000	Furniture, Fixtures and Equipment $'000	Motor Vehicles $'000	Computer and Other Electronic Equipment $'000	Library Books $'000	Work-In- Progress $'000	Total $'000
Cost or deemed cost								
July 31, 2019	2,155,701	60,566,716	14,080,030	1,302,863	6,619,342	8,210,919	2,323,242	95,258,813
Currency translation adjustments	289,103	3,586,147	847,720	130,290	300,873	686,526	136,238	5,976,897
Additions	-	11,985,357	548,460	48,420	314,253	39,111	326,372	13,261,972
Transfers to Right of Use of Asset	-	(1,633,115)						(1,633,115)
Transfers	-	24,314	(15,084)	27,312	(12,228)	-	(24,314)	-
Adjustments	(48,418)	(64,135)	(3,906)	(69,070)	6,001	-	(19,172)	(198,700)
Disposals	-	158,535	(524,413)	(158,929)	(566,625)	-	-	(1,091,432)
July 31, 2020	2,396,386	74,623,819	14,932,807	1,280,886	6,661,616	8,936,556	2,742,366	111,574,436
Currency translation adjustments	159,304	2,524,849	433,932	29,313	161,370	372,464	94,991	3,776,223
Additions	27,797	192,265	305,882	6,696	238,077	33,746	65,221	869,684
Adjustments	(50,740)	(106,666)	4,245	13,637	5,236	-	(491)	(134,779)
Disposals	-	-	(46,430)	(35,577)	(10,067)	-	-	(92,074)
July 31, 2021	2,532,747	77,234,267	15,630,436	1,294,955	7,056,232	9,342,766	2,902,087	115,993,490
Depreciation								
July 31, 2019	-	14,267,047	10,822,472	1,123,032	5,784,935	7,920,351	-	39,917,837
Charge for the year	-	1,611,725	817,985	94,416	430,327	77,840	-	3,032,293
Disposals	-	(5,458)	(487,715)	(138,300)	(555,982)	-	-	(1,187,455)
Adjustments	-	(36,199)	(13,565)		3,069		-	(46,695)
Currency translation adjustments	-	1,027,010	644,448	37,209	335,470	696,650	-	2,740,786
July 31, 2020	-	16,864,125	11,783,625	1,116,357	5,997,819	8,694,841	-	44,456,767
Charge for the year	-	1,667,146	693,461	84,436	349,077	70,106	-	2,864,226
Disposals	-	-	(50,805)	(29,783)	(9,744)	-	-	(90,332)
Adjustments	-	(45,286)	2,202	5,349	18,599	-	-	(19,136)
Currency translation adjustments	-	589,902	376,726	28,230	149,560	368,776	-	1,513,194
July 31, 2021	-	19,075,887	12,805,209	1,204,589	6,505,311	9,133,723	-	48,724,719
Net book values								
At July 31, 2021	2,532,747	58,158,380	2,825,227	90,366	550,921	209,043	2,902,087	67,268,771
At July 31, 2020	2,396,386	57,759,694	3,149,182	164,529	663,797	241,715	2,742,366	67,117,669

14. (b) Right of Use Assets

	Buildings $'000	Furniture, Fixtures and Equipment $'000	Total $'000
Cost or deemed cost			
Balances at July 31 2019	1,633,115	64,357	1,697,472
Adjustments		5,142	5,142
Balances at July 31 2020	1,633,115	64,499	1,702,614
Currency translation adjustments	-	3,051	3,051
Adjustments	-	(27,477)	(27,477)
Balances at July 31, 2021	1,633,115	45,073	1,678,188
Depreciation			
Balances at July 31 2019	-	-	-
Charge for the year	40,828	5,867	46,695
Balances at July 31 2020	40,828	5,867	46,695
Charge for the year	40,828	3,097	43,925
Currency translation adjustments	-	(3,164)	(3,164)
Adjustments	-	6,600	6,600
Balances at July 31, 2021	81,656	12,400	94, 056
Net book values			
At July 31, 2021	1,551,459	32,673	1,584,132
At July 31, 2020	1,592,287	63,632	1,655,919

15. Cumulative Translation Reserve

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

16. Revaluation Surplus

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

17. Investment Revaluation Reserve

This represents unrealised surplus on the revaluation of investment securities.

18. Unexpended Donations for Special Projects

	Departmental $'000	Scholarships $'000	Prizes $'000	Total $'000
Balances as at July 31, 2019	3,294,533	605,005	10,886	3,910,424
Receipts	4,580,616	898,167	-	5,478,783
Expenditure	(4,669,372)	(755,899)	-	(5,425,271)
Transfers	358,486	-	-	358,486
Currency translation adjustments	206,336	52,237	-	258,573
Balances as at July 31,2020	3,770,599	799,510	10,886	4,580,995
Receipts	5,893,050	970,517	-	6,863,567
Expenditure	(5,616,182)	(947,748)	-	(6,563,930)
Transfers	65,076	-	-	65,076
Currency translation adjustments	134,677	30,754	-	165,431
Balances as at July 31, 2021	4,247,220	853,033	10,886	5,111,139

19. Endowment Funds

	2021 $'000	2020 $'000
Balance at beginning of year	243,177	236,578
Receipts / (expenditure)	(22,959)	5,590
Currency translation adjustments	606	1,009
Balance at end of year	220,824	243,177

20. Capital Grants

	2021 $'000	2020 $'000
Balance at beginning of year	32,496,600	20,223,140
Receipts	351,578	10,745,641
Amortisation	(1,056,480)	(997,265)
Transfers	194,063	268,804
Currency translation adjustments	1,281,428	2,256,280
Balance at end of year	33,267,189	32,496,600

21. Long-term Liabilities

(i) Long-term Loans

	Notes	Interest Rates %	2021 $'000	2020 $'000
European Union	(a)	1.0	358,568	348,050
Caribbean Development Bank (CDB)	(b) (i), (ii) & (iii)	2.0-3.3	1,005,674	1,028,553
Caribbean Development Bank (CDB)	(c)	4.55	128,652	160,560
Caribbean Development Bank (CDB)	(d)		1,036,075	1,104,198
National Housing Trust – Loan #1	(e)	5.0	397,690	397,690
National Housing Trust – Loan #2	(f)	5.0	1,842,591	1,840,656
CLICO International	(g)	7.0	229,933	219,410
Republic Bank (Barbados) Limited	(h)	5.5	3,861	22,104
Republic Finance and Trust (Barbados) Corporation	(i)	7.5	673,010	665,200
National Commercial Bank	(j)	7.75	579,429	676,000
Republic Bank (Barbados) Limited	(k)	3.75	-	22,104
JMMB Limited	(l)	7.95	266,260	235,924
Republic Bank (Trinidad) Ltd	(m)	5.5	1,038,339	1,043,268
Barita Investments Ltd	(n)	7.0	89,776	-
National Commercial Bank	(o)	7.75	134,998	-
Proven Investments Ltd	(p)	9.0	143,690	-
			7,928,546	7,763,713

***(ii)* Other Long-term Liabilities**

		2021 $'000	2020 $'000
Retention on construction Projects	(q)	5,557	64,265
Digicel Jamaica Limited	(r)	40,118	49,741
		45,675	114,006
		7,974,221	7,877,723
Less: current portion of long-term liabilities (Note 10)		(1,280,765)	(999,088)
Total non-current portion of long-term liabilities		6,693,456	6,878,635

21. Long-term Liabilities (Continued)

This section sets out the movements in net debt for the years ended 31 July 2021 and 2020.

	2021 $'000	2020 $'000
At 1 August	6,878,635	8,395,878
Loans received	243,359	242,037
Loans repaid	(739,111)	(476,530)
Other long-term liabilities received/(repaid)	(68,331)	(338,673)
Transfers	-	(1,635,656)
Foreign exchange adjustments	378,904	691,579
At 31 July	6,693,456	6,878,635

(a) 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, 2021, was €2,027,537 (2020: €2,188,358).

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

The CDB loans, amounting to US$8,896,000, are guaranteed by all the contributing governments. The University has drawn down US$8,873,458 (J$1,370,294,800) up to July 31, 2021 [2020: US$8,695,300 (J$1,282,145,500)].

Portion A, amounting to US$5,544,000 (J$856,139,130), 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, 2021 is US$2,182,427 (J$337,024,100) [2020: US$2,360,585 (J$348,074,600)].

21. Long-term Liabilities (Continued)

(ii) University Enhancement Project

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

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

Interest is being paid quarterly at the rate of 3.3% 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, 2021, the amount disbursed was US$8,246,000 (2020: US$8,246,000) which equates to J$1,273,398,900 (2020: J$1,215,895,000) at the year-end exchange rate. The balance outstanding as at July 31, 2021 is US$3,779,408 (J$583,639,900) [2020: US$4,467,780 (J$658,786,200)].

(iii) ***Digital Transformation Project***

In 2020 the University Centre received a drawdown of US $152,803 from the CDB to assist with its digital transformation project. This was disbursed from an approved but unutilized portion of a loan currently carried by the Open Campus St. Vincent site. In 2021 an additional amount of US$472,864 was transferred to the Cave Hill Centre, representing the amount drawn down from CDB to finance purchase of equipment for the Software Engineering Programme at the Cave Hill Campus. The balance outstanding at July 31, 2021 is US$550,499 (J$85,010,300) [2020: US$147,112 (J$21,691,500)].

(c) In March 2007, the University of the West Indies, Cave Hill Campus, entered into an agreement with the Caribbean Development Bank for the provision to the University of a loan not exceeding the equivalent of US$3,500,000. The purpose of the loan was to provide the University with funds for on-lending to the Cave Hill School of Business Inc. (the School) to assist the School in its expansion. It is a condition of the loan that the University enters into an agreement with the School for the on-lending of the funds received and for the School to have primary responsibility to make all payments of principal, interest and other charges associated with the loan. The loan bears interest at the rate of 4.55% (2020: 4.55%) 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.

(d) During 2014, the University of the West Indies, Open Campus, signed a loan agreement with the Caribbean Development Bank. This loan agreement is to facilitate the development of the Open Campus Country Sites in St. Lucia and St. Vincent and the Grenadines. The funds drawn down against the loan at July 31, 2021 were commitment fees, interest costs, disbursements to the contractors in St. Vincent and disbursements to the SDEC/GAC project office for curriculum development. The balance outstanding at July 31, 2021 was BDS$13,418,373 (2020: BDS$14,986,529). The loan is fully disbursed at yearend; the undisbursed portion at July 31, 2020 was BDS$193,169.

21. Long-term Liabilities (Continued)

(e) In April 2001, the National Housing Trust ("The Trust") granted a loan of J$545,005,457 to UWI Mona towards the construction of a new student residence, The Rex Nettleford Hall ("the Hall"). The loan is to be repaid from income earned from the operations of the Hall in semi-annual instalments, over twenty-five (25) years, at eight percent (8%) per annum on a graduated basis for nine (9) years, and then a fixed sum for the remaining years. The graduated loan repayments will increase by five percent (5%) per annum for the first five (5) years of the repayment period. The agreement provides that the repayment of the loan principal begins after the expiration of the five (5) years, i.e. in April 2006. Interest is payable on a quarterly basis. With effect from July 1, 2012, the Board of the Trust approved a reduction in interest rate from 8% to 5%. Repayment is set at a fixed amount of J$12,604,930 per quarter to March 2028.

(f) In June 2011, The Trust granted a loan of J$1,934,033,182 to UWI Mona towards the construction of new student residences at two sites. 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. With effect from July 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, Cave Hill Campus, constructed a teaching facility at a cost of approximately BDS$4,244,000. The financing for this structure was a grant from CLICO of BDS$1,525,000 and a loan of BDS$2,719,000. This loan is secured by term deposits with CLICO to the value of BDS$1,430,254 (2020: 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 next paragraph. At July 31, 2013, the term deposit which provides security for the loan was included in the provision for impaired deposits [see Note 7].

On May 1, 2006, CLICO made available to the University an additional loan facility of BDS$4,000,000 of which BDS$2,000,000 was drawn down on June 23, 2006. The two loans have been combined and the combined loan is repayable in equal annual instalments of principal and interest of BDS$707,000 from December 31, 2006, over a period of 15 years. The rate of interest is 7% per annum.

(h) On April 1, 2014 the Cave Hill Campus entered into a loan agreement with Republic Bank (Barbados) Limited for a loan of BDS$6,500,000 to assist with the construction of the Institute for Cultural Development. The loan bears interest at 1.0% per annum below the bank's prime rate, currently 6.5%, for an effective rate of 5.5% per annum. The loan is repayable over five years via semi-annual principal payments of BDS$650,000 each, commencing February 28, 2015. The loan is secured by a lien over term deposits totalling BDS$6,500,000 in the name of the Cave Hill Campus. BDS$1,000,000 was disbursed in September 2014, an additional BDS$3,000,000 was disbursed in 2016 and BDS$1,000,000 was disbursed in 2017.

21. Long-term Liabilities (Continued)

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

(j) During 2018, UWI Mona obtained refinancing of J$900 million at a fixed interest rate of 9.5% per annum which is secured by the assignment of students' receivables. The facility was for a duration of 84 months and was repayable by 27 consecutive quarterly instalments of J$32 million, plus one final quarterly payment of J$36 million. The interest rate on the loan was reduced to 7.75% in February 2021. Given the Covid-19 pandemic, NCB reached out and provided assistance by way of a moratorium of six (6) months on principal payments, for the period April to September 2021. The principal repayments have been revised to $32,190,476 quarterly. The loan is scheduled to be repaid in December 2025.

(k) On February 8, 2018, the Cave Hill Campus entered into a loan agreement with Republic Bank (Barbados) Limited for a loan in the amount of BDS$2.5 million to assist with repairs to roofs and other areas on the Campus and assist the Cave Hill School of Business with operational expenses. The loan is secured by a lien over term deposits totalling BDS$6 million and bears interest at 3.75% per annum, subject to change with 90 days written notice. The loan is repayable over five years via semi-annual principal payments of BDS$250,000 each, commencing August 31, 2018. In February 2018, BDS$1.2 million out of the BDS$2.5 million facility was disbursed.

(l) In November 2017, the University Centre obtained a revolving Line of Credit for US$1.8 million from JMMB Limited for operational support, which was extended on expiration in November 2020. On December 16, 2020 the loan was converted to a $270 million Jamaican dollar facility at 7.95% per annum. The balance outstanding at July 31, 2021 is J$266,260,500 [2020: US$1,600,000(J$235,924,320)]. The facility is secured by resale agreements held by the University Centre at JMMB Limited.

(m) In February 2019, Roytec undertook a mortgage loan through Republic Bank Limited in the amount of TT$51,200,000 to purchase its head office at 136-138 Henry Street, Port of Spain, Trinidad. This mortgage loan is at an annual interest rate of 5.5% for a period of 15 years with instalments payable monthly. The St. Augustine campus has provided a guarantee for the repayment of this loan.

(n) On October 2, 2020 the University Centre obtained a J$140 million loan for two years from Barita for operational support. Interest on the loan is 7% per annum payable monthly. At July 31, 2021 the balance outstanding is J$89,776,017 [2020: nil]. The loan is secured by stocks owned by the University Centre and listed on the Jamaica Stock Exchange and by hypothecation of Barita Unit Trusts J$ income portfolio.

21. Long-term Liabilities (Continued)

(o) In July 2021 the University of the West Indies, Open Campus signed a loan agreement for BDS$1,748,385 with the National Commercial Bank at an interest rate of 7.75%. The loan was converted form an overdraft facility for the same amount and repayment will begin in August 2021 for a period of five years.

(p) The University of the West Indies, Open Campus in December 2020 signed a loan agreement for BDS$2 million with Proven Investments Ltd (PIL) at an interest rate of 9% per annum. The loan repayment commenced in January 2021 for a period of ten years.

(q) This represents funds held on behalf of the University Hospital of the West Indies (UHWI) by The UWI Mona for the purpose of upgrading the facilities at the hospital. The terms of repayment have not been agreed but payments have been made on behalf of UHWI from this sum.

(r) In September 2016, UWI Mona and Digicel (Jamaica) Limited had entered into a Master Service Agreement for the implementation of a WiFi Solution. This is described as part A of the loan with the following terms: Principal US$2,025,191.32, interest rate of 10% repayable over 36 months at US$65,347.22 per month, commencing in December 2016. Furthermore, an addendum was signed in February 2017 to provide Cabling Infrastructure for the Halls of Residence and Faculties Lecture Rooms for the implementation of the WiFi solution. This is described as part B of the loan with the following terms: Principal US$676,376.42, interest rate 10%, repayable over 60 months at US$14,371.00 per month. Part A of the loan was repaid in November 2019. The balance on part B of the loan is US$259,802 [2020: US$299,656] as at July 31, 2021.

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

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

22. Employee Benefits Obligation (Continued)

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

(b) Plan for administrative and technical staff

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

(c) Plan for non-academic staff

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

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

(d) Post–employment benefits computation

The University's obligation for post-employment pensions and medical care is determined and accounted for as described in note 2(n) and comprises the following amounts:

	2021	**2020**
	$'000	**$'000**
Defined contribution supplementation plan [Note 22(d)(i)]	20,120,065	21,557,453
Defined benefit plan [Note 22 (d)(i)]	3,069,259	3,143,374
	23,189,324	24,700,827
Post-employment medical benefits [Note 22(d)(ii)]	6,720,081	9,063,016
Amount recognized in the statement of financial position	29,909,405	33,763,843

22. Employee Benefits Obligation (Continued)

(d) Post–employment benefits computation (continued)

(i) Defined contribution supplementation plan and defined benefit plan

	FSSU		St. Augustine ATS		Total	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Present value of unfunded obligations	20,120,065	21,557,453	-	-	20,120,065	21,557,453
Present value of funded obligations	-	-	14,021,961	12,681,185	14,021,961	12,681,185
Fair value of plan assets	-	-	(10,952,702)	(9,537,811)	(10,952,702)	(9,537,811)
Recognised liability	20,120,065	21,557,453	3,069,259	3,143,374	23,189,324	24,700,827

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

	FSSU		St. Augustine ATS		Total	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Net liability at beginning of year	21,557,453	19,405,879	3,442,182	2,452,704	24,999,635	21,858,583
Included in profit or loss [Note 22(e)]	1,770,536	1,505,046	605,705	456,623	2,376,241	1,961,669
Included in other comprehensive income	(2,380,961)	793,012	(300,619)	257,074	(2,681,580)	1,050,086
Contributions paid	(1,304,657)	(1,151,531)	(466,265)	(277,345)	(1,770,922)	(1,428,876)
Currency translation adjustments	477,694	1,005,047	(211,744)	254,318	265,950	1,259,365
Net liability at end of year	20,120,065	21,557,453	3,069,259	3,143,374	23,189,324	24,700,827

22. Employee Benefits Obligation (Continued)

(d) Post–employment benefits computation (continued)

(i) **Defined contribution supplementation plan and defined benefit plan (continued)**
(ii)

Movements in plan assets	FSSU 2021 $'000	FSSU 2020 $'000	St. Augustine ATS 2021 $'000	St. Augustine ATS 2020 $'000	Total 2021 $'000	Total 2020 $'000
Fair value of plan assets at beginning of year	-	-	10,070,667	8,368,992	10,070,667	8,368,992
Plan participants' contributions	-	-	255,568	138,673	255,568	138,673
Expected return on plan assets	-	-	504,839	426,946	504,839	426,946
Contributions paid	-	-	511,137	277,366	511,137	277,366
Benefits paid	-	-	(592,902)	(308,058)	(592,902)	(308,058)
Actuarial losses on plan assets	-	-	(239,545)	(150,616)	(239,545)	(150,616)
Currency translation adjustments	-	-	442,938	784,508	442,938	784,508
Fair value of plan assets at end of year	-	-	10,952,702	9,537,811	10,952,702	9,537,811

The plan assets comprise investments in a deposit administration contract administered by Guardian Life of the Caribbean.
Included in Profit or Loss:

	FSSU 2021 $'000	FSSU 2020 $'000	St. Augustine ATS 2021 $'000	St. Augustine ATS 2020 $'000	Total 2021 $'000	Total 2020 $'000
Current service costs	298,576	310,662	427,215	320,753	725,791	631,415
Interest on obligation	1,471,960	1,194,384	178,490	125,429	1,650,450	1,319,813
Past service costs vested benefits	-	-	-	10,441	-	10,441
	1,770,536	1,505,046	605,705	456,623	2,376,241	1,961,669

22. Employee Benefits Obligation (Continued)

(d) Post–employment benefits computation (continued)

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

Included in other comprehensive income:

	FSSU		St. Augustine ATS		Total	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Re-measurement gain due to actuarial (gain)/loss arising from:						
- Experience adjustment	(2,075,036)	891,303	-	257,074	(2,075,036)	1,148,377
- Demographic assumptions	156,883	535,788	(62,476)	-	94,407	535,788
- Financial assumptions	(462,808)	(634,079)	(238,143)	-	(700,951)	(634,079)
	(2,380,961)	793,012	(300,619)	257,074	(2,681,580)	1,050,086

22. Employee Benefits Obligation (Continued)

(d) Post–employment benefits computation (continued)

(ii) **Post-employment medical benefits**

	2021 $'000	2020 $'000
Liability at beginning of year	9,063,016	8,820,081
Included in profit or loss:		
- Current service cost	281,749	300,443
- Interest cost on obligation	587,976	501,967
- Past service cost-vested benefits	62,491	201,783
	932,216	1,004,193
Included in other comprehensive income:		
Re-measurement gain due to actuarial (gain)/loss arising from:		
- Experience adjustment	(320,570)	(165,296)
- Demographic assumptions	(1,841,005)	(141,571)
- Financial assumptions	(1,071,237)	(632,757)
	(3,232,812)	(939,624)
Other:		
- Contributions paid	(172,851)	(175,339)
- Currency translation adjustments	130,512	353,705
Liability at end of year	6,720,081	9,063,016

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

	2021 $'000	2020 $'000
Amount included in profit or loss:		
Pension supplementation-defined contribution plan [Note 22(d)(i)]	1,770,536	1,505,046
Defined benefit pension plan [Note 22(d)(i)]	605,705	456,623
	2,376,241	1,961,669
Post-employment medical care [Note 22(d)(ii)]	932,216	1,004,193
	3,308,457	2,965,862

22. Employee Benefits Obligation (Continued)

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

	2021 $'000	2020 $'000
Amount included in other comprehensive income:		
Pension supplementation-defined contribution plan [Note 22(d)(i)]	(2,380,961)	793,012
Defined benefit pension plan [Note 22(d)(i)]	(300,619)	257,074
	(2,681,580)	1,050,086
Post-employment medical care [Note 22(d)(ii)]	(3,232,812)	(939,624)
	(5,914,392)	110,462

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

	FSSU		St. Augustine ATS	
	2021	2020	2021	2020
	%	%	%	%
Discount rate	5.0-9.0	5.0- 8.0	5.5	5.0
Future salary increases	2.0-6.5	3.0- 5.0	3.0	3.0
Health cost inflation	3.0-7.0	4.0- 6.0	n/a	n/a

(g) Sensitivity analysis on projected benefit obligation

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

	2021		2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Pension:				
Discount rate	(3,507,688)	4,249,783	(3,241,961)	3.925,632
Salary escalation rate	1,395,755	(1,179,142)	868,502	(729,805)
Health:				
Discount rate	(1,022,995)	1,314,518	(1,442,435)	1,875,330
Health inflation rate	1,305,988	(1,033,912)	1,848,703	(1,449,604)

22. Employee Benefits Obligation (Continued)

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

	2021	2020
Pension	9.0	10.0
Health	17.7	18.5

(i) As mortality continues to improve, estimates of life expectancy are expected to increase. An increase of one year in life expectancy will increase the employee benefit obligation by approximately J$1,198,390,200 (2020: J$1,439,563,000).

23. Deferred Income

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

	2021 $'000	2020 $'000
Balance at beginning of the year	150,833	158,333
Less: amount recognized during the year	(11,666)	(7,500)
	139,167	150,833
Less: current portion included in current liabilities	(10,000)	(10,000)
	129,167	140,833

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

24. Expenses by Nature

	2021 $'000	2020 $'000
Administrative services	481,594	725,024
Advertising	112,789	150,523
Cleaning and sanitation	164,593	195,252
Computer and software license fees	608,265	432,394
Courier services, shipping and freight charges	34,160	45,461
Donations and charity	50,834	118,71
General office supplies and consumables	182,839	235,494
Hospitality and entertainment	85,760	242,843
Impairment losses on financial assets	1,194,554	1,557,04
Insurance	554,623	390,993
Laboratory and medical supplies	474,793	506,153
Legal and professional fees	778,310	391,245
Local and foreign travel	142,665	625,211
Miscellaneous	2,923,676	5,575,863
Motor vehicle expenses	32,913	43,025
Printing and stationery	311,697	403,806
Repairs and maintenance		
- building	773,192	1,103,219
- furniture and fixtures	133,428	443,004
- motor vehicles	61,928	84,689
Security	1,005,107	698,686
Staff costs (Note 29)	42,708,448	40,306,472
Teaching and research	1,736,359	3,272,558
Training and development	106,377	477,476
Utilities	2,428,757	1,827,748
	57,087,661	59,852,898

25. Finance Costs

	2021 $'000	2020 $'000
Interest expense-loans	526,825	582,858
Interest expense-leases	282,407	208,909
Other finance costs	85,074	97,647
	894,306	889,414

26. Leases

(a) Amounts recognised in the statement of financial position

	2021 $'000	2020 $'000
Buildings	1,551,459	1,592,287
Equipment	32,673	63,632
Total right-of-use asset	1,584,132	1,655,919
Current	50,593	44,016
Non-current	1,768,145	1,766,741
Total lease liabilities	1,818,738	1,810,757

(b) Amounts recognised in the statement of comprehensive income

	2021 $'000	2020 $'000
Depreciation charge of right-of-use assets:		
Buildings	40,828	40,828
Equipment	3,097	5,867
Vehicles	-	-
	43,925	46,695
Interest expense	282,407	208,909

The total cash outflow for leases in 2021 was $352,990,265.

(c) The University's leasing activities and how these are accounted for:

The University leases its offices, equipment and vehicles. Rental contracts are typically made for fixed periods, on average 3 - 15 years but may have extension options.

Contracts may contain both lease and non-lease components. Where these exist, the University allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate where the University is a lease, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

26. Leases (Continued)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the University exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the University, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
To determine the incremental borrowing rate, the University:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the University use that rate as a starting point to determine the incremental borrowing rate.
The University is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

26. Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the University is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life..

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options:
Extension and termination options are included in a number of property and equipment leases of the University. These are used to maximise operational flexibility in terms of managing the assets used in the University's operations. The majority of extension and termination options held are exercisable only by the University and not by the respective lessor.

Residual value guarantees:
To optimise lease costs during the contract period, the group sometimes provides residual value guarantees in relation to equipment leases.

27. Financial Risk Management

Overview

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

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

Credit risk
Liquidity risk
Market risk

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

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

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

27. Financial Risk Management (continued)

(a) Credit risk

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

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

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

Impairment of financial assets
The University has three types of financial assets that are subject to the expected credit loss model:

i. Accounts receivable
ii. debt investments carried at amortised cost, and
iii. debt investments carried at FVOCI.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(i) Accounts receivable

The University applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable.

The expected credit loss rates are based on the amounts recovered from students over the period of 36 months before 31 July 2021 and the corresponding historical credit losses experienced within this period. The historical rates are adjusted to reflect current and forward-looking information on the macroeconomic factors affecting the ability of the students to settle the receivables. The University has identified GDP and the unemployment rate of the country in which it sells its services to be the most relevant factors and accordingly adjusts the historical loss rates based on the expected changes in these factors.

27. Financial Risk Management (Continued)

a. Credit risk (continued)

(ii) Student accounts

On this basis, the loss allowance as at 31 July 2021 and 31 July 2020 (was determined as follows for student accounts receivable:

31 July 2021	**Expected Credit Loss Rate**	**Gross Carrying Amount $'000**
Current	18%	1,453,830
More than 90 days past due	26%	200,389
More than 120 days past due	46%	2,044,200
More than one year past due	96%	4,303,254
		8,001,673
Loss allowance		(5,514,858)
Total		2,486,815

31 July 2020	**Expected Credit Loss Rate**	**Gross Carrying Amount $'000**
Current	18%	1,465,468
More than 90 days past due	57%	250,201
More than 120 days past due	49%	1,745,026
More than one year past due	98%	3,431,870
		6,892,565
Loss allowance		(4,622,788)
Total		2,269,777

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

(ii) Student accounts receivable (continued)

The movement in the allowance for impairment/ECL during the year was as follows:

	2021 $'000	2020 $'000
Balance at beginning of year	4,622,788	3,511,991
Increase in loan loss allowance recognised in income statement	599,239	890,651
Receivables written off during the year as uncollectible	-	(380)
Currency translation adjustment	292,831	220,526
At 31 July 2021	5,514,858	4,622,788

Student accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the University, and a failure to make contractual payments for a period of greater than 365 days.

Impairment losses on student accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(iii) Debt investments

The following table summarises the credit exposure of the University to businesses and government by sectors in respect of investments:

	2021 $'000	2020 $'000
Government	854,290	806,180
Corporate	15,183,644	12,719,469
	16,037,934	13,525,649

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

(iii) Debt investments (continued)

a. Qualitative assessment – Credit ratings are associated with ranges of default probabilities based on historical information. Rating outlooks, which are inherently forward-looking, are used to determine the probability of default to be applied to a specific security within its respective range. Issuer-specific default risk estimates incorporate forward-looking information directly. In calculating the probability of default, the University uses credit ratings along with rating outlooks from recognised rating agencies, as well as issuer-specific default risk estimates where available and appropriate. The ratings and risk estimates are mapped to an internal credit risk grading model in order to standardise across different rating systems and to clearly demarcate significant changes in credit risk over time.

   A qualitative assessment is done at initial recognition and subsequently at each statement of financial position date and where it is determined that there is a significant increase in the probability of default the security is categorise as stage 2 for the purpose of calculating the ECL. If the financial instrument is credit impaired, the financial instrument is then moved to 'Stage 3. Purchased or originated credit- impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

b. Quantitative assessment - Investment securities considered to have experienced a significant increase in credit risk if it is more than 30 days past due on itscontractual payments.

   Expected credit loss measurement

   IFRS 9 outlined a 'three stage' model for impairment based on changes in the credit quality since initial recognition as summarised below:

   - A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the University.
   - If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to becredit-impaired.
   - If the financial instrument is credit impaired, the financial instrument is then moved to 'Stage 3'.
   - Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
   - A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information.
   - Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

(iii) Debt investments (continued)

Expected credit loss measurement (continued)
All of the entity's debt investments at amortised cost and FVOCI are considered to have low credit risk (except for investment in Government of Barbados securities), and the loss allowance recognised during the period was therefore limited to 12 months expected losses (Stage 1). Management considers 'low credit risk' for bonds to be those with an investment grade or high yield credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

The loss allowance for debt investments at FVOCI and at amortised cost as at 31 July 2021 reconciles to the opening loss allowance on 1 August 2020as follows:

	Government Securities $'000	Repos $'000	Deposits $'000	Total $'000
Opening loss allowance as at 1 August 2020 – calculated under IFRS 9	262,520	4,355	643,739	910,614
Increase in loss allowance recognised in the income statement during the year	12,045	5,668	16,964	34,677
Closing loss allowance as at 31 July 2021	274,565	10,023	660,703	945,291

The methodology utilised to determine ECL on debt instruments was also used to determine ECL on receivable from governments.

27. Financial Risk Management (Continued)

a. Credit risk (continued)

Total loss allowance on financial assets recognised in deriving surplus or deficit was as follows:

Financial Assets

	2021 $'000	2020 $'000
Debt instruments – amortised cost	34,677	(683,710)
Student accounts receivable	599,239	890,651
Foreign exchange adjustment	(224,604)	(256,778)
Receivables from governments-economic cost	425,793	205,086
Other government receivables	393,947	1,049,850
Other receivables	(34,498)	351,946
Total loss allowance on financial assets	1,194,554	1,557,045

Management of credit risk relating to different types of financial assets

Cash and cash equivalents, resale agreements and investments

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

Accounts receivable

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

Due from Governments

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

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Management of credit risk relating to different types of financial assets (continued)

Due from Governments (continued)

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

	2021 $'000		2020 $'000	
	Gross	**ECL**	**Gross**	**ECL**
Past due 0-30 days	1,835,791	489,941	1,634,642	375,702
Past due 31-60 days	1,497,331	399,612	1,511,087	347,304
Past due 61-120 days	304,216	81,190	353,693	81,292
Past due 121-365 days	5,770,906	1,540,155	397,634	91,391
More than one year	-	-	5,175,030	1,189,415
Total	9,408,244	2,510,897	9,072,086	2,085,104

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

	2021 $'000	2020 $'000
Balance at beginning of year	2,085,104	1,880,018
Amount (recovered)/recognised	425,793	205,086
Balance at end of year	2,510,897	2,085,104

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 considered impaired.

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Management of credit risk relating to different types of financial assets (continued)

Student receivables (continued)
The ageing of the student receivables (note 8) at the reporting date is summarised as follows:

	2021 $'000		2020 $'000	
	Gross	**ECL**	**Gross**	**ECL**
Past due 0-120 days	1,6544,219	419,119	1,715,669	400,918
Past due 121-365 days	2,044,200	946,268	1,745,026	849,753
More than one year	4,303,254	4,149,471	3,431,870	3,372,117
	8,001,673	5,514,858	6,892,565	4,622,788

Students, Third parties and Government of Trinidad and Tobago receivables

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

	Students	**Third parties**	**Government of Trinidad and Tobago**
	$'000	**$'000**	**$'000**
Balance at July 31, 2019	3,511,991	1,079,776	2,274,789
Currency translation adjustment	220,146	97,480	205,365
Amount recognised	890,651	(5,119)	(342,996)
Balance at July 31, 2020	4,622,788	1,172,137	2,137,158
Currency translation adjustment	292,831	(487,984)	632,512
Amount recognised/(recovered)	599,239	(34,498)	(32,259)
Balance at July 31, 2021	5,514,858	649,655	2,737,411

Staff and other receivables

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

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

27. Financial Risk Management (Continued)

(b) Liquidity risk

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

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

	Carrying amount	Cash outflow	Less than 1 year	1-2 years	Over 2 years
July 31, 2021:	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current liabilities	22,467,640	22,467,640	22,467,640	-	-
Long-term liabilities	7,974,221	16,671,131	712,145	4,513,404	11,445,582
	30,441,861	39,138,771	23,179,785	4,513,404	11,445,582
July 31, 2020:					
Current liabilities	22,107,352	22,107,352	22,107,352	-	-
Long-term liabilities	7,877,723	9,417,257	1,094,770	1,128,388	7,194,099
	29,985,075	31,524,609	23,202,122	1,128,388	7,194,099

(c) 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 returns.

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

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Interest rate risk

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

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

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

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

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

	2021	**2020**
	$'000	**$'000**
Fixed rate instruments:		
Financial assets	18,378,616	16,345,878
Financial liabilities	(7,013,106)	(7,104,051)
	11,365,510	9,241,827
Variable rate instruments		
Financial assets	12,124,469	13,691,119
Financial liabilities	(820,560)	(709,408)
	11,303,909	12,981,711

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

Fair value sensitivity analysis for financial instruments

The University does not carry any interest-bearing financial instruments at fair value, therefore a change in interest rates at the reporting date would not affect the carrying value of the financial instruments.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 (2020: 100) basis points in interest rates would have decreased deficit for the year by J$113,039,100 (2020: J$129,817,100).

A decrease of 100 (2020: 100) basis points in interest rates would have increased deficit for the year by J$113,039,100 (2020: J$129,817,100).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2020.

(ii) Equity price risk

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

A 15% (2020: 15%) change in the market price of equities at the reporting date would result in an increase/decrease in investment revaluation reserve by J$335,625,800 (2020: J$399,347,000).

(iii) Foreign currency risk

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

The University has foreign currency risk on purchases and borrowings 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.

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Foreign currency risk (continued)

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

2021

	BAH	BDS	BZE	CDN	CAY	EC	EURO	PND	TT	US
	$'000	$'000	$'000	$'000	$'000	$'000	€'000	£'000	$'000	$'000
Cash and cash equivalents	18	5,235	686	529	-	17,523	44,733	18,415	10,518	51,570
Short term investments	-	-	-	-	-	-	-	-	-	5,733
Government contributions	(2,467)	6,490	369	-	(46)	102,488	-	-	111,254	2,850
Accounts receivable	414	-	934	-	454	33,326	-	19	32,391	27,731
Accounts payable	1,072	(7,199)	(811)	-	(111)	(114,821)	-	(15)	(278,422)	(11,009)
Long-term loans	-	-	-	-	-	-	(6,981)	-	-	(18,622)
Net exposure	(963)	4,526	1,178-	529	297	38,516	37,752	18,419	(124,259)	58,253

2020

	BAH	BDS	BZE	CDN	CAY	EC	EURO	PND	TT	US
	$'000	$'000	$'000	$'000	$'000	$'000	€'000	£'000	$'000	$'000
Cash and cash equivalents	(14)	15,665	1.037	329	-	12,870	25,078	15,394	28,535	64,337
Short term investments	-	-	-	-	-	-	-	47	-	5,678
Government contributions	(30)	5,529	792	-	83	105,950	-	-	111,135	1,995
Accounts receivable	1,128	619	992	-	348	37,542	-	147	29,556	5,874
Accounts payable	(69)	-	(225)	-	-	(6,681)	-	-	(18,994)	(8,630)
Long-term loans	-	-	-	-	-	-	(1,403)	-	-	(8,218)
Net exposure	1,015	21,813	2,596	329	431	149,681	23,675	15,588	150,232	61,036

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Foreign currency risk (continued)

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

		2021	2020
BAH	$1.00	=J$154.4262	=J$147.3587
BDS	$1.00	=J$77.2131	=J$73.6793
BZE	$1.00	=J$77.2131	=J$73.6793
CDN	$1.00	=J$122.6839	=J$111.4735
CAY	$1.00	=J$188.3247	=J$179.7058
EC	€1.00	=J$57.1949	=J$54.5773
EURO	$1.00	=J$182.0140	=J$172.8760
GB	£1.00	=J$213.2121	=J$191.4104
TT	$1.00	=J$22.8126	=J$21.8435
US	$1.00	=J$154.4262	=J$147.4527

Sensitivity analysis

A 2% (2020: 2%) strengthening of the Jamaica dollar against the currencies listed above would have increased deficit for the year by J$566,929 (2020: J$535,654).

A 6% (2020: 4%) weakening of the Jamaica dollar against the currencies listed above would have decreased deficit for the year by J$(1,700,786) (2020: 1,071,308).

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis as 2020.

28. Fair Values

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

Determination of fair value and fair values hierarchy

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

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

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

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

The University has level 1 and level 2 financial instruments as follows:

	2021		
	Carrying amount $'000	**Level 1 $'000**	**Level 2 $'000**
Financial assets at fair value through other comprehensive income	2,7961,661	2,736,450	25,211

	2020		
	Carrying amount $'000	**Level 1 $'000**	**Level 2 $'000**
Financial assets at fair value through comprehensive income	2,687,524	2,662,313	25,211

28. Fair Values (continued)

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

Financial assets	Method
Regional quoted equities	Quoted bid-price on stock exchanges
Unit trusts	Quoted published prices
Government securities	Obtain yield curve to determine price, then apply price to the nominal value

Financial instruments not measured at fair value

The estimated fair value of the University's financial assets and liabilities not measured at fair value approximates their carrying value due to their short-term nature or market conditions.

29. Staff Costs

	2021 $'000	2020 $'000
Salaries and wages	37,151,067	36,097,446
Statutory payroll contributions	1,744,745	1,675,965
Pension plan contributions-defined contribution plans	2,351,059	960,335
Other	1,461,577	1,572,726
	42,708,448	40,306,472
Post-employment benefit costs [Note 22(e)]	3,308,457	2,965,862
	46,016,905	43,272,334

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

	2021 $'000	2020 $'000
Salaries and short-term employee benefits	760,168	742,992

30. Taxation

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

Jamaica

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

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

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

Barbados

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

Trinidad and Tobago

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

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

31. Capital Commitment

The University is committed to incur contractual capital expenditure of approximately J$649.9 million (2020: J$305.6 million).

32. Contingent Liability

Housing and car loans guarantee

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

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

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

33. Impact of COVID-19

Beginning in January 2020, global markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and the specific industry in which the UWI operates is uncertain at this point and has the potential to continue to adversely affect its business, results of operations or financial condition.

The UWI receives a significant portion of its funding from contributing Governments. These Governments have had to increase their allocation of funds to their health sectors, to respond to the increased demands created by the COVID-19 pandemic.

The UWI receives a significant portion of its funding from tuition fees, and therefore faces the risk of reduced funding from this source, should student enrolment decline or should collection of fees from students, Governments and other sponsors be reduced.

The UWI therefore faces the risk of reduced funding from Government subventions and tuition fees. The University is exploring implementation of various income generating programmes to minimise the impact.

THE UNIVERSITY OF THE WEST INDIES

Supplementary Information to the Combined Financial Statements for the Year Ended July 31, 2021

Basis of Presentation of Supplementary Information

The Combined Financial Statements presented in thousands of Jamaica dollars as set out in pages 1, 2 and 4 have been translated to thousands of Barbados and United States dollars and included on pages 68 to 73 as supplementary information to the Combined Financial Statements.

The Combined Statement of Financial Position is translated using the closing rates of exchange at July 31, 2021:

BDS$1: J$77.213125	(2020: BDS$1: J$73.6793)
US$1: J$154.426250	(2020: US$1: J$147.4527)

The Combined Statement of Comprehensive Income is translated using the average rates of exchange for the year to July 31, 2021:

BDS$1: J$73.191307	(2020: BDS$1: J$68.5995)
US$1: J$147.639268	(2020: US$1: J$138.1724)

The Combined Statement of Cash Flows is translated using the closing rates of exchange at July 31, 2021 and 2020 and items related to the Combined Statement of Comprehensive Income are translated at the average rates of exchange for 2021 and 2020.

Exchange differences are included in foreign exchange adjustments.

THE UNIVERSITY OF THE WEST INDIES
Combined Statement of Financial Position
31 July 2021
(expressed in thousands of Jamaican and Barbados dollars)

	2021 J$'000	2020 J$'000	2021 BDS$'000	2020 BDS$'000
CURRENT ASSETS				
Cash and cash equivalents	15,229,305	18,152,242	197,237	246,368
Resale agreements	1,424,495	1,207,187	18,449	16,384
Short-term investments	2,193,476	2,680,921	28,408	36,386
Accounts receivable	22,988,439	19,046,477	297,727	258,505
Inventories	592,655	599,368	7,676	8,135
	42,428,370	41,686,195	549,497	565,778
CURRENT LIABILITIES	(27,314,643)	(26,399,906)	(353,756)	(358,308)
NET CURRENT ASSETS	15,113,727	15,286,289	195,741	207,470
NON-CURRENT ASSETS				
Advances	19,019	29,020	246	394
Long-term investments	13,844,458	10,844,728	179,302	147,188
Investment properties	4,725	4,974	61	68
Long-term receivables	3,575,856	3,790,855	46,312	51,451
Property, plant and equipment	67,268,771	67,117,669	871,209	910,942
Right-of-use assets	1,584,132	1,655,919	20,516	22,475
	86,296,961	83,443,165	1,117,646	1,132,518
	101,410,688	98,729,454	1,313,387	1,339,988
RESERVES				
Cumulative translation reserve	20,532,525	19,099,012	265,920	259,218
Revaluation surplus	5,426,313	5,426,313	70,277	73,648
Investment revaluation reserve	1,781,123	1,529,025	23,068	20,752
General reserve	(1,038,832)	(1,038,832)	(13,454)	(14,099)
Accumulated deficit	(2,389,766)	(6,156,888)	(30,950)	(83,563)
Total reserves	24,311,363	18,858,630	314,861	255,956
NON-CURRENT LIABILITIES				
Unexpended donations for special projects	5,111,139	4,580,995	66,195	62,175
Endowment funds	220,824	243,177	2,860	3,300
Capital grants	33,267,189	32,496,600	430,849	441,054
Long -term liabilities	6,693,456	6,878,635	86,688	93,359
Employee benefits obligation	29,909,405	33,763,843	387,362	458,254
Deferred income	129,167	140,833	1,672	1,911
Lease liabilities	1,768,145	1,766,741	22,900	23,979
Total non-current liabilities	77,099,325	79,870,824	998,526	1,084,032
	101,410,688	98,729,454	1,313,387	1,339,988

THE UNIVERSITY OF THE WEST INDIES
Combined Statement of Comprehensive Income
For the year ended 31 July 2021
(expressed in thousands of Jamaican and Barbados dollars)

	2021 J$'000	2020 J$'000	2021 BDS$'000	2020 BDS$'000
INCOME				
Government contributions	28,881,314	29,531,120	394,600	430,486
Tuition and other student fees	10,066,030	9,400,278	137,530	137,031
Special projects	2,954,876	2,687,692	40,372	39,179
Other projects	9,979,809	9,654,306	136,352	140,734
Commercial operations	7,261,945	8,300,908	99,219	121,005
Investment income	788,449	466,559	10,772	6,801
Miscellaneous income	2,313,194	2,327,170	31,605	33,924
	62,245,617	62,368,033	850,450	909,161
Less: transfer to capital grants	(194,063)	(268,804)	(2,651)	(3,918)
Income after transfer to capital grants	62,051,554	62,099,229	847,799	905,243
EXPENSES				
Departmental	(27,204,007)	(27,292,005)	(371,684)	(397,845)
Administrative	(8,213,743)	(7,733,385)	(112,223)	(112,732)
Central	(4,190,913)	(5,585,704)	(57,260)	(81,425)
Net impairment losses on financial assets	(1,194,554)	(1,557,045)	(16,321)	(22,698)
Special projects	(2,954,876)	(2,687,692)	(40,372)	(39,179)
Other projects	(8,141,841)	(9,724,854)	(111,241)	(141,763)
Commercial operations	(5,187,727)	(5,272,213)	(70,879)	(76,855)
	(57,087,661)	(59,852,898)	(779,979)	(872,497)
	-			
Surplus for the year before finance costs	4,963,893	2,246,331	67,820	32,746
Finance costs	(894,306)	(889,414)	(12,219)	(12,965)
Surplus for the year before depreciation, pension and post-employment medical benefits	4,069,587	1,356,917	55,601	19,780
Depreciation	(2,908,400)	(3,079,237)	(39,737)	(44,887)
Pension and post-employment medical benefits	(3,308,457)	(2,965,862)	(45,203)	(43,234)
DEFICIT FOR THE YEAR	(2,147,270)	(4,688,182)	(29,339)	(68,340)
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Re-measurement of employee benefits obligation	5,914,392	(110,462)	80,807	(1,610)
Items that may be reclassified to profit or loss				
Changes in fair value of debt instruments at fair value through other comprehensive income	252,098	(378,174)	3,444	(5,513)
Currency translation adjustments	1,433,513	2,093,748	19,586	30,521
Total Other Comprehensive Income	7,600,003	1,605,112	103,838	23,398
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,452,733	(3,083,070)	74,499	(44,942)

THE UNIVERSITY OF THE WEST INDIES
Combined Statement of Cash Flows
For the year ended 31 July 2021
(expressed in thousands of Jamaican and Barbados dollars)

	2021 J$'000	2020 J$'000	2021 BDS$'000	2020 BDS$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Deficit for the year	(2,147,270)	(4,688,182)	(29,339)	(68,340)
Adjustments for:				
Depreciation: Property, plant and equipment	2,864,226	3,032,293	39,133	44,203
Investment properties	249	249	3	4
Right of use assets	43,925	46,695	600	681
Amortization of capital grants	(1,056,480)	(997,265)	(14,435)	(14,537)
Employee benefits obligation	3,308,457	2,965,862	45,203	43,234
Loss on sale of property, plant and equipment	13,198	(12,567)	180	(183)
Foreign exchange adjustments	(2,072,615)	908,156	(40,658)	13,238
Impairment of financial assets (excluding economic cost)	768,760	1,351,959	10,503	19,708
Impairment of government receivables (for economic cost)	425,793	205,086	5,818	2,990
Interest income	(728,146)	(452,960)	(9,949)	(6,603)
Dividend income	(60,303)	(13,599)	(824)	(198)
Deferred income	(11,666)	(7,500)	(159)	(109)
Interest expense	894,306	889,414	11,582	12,071
	2,242,434	3,227,641	17,659	46,157
Changes in :				
Accounts receivable	(3,941,962)	2,635,786	(51,053)	35,774
Inventories	6,717	(67,368)	87	(914)
Current liabilities	1,263,904	1,701,953	16,369	23,099
Net cash (used in)/provided by operating activities	(428,907)	7,498,012	(16,938)	104,115
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	836,048	516,298	11,423	7,526
Dividend received	60,303	13,599	824	198
Investment, (net)	(2,260,188)	1,746,303	(29,272)	23,701
(Increase)/decrease in resale agreements	(217,308)	(76,403)	(2,814)	(1,037)
(Increase)/decrease in advances	10,001	(14,331)	130	(195)
(Increase)/decrease in long-term receivables	640,791	(93,243)	8,299	(1,266)
Purchase of property, plant and equipment	(869,684)	(13,261,972)	(11,263)	(179,996)
Proceeds from sale of property, plant and equipment	4,938	12,567	64	171
Net cash used in investing activities	(1,795,099)	(11,157,182)	(22,610)	(150,896)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(748,132)	(808,454)	(10,222)	(11,785)
Unexpended donations for special projects	530,144	670,571	6,866	9,101
Endowment funds	(22,959)	5,590	(297)	76
Capital grants received	351,578	10,745,641	4,553	129,639
Proceeds of long-term loans	243,359	242,037	3,152	3,285
Repayment of long-term loans	(739,111)	(476,530)	(9,572)	(6,468)
Lease repayments	(245,479)	(245,479)	(3,179)	(3,332)
Other long term liabilities, (net)	(68,331)	(338,673)	(885)	(4,597)
Net cash (used in)/provided by financing activities	(698,931)	9,794,703	(9,584)	115,920
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,922,937)	6,135,533	(49,132)	69,139
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	18,152,242	12,016,709	246,368	177,229
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15,229,305	18,152,242	197,237	246,368

THE UNIVERSITY OF THE WEST INDIES

Combined Statement of Financial Position

31 July 2021

(expressed in thousands of Jamaican and United States dollars)

	2021 J$'000	2020 J$'000	2021 US$'000	2020 US$'000
CURRENT ASSETS				
Cash and cash equivalents	15,229,305	18,152,242	98,619	123,106
Resale agreements	1,424,495	1,207,187	9,224	8,187
Short-term investments	2,193,476	2,680,921	14,204	18,182
Accounts receivable	22,988,439	19,046,477	148,864	129,170
Inventories	592,655	599,368	3,838	4,065
	42,428,370	41,686,195	274,749	282,710
CURRENT LIABILITIES	(27,314,643)	(26,399,906)	(176,878)	(179,040)
NET CURRENT ASSETS	15,113,727	15,286,289	97,871	103,670
NON-CURRENT ASSETS				
Advances	19,019	29,020	123	197
Long-term investments	13,844,458	10,844,728	89,651	73,547
Investment properties	4,725	4,974	31	34
Long-term receivables	3,575,856	3,790,855	23,156	25,709
Property, plant and equipment	67,268,771	67,117,669	435,605	455,181
Right-of-use assets	1,584,132	1,655,919	10,258	11,230
	86,296,961	83,443,165	558,824	565,898
	101,410,688	98,729,454	656,695	669,568
RESERVES				
Cumulative translation reserve	20,532,525	19,099,012	132,960	129,526
Revaluation surplus	5,426,313	5,426,313	35,139	36,800
Investment revaluation reserve	1,781,123	1,529,025	11,534	10,370
General reserve	(1,038,832)	(1,038,832)	(6,727)	(7,045)
Accumulated deficit	(2,389,766)	(6,156,888)	(15,475)	(41,755)
Total reserves	24,311,363	18,858,630	157,431	127,896
NON-CURRENT LIABILITIES				
Unexpended donations for special projects	5,111,139	4,580,995	33,098	31,068
Endowment funds	220,824	243,177	1,431	1,649
Capital grants	33,267,189	32,496,600	215,424	220,387
Long -term liabilities	6,693,456	6,878,635	43,344	46,650
Employee benefits obligation	29,909,405	33,763,843	193,681	228,981
Deferred income	129,167	140,833	836	955
Lease liabilities	1,768,145	1,766,741	11,450	11,982
Total non-current liabilities	77,099,325	79,870,824	499,264	541,672
	101,410,688	98,729,454	656,695	669,568

THE UNIVERSITY OF THE WEST INDIES

Combined Statement of Comprehensive Income

For the year ended 31 July 2021

(expressed in thousands of Jamaican and United States dollars)

	2021 J$'000	2020 J$'000	2021 US$'000	2020 US$'000
INCOME				
Government contributions	28,881,314	29,531,120	195,621	213,727
Tuition and other student fees	10,066,030	9,400,278	68,180	68,033
Special projects	2,954,876	2,687,692	20,014	19,452
Other projects	9,979,809	9,654,306	67,596	69,871
Commercial operations	7,261,945	8,300,908	49,187	60,076
Investment income	788,449	466,559	5,340	3,377
Miscellaneous income	2,313,194	2,327,170	15,668	16,843
	62,245,617	62,368,033	421,606	451,378
Less: transfer to capital grants	(194,063)	(268,804)	(1,314)	(1,945)
Income after transfer to capital grants	62,051,554	62,099,229	420,292	449,433
EXPENSES				
Departmental	(27,204,007)	(27,292,005)	(184,260)	(197,521)
Administrative	(8,213,743)	(7,733,385)	(55,634)	(55,969)
Central	(4,190,913)	(5,585,704)	(28,386)	(40,426)
Net impairment losses on financial assets	(1,194,554)	(1,557,045)	(8,091)	(11,269)
Special projects	(2,954,876)	(2,687,692)	(20,014)	(19,452)
Other projects	(8,141,841)	(9,724,854)	(55,147)	(70,382)
Commercial operations	(5,187,727)	(5,272,213)	(35,138)	(38,157)
	(57,087,661)	(59,852,898)	(386,670)	(433,175)
	-			
Surplus for the year before finance costs	4,963,893	2,246,331	33,621	16,258
Finance costs	(894,306)	(889,414)	(6,057)	(6,437)
Surplus for the year before depreciation, pension and post-employment medical benefits	4,069,587	1,356,917	27,564	9,821
Depreciation	(2,908,400)	(3,079,237)	(19,699)	(22,285)
Pension and post-employment medical benefits	(3,308,457)	(2,965,862)	(22,409)	(21,465)
DEFICIT FOR THE YEAR	(2,147,270)	(4,688,182)	(14,544)	(33,929)
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Re-measurement of employee benefits obligation	5,914,392	(110,462)	40,060	(799)
Items that may be reclassified to profit or loss				
Changes in fair value of debt instruments at fair value through other comprehensive income	252,098	(378,174)	1,708	(2,737)
Currency translation adjustments	1,433,513	2,093,748	9,710	15,153
Total Other Comprehensive Income	7,600,003	1,605,112	51,477	11,617
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,452,733	(3,083,070)	36,933	(22,312)

THE UNIVERSITY OF THE WEST INDIES
Combined Statement of Cash Flows
For the year ended 31 July 2021
(expressed in thousands of Jamaican and United States dollars)

	2021 J$'000	2020 J$'000	2021 US$'000	2020 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Deficit for the year	(2,147,270)	(4,688,182)	(14,544)	(33,929)
Adjustments for:				
Depreciation: Property, plant and equipment	2,864,226	3,032,293	19,400	21,946
Investment properties	249	249	2	2
Right of use assets	43,925	46,695	298	338
Amortization of capital grants	(1,056,480)	(997,265)	(7,156)	(7,218)
Employee benefits obligation	3,308,457	2,965,862	22,409	21,465
Loss on sale of property, plant and equipment	13,198	(12,567)	89	(91)
Foreign exchange adjustments	(2,072,615)	908,156	(20,043)	6,573
Impairment of financial assets (excluding economic cost)	768,760	1,351,959	5,207	9,785
Impairment of government receivables (for economic cost)	425,793	205,086	2,884	1,484
Interest income	(728,146)	(452,960)	(4,932)	(3,278)
Dividend income	(60,303)	(13,599)	(408)	(98)
Deferred income	(11,666)	(7,500)	(79)	(54)
Interest expense	894,306	889,414	5,791	6,032
	2,242,434	3,227,641	8,918	22,955
Changes in :				
Accounts receivable	(3,941,962)	2,635,786	(25,527)	17,875
Inventories	6,717	(67,368)	43	(457)
Current liabilities	1,263,904	1,701,953	8,185	11,542
Net cash (used in)/provided by operating activities	(428,907)	7,498,012	(8,381)	51,916
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	836,048	516,298	5,663	3,737
Dividend received	60,303	13,599	408	98
Investment, (net)	(2,260,188)	1,746,303	(14,636)	11,843
(Increase)/decrease in resale agreements	(217,308)	(76,403)	(1,407)	(518)
(Increase)/decrease in advances	10,001	(14,331)	65	(97)
(Increase)/decrease in long-term receivables	640,791	(93,243)	4,149	(632)
Purchase of property, plant and equipment	(869,684)	(13,261,972)	(5,632)	(89,941)
Proceeds from sale of property, plant and equipment	4,938	12,567	32	85
Net cash used in investing activities	(1,795,099)	(11,157,182)	(11,357)	(75,425)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(748,132)	(808,454)	(5,067)	(5,851)
Unexpended donations for special projects	530,144	670,571	3,433	4,548
Endowment funds	(22,959)	5,590	(149)	38
Capital grants received	351,578	10,745,641	2,277	64,818
Proceeds of long-term loans	243,359	242,037	1,576	1,641
Repayment of long-term loans	(739,111)	(476,530)	(4,786)	(3,232)
Lease repayments	(245,479)	(245,479)	(1,590)	(1,665)
Other long term liabilities, (net)	(68,331)	(338,673)	(442)	(2,297)
Net cash (used in)/provided by financing activities	(698,931)	9,794,703	(4,749)	58,001
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,922,937)	6,135,533	(24,487)	34,492
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	18,152,242	12,016,709	123,106	88,614
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15,229,305	18,152,242	98,619	123,106

THE UNIVERSITY OF THE WEST INDIES

Cave Hill - Mona - Open - St. Augustine - Five Islands - University Centre