



# THE UNIVERSITY OF THE WEST INDIES

## FINANCIAL REPORT AND COMBINED ACCOUNTS FOR THE YEAR ENDED JULY 31, 2022



**Regional Headquarters**



**St. Augustine Campus**



**Cave Hill Campus**



**Open Campus**



**Five Islands Campus**



**Mona Campus**





**THE UNIVERSITY OF THE WEST INDIES**  
**FINANCIAL REPORT AND COMBINED ACCOUNTS**  
**FOR THE YEAR ENDED JULY 31, 2022**

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# THE UNIVERSITY OF THE WEST INDIES

## FINANCIAL REPORT

### FOR THE YEAR ENDED 31 JULY 2022

#### OVERVIEW OF THE COMBINED FINANCIAL STATEMENTS

The Combined Financial Statements of The University of the West Indies ("The University") represents the financial operations of the five Campuses, certain of their subsidiaries and the University Centre for the year ended July 31, 2022, and are presented in Jamaica dollars.

The commentary on **pages 1 to 7** 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, 2022, the operations of The University resulted in a **deficit of BDS\$26.3 million (2021: BDS\$29.3 million)**. The results by Campus were as follows:

Campus	BDS\$ million	
	July 2022	July 2021
Cave Hill	(0.6)	1.4
Five Islands	6.0	0.8
Mona	(2.7)	(15.0)
Open	(7.8)	(20.2)
St. Augustine	(3.0)	16.1
University Centre	<u>(18.2)</u>	<u>(12.4)</u>
Total	<u>(26.3)</u>	<u>(29.3)</u>

The **total income** of The University for the year was **BDS\$840.6** million, compared with **BD\$847.8** million for the prior year, a decrease of 0.9%. **Total expenditure** for the year was **BDS\$866.9** million compared with **BDS\$877.1** million for 2021, a reduction of 1.2%.

The deficit for the year comprised:

Activity	BDS\$ million	
	July 2022	July 2021
UGC Funded	(74.7)	(82.7)
Commercial Operations	(19.8)	(13.0)
Other Projects	<u>68.2</u>	<u>66.4</u>
Total	<u>(26.3)</u>	<u>(29.3)</u>

# The University of the West Indies

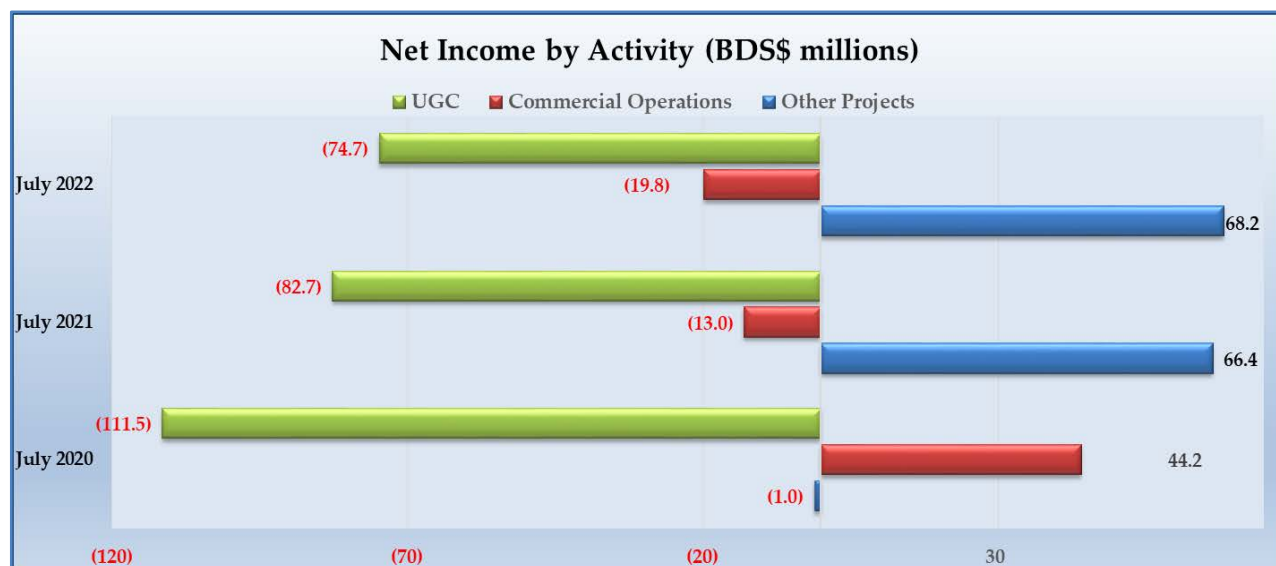
Financial Report

For the year ended 31 July 2022

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

### RESULTS FOR THE YEAR

The net income by activity for the comparative years 2020 to 2022 is shown below:



### COMBINED INCOME

The sources of income for the University were:

Source	July 2022	July 2021
	%	%
Government Contributions	47	46
Tuition and Other Student Fees	16	16
Special and Other Projects	30	29
Commercial Operations	3	4
Other	4	5
Total	100	100

The income distribution is illustrated in Table 1 and Charts 1 and 1a on page 8. A five year summary of income by source is shown in Table 2 and Chart 2 on page 9. A five year summary of total income is shown in Chart 3 on page 10.

### Government Contributions

Income from Government Contributions totalled BDS\$393.6 million and represented 47% of total income. In the prior year Government Contributions were BDS\$391.9 million and represented 46% of total income. The income shown is net of adjustments totalling BDS\$99.7 million (2021: BDS\$121.6 million) to gross billing for the year, to reflect commitments from contributing governments.



# The University of the West Indies

Financial Report

For the year ended 31 July 2022

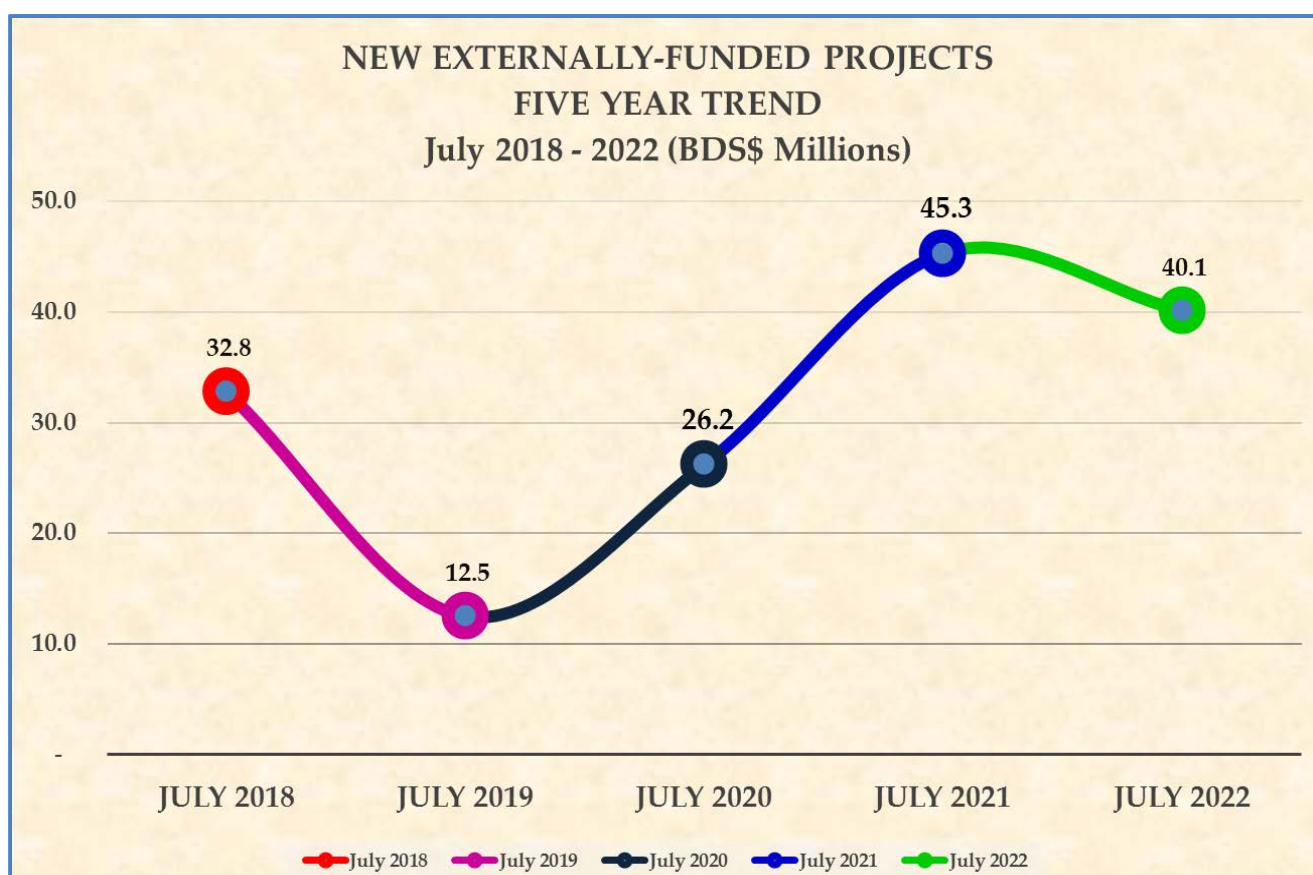
## I. COMBINED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

### COMBINED INCOME

#### Project Income

##### a) Special Projects

For the year this source of income totalled BDS\$43.2 million (2021: BDS\$40.4 million), and represented 5% (2021:5%) 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, 2022, the value of new grants received for research was BDS\$40.1 million compared with BDS\$45.3 million in the previous year.



##### b) Other Projects

Income from Other Projects totalled BDS\$210.4 million (2021: BDS\$204.4 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 (UWISBASL) and the St Augustine Enterprises Limited (SACECL). For the year ended July 31, 2022, income from Other Projects represented 25% of total income.

Total projects income (Special Projects and Other Projects) represented 30% of total income (2021: 29%).

# The University of the West Indies

## Financial Report

For the year ended 31 July 2022

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

#### COMBINED INCOME

##### Tuition and Other Student Fees

Income from tuition and other student fees for the UGC funded programmes totalled BDS\$130.4 million for the year (2021: BDS\$137.5 million). This represented 16% of total income (2021: 16%). There was an overall decline in student enrollment in 2021/2022. Tuition fees remained unchanged at the 2021 levels except for the Mona Campus where fees were increased by 1.9%.

##### Other Income

Other Income totalled BDS\$35.6 million (2021: BDS\$42.4 million) and comprised of investment income of BDS\$6.8 million (2021: BDS\$10.8 million) and miscellaneous income of BDS\$28.8 million (2021: BDS\$31.6 million). Miscellaneous income included income earned from rental of facilities as well as an amount of BDS\$13.9 million (2021: BDS\$14.4 million) representing the value of Capital Grants amortised during the year. Also included is BDS\$2.2 million (2021: BDS\$1.5 million) earned by Mona School of Business and Management (MSBM) from professional services and grants.

##### Commercial Operations

Income from commercial operations decreased from BDS\$31.1 million in 2021 to BDS\$27.5 million, and represented 3% of total income (2021: 4%). 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 in Trinidad and Tobago. During the year most of these facilities were unable to operate due to the onset of the Covid-19 pandemic.

#### COMBINED EXPENDITURE

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

Category	July 2022	July 2021
	%	%
Departmental	46	47
Administrative	13	13
Central	14	15
Special and Other Projects	21	20
Commercial Operations	6	5
Total	<u>100</u>	<u>100</u>

The distribution is illustrated by **Table 4** and **Charts 4** and **4a** on **page 11**. 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, 2022, there was an actuarially determined expense of **BDS\$41.4 million** (2021: BDS\$45.2 million) for post-employment pension and medical benefits.

A net impairment expense totalling **BDS\$6.7 million** (2021: BDS\$16.3 million) was recorded on Government contributions outstanding, investments, tuition and other receivables.

A five year summary of expenditure by category is shown in **Table 5** and **Chart 5** on **page 12** and a five year summary of total expenditure is illustrated in **Chart 6** on **page 13**.

# The University of the West Indies

Financial Report

For the year ended 31 July 2022

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

### Net Current Assets

Current assets exceeded current liabilities by **BDS\$234 million** (2021: BDS\$195.7 million), an overall increase of 19.5%. The balance for cash and cash equivalents increased by **BDS\$33.9 million** and the total of short-term investments and resale agreements decreased by **BDS\$4.8 million**. Accounts receivable showed an increase of **BDS\$21.6 million** or 7% over the prior year. Current liabilities increased by 3.5%.

### Cash and Cash Equivalents, Short-Term Investments and Resale Agreements

Included in this category are cash, current and savings accounts as well as fixed deposits held for periods not exceeding ninety days. The balance includes restricted funds for special projects, commercial operations, and funds held for committed expenditure, which have been invested in resale agreements, Government securities, fixed deposits, and equities. Income earned from these investments is used to supplement funding to meet current liabilities. A portion of these funds are restricted and are not available for general use by the University. When short-term investments, resale agreements and cash and cash equivalents are combined, this total showed an increase of 12% compared with 2021.

### Accounts Receivable

Accounts receivable amounted to BDS\$319.3 million (2021: BDS\$297.7 million). This includes amounts due from Governments for economic costs, scholarships, Government Assistance for Tuition Expenses (GATE), Public Sector Investment Programme (PSIP), Value Added Tax (VAT) and tuition fees. Amounts due from students for tuition fees are also included.

The net increase of BDS\$21.6 million was due mainly to increase in amounts due from governments and scholarship donors which was partially offset by decreases in other receivables and student receivables.

The status of each Government with respect to contributions to economic cost due to the University can be found on **pages 15 to 17**. The trend in total Government contributions outstanding over the past five years is shown in **Table 7** and **Chart 7** on **page 14**.

### Current Liabilities

The balance of BDS\$366 million (2021: BDS\$353.8 million) includes amounts due to suppliers for goods and services received totalling BDS\$147 million and BDS\$17.8 million for affiliated institutions. It also includes vacation leave accrual of BDS\$46.9 million (2021: BDS\$46.2 million), and other staff benefits such as study and travel and book grants and prepaid balances of contributing governments. The current portion of long-term liabilities was BDS\$14.2 million (2021: BDS\$16.6 million), which is due to be paid within the next twelve months.

Short-term loans and advances of BDS\$17 million (2021: BDS\$14.9 million) were also included in current liabilities.

### Long-Term Investments

There was a decrease of 10% in the balance for long-term investments which totalled BDS\$161.5 million (2021: BDS\$179.3 million). Total designated funds which are not available for general use by the University amounted to BDS\$117.1 million.



# The University of the West Indies

Financial Report

For the year ended 31 July 2022

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

### Long-Term Receivables

At July 31, 2022, long-term receivables included a total of BDS\$74.8 million (2021: BDS\$76.5 million) for Government contributions not expected to be received within 12 months. Of this figure BDS\$33 million (2021: BDS\$32.5 million) has been impaired.

### Property, Plant and Equipment

During the period, additions to property, plant and equipment totalled **BDS\$21 million** (2021: BDS\$11.3 million). Of this amount approximately 75% was spent for additions to buildings, furniture and fixtures and 20% on computer and other electronic equipment. Work-in-progress represented 5%.

### 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, 2022 the balance amounted to BDS\$20 million.

### Long-Term Liabilities

The balance of **BDS\$81.8 million** (net of the current portion) for long-term liabilities decreased when compared with the balance at July 31, 2021 (BDS\$86.7 million). The current portion amounted to **BDS\$14.2 million**.

#### a) Long-term Loans

The balance of **BDS\$95.2 million** (2021: BDS\$102.7 million) for long-term loans represents an overall decrease of 7.3%.

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

#### b) Other Long-term Liabilities

Other long-term liabilities include funds being held as retention deposits on construction projects.

### Lease Liabilities

The balance of BDS\$22.2 million (2021: BDS \$22.9 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 (depreciation) in the investment revaluation reserve for the year ended July 31, 2022 totalled **BDS\$1.9 million** (2021: BDS\$3.4 million appreciation).

### Revaluation Surplus

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

# The University of the West Indies

Selected Financial and Statistical Highlights  
For the year ended 31 July 2022

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

### Employee Benefits Obligation

In accordance with International Financial Reporting Standards the University has disclosed estimates of its obligation for post-employment benefits. These financial statements include estimates related to such retirement benefits under the FSSU of all campuses and The University Centre; the defined benefit scheme at the St. Augustine Campus and the medical scheme for pensioners at the Mona and St Augustine Campuses.

The actuarial report on the obligation as at July 31, 2022 was prepared by the actuaries Eckler Partners Ltd. Based on this report an estimated net obligation of BDS\$370.3 million has been included in these financial statements. The estimated obligation at July 31, 2021 was BDS\$387.4 million.

Supplementation was abolished for the new employees with effect from August 1, 2005. Governments have committed to fund the obligations for persons employed before the foregoing date.

## III. PERFORMANCE INDICATORS

	<b>2022</b>	<b>2021</b>	<b>2020</b>
a) Total Expenses/Income	103%	103%	108%
b) Government Contributions/ Total Operating Income	47%	46%	47%
c) Total Income/Total Assets	50%	49%	50%
d) Liquidity ratio (acid test)	1.6	1.5	1.6
e) Operating Cash Flow ratio	0.07	(0.04)	0.29
f) Average collection period for government contributions (months)	2.9	3.2	3.5

- a) For the year ended July 31, 2022 the ratio of total expenses to income remained unchanged over the prior year at 103%; expenses exceeded income by 3%.
- b) The ratio of Government contributions to total operating income indicates that for the year ended July 31, 2022, Governments provided 47% of The UWI's income, which is fairly consistent with the prior years.
- c) Total income to total assets was 50%, which remains consistent with prior years.
- d) The liquidity ratio of 1.6 is a marginal improvement over 2021. The UWI remains able to meet its current obligations from available cash and near liquid assets, if its receivables are collected. The amounts receivable from some contributing Governments are however not predictable or forthcoming in a timely manner. Significant portions of cash are restricted for use only on projects determined by Grant agencies.
- e) An operating cash flow ratio of less than 1 indicates that The UWI has generated less cash from operations in the financial year than is needed to pay its short-term liabilities.
- f) The time needed for the UWI to collect outstanding Government contributions is marginally improved to on average 2.9 months.

# The University of the West Indies

## Selected Financial and Statistical Highlights For the year ended 31 July 2022

### INCOME

For the period August 1, 2021 to July 31, 2022 with comparatives for the period August 1, 2020 to July 31, 2021

TABLE 1 - \$'000

SOURCES	J\$		BDS\$		TT\$		EC\$	
	2022	2021	2022	2021	2022	2021	2022	2021
West Indian Government Contributions *	29,968,895	28,687,251	393,549	391,949	1,330,326	1,322,741	531,356	528,707
Tuition and other Student Fees	9,926,290	10,066,030	130,351	137,530	440,630	464,135	175,996	185,517
Special Projects	3,286,391	2,954,876	43,157	40,372	145,884	136,246	58,269	54,458
Other Projects	16,027,988	14,961,883	210,479	204,422	711,486	689,877	284,180	275,748
Commercial Operations	2,096,176	2,279,871	27,527	31,149	93,050	105,123	37,166	42,018
Other	2,708,959	3,101,643	35,574	42,377	120,251	143,014	48,031	57,163
<b>TOTAL INCOME</b>	<b>64,014,699</b>	<b>62,051,554</b>	<b>840,637</b>	<b>847,799</b>	<b>2,841,627</b>	<b>2,861,136</b>	<b>1,134,998</b>	<b>1,143,611</b>

\*net of transfer to capital grants

CHART 1  
INCOME BY PERCENTAGE (%)  
AUGUST 1, 2021 TO JULY 31, 2022

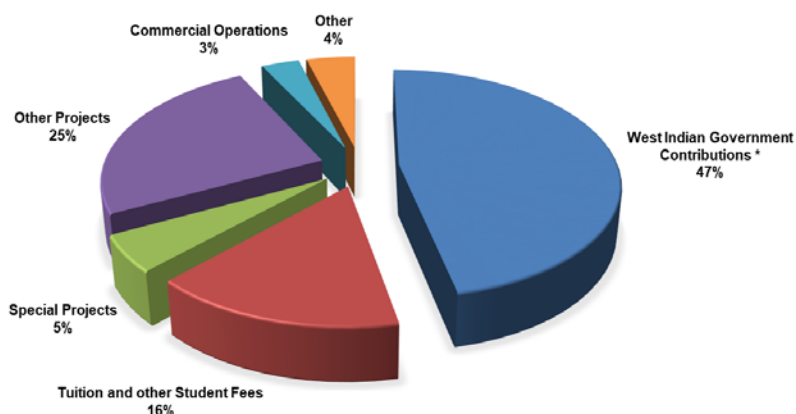
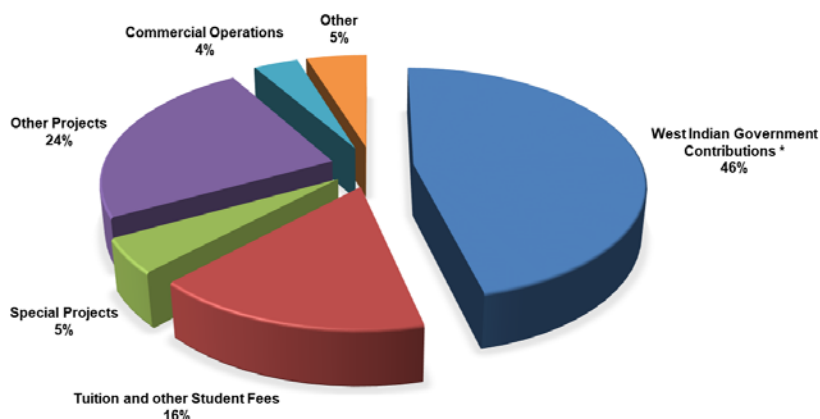


CHART 1 A  
INCOME BY PERCENTAGE (%)  
AUGUST 1, 2020 TO JULY 31, 2021



# The University of the West Indies

Selected Financial and Statistical Highlights

For the year ended 31 July 2022

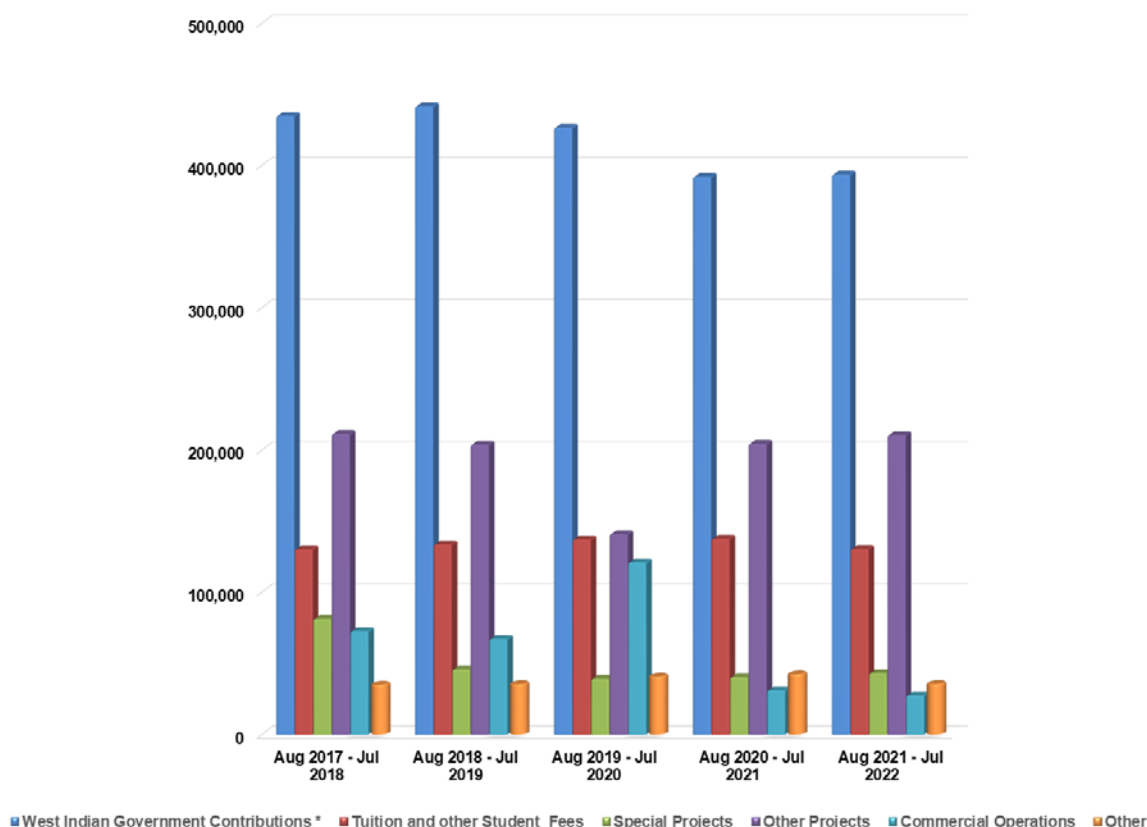
## INCOME - FIVE YEAR SUMMARY BY SOURCE

Table 2 - BDS\$'000

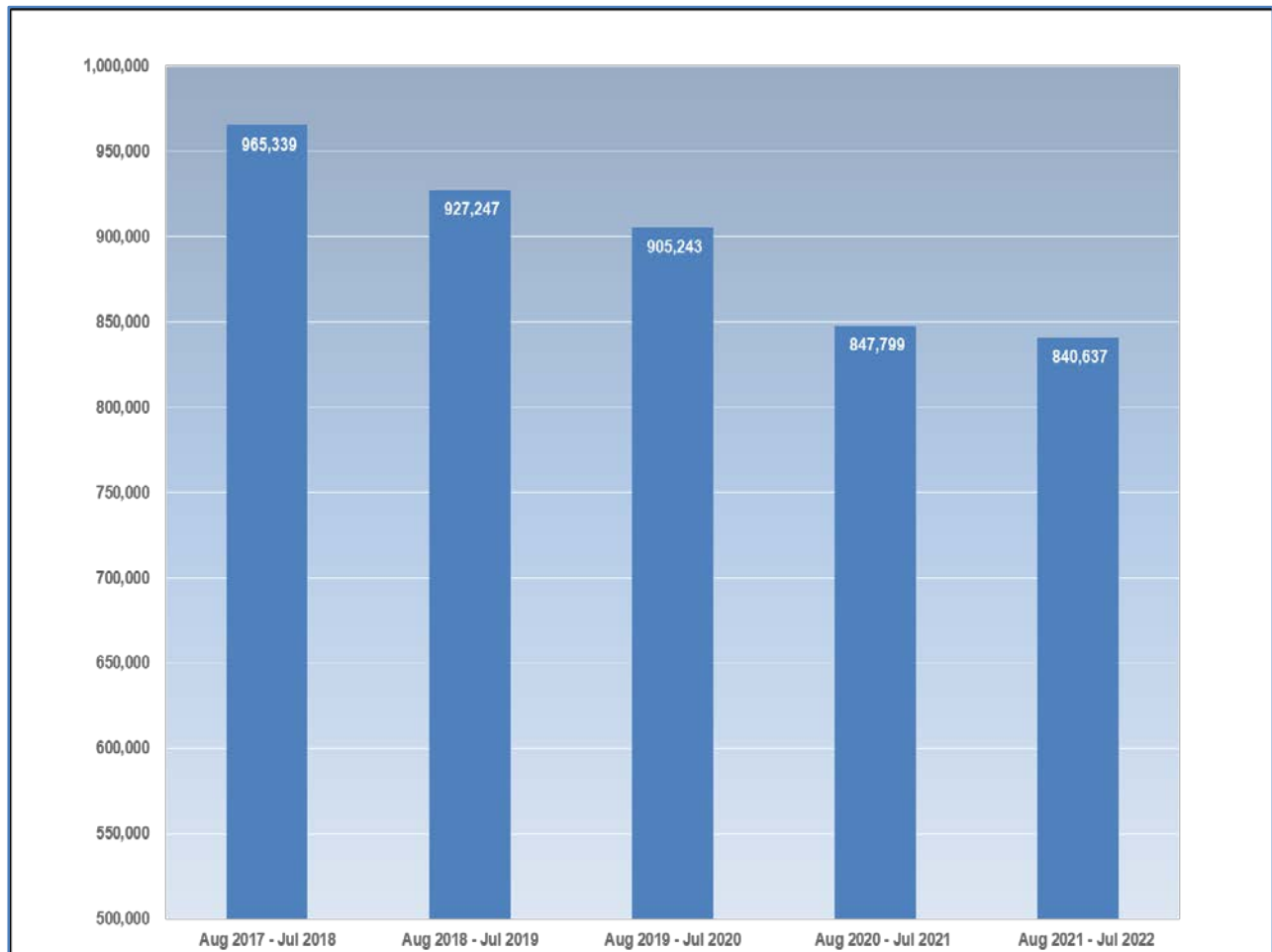
SOURCES	Aug 2017 - Jul 2018		Aug 2018 - Jul 2019		Aug 2019 - Jul 2020		Aug 2020 - Jul 2021		Aug 2021 - Jul 2022	
West Indian Government Contributions *	434,798	45%	441,485	48%	426,568	47%	391,949	46%	393,549	47%
Tuition and other Student Fees	130,154	13%	133,522	14%	137,031	15%	137,530	16%	130,351	16%
Special Projects	81,292	8%	45,692	5%	39,179	4%	40,372	5%	43,157	5%
Other Projects	211,349	22%	203,802	22%	140,734	16%	204,422	24%	210,479	25%
Commercial Operations	72,708	8%	67,292	7%	121,005	13%	31,149	4%	27,527	3%
Other	35,038	4%	35,454	4%	40,726	5%	42,377	5%	35,574	4%
<b>TOTAL INCOME</b>	<b>965,339</b>	<b>100%</b>	<b>927,247</b>	<b>100%</b>	<b>905,243</b>	<b>100%</b>	<b>847,799</b>	<b>100%</b>	<b>840,637</b>	<b>100%</b>

\*net of transfer to capital grants

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



**Chart 3**  
**FIVE YEAR SUMMARY OF TOTAL INCOME**  
**BDS\$'000**





# The University of the West Indies

## Selected Financial and Statistical Highlights

For the year ended 31 July 2022

### EXPENDITURE

For the period August 1, 2021 to July 31, 2022 with comparatives for the period August 1, 2020 to July 31, 2021

TABLE 4 - \$'000

CATEGORIES	J\$		BDS\$		TT\$		EC\$	
	2022	2021	2022	2021	2022	2021	2022	2021
Administrative	8,657,742	8,204,428	113,693	112,096	384,319	378,298	153,504	151,208
Departmental *	30,447,994	30,112,407	399,841	411,421	1,351,593	1,388,454	539,851	554,973
Central Expenditure +	9,189,357	9,597,544	120,673	131,129	407,918	442,533	162,930	176,883
Special Projects	3,286,391	2,954,876	43,157	40,372	145,884	136,246	58,269	54,458
Other Projects	10,830,898	10,099,212	142,231	137,984	480,786	465,665	192,035	186,129
Commercial Operations	3,601,343	3,230,357	47,293	44,136	159,864	148,949	63,853	59,536
<b>TOTAL EXPENDITURE</b>	<b>66,013,725</b>	<b>64,198,824</b>	<b>866,888</b>	<b>877,138</b>	<b>2,930,364</b>	<b>2,960,145</b>	<b>1,170,442</b>	<b>1,183,187</b>

\* includes depreciation

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

CHART 4 EXPENDITURE BY PERCENTAGE (%) AUGUST 1, 2021 - JULY 31, 2022

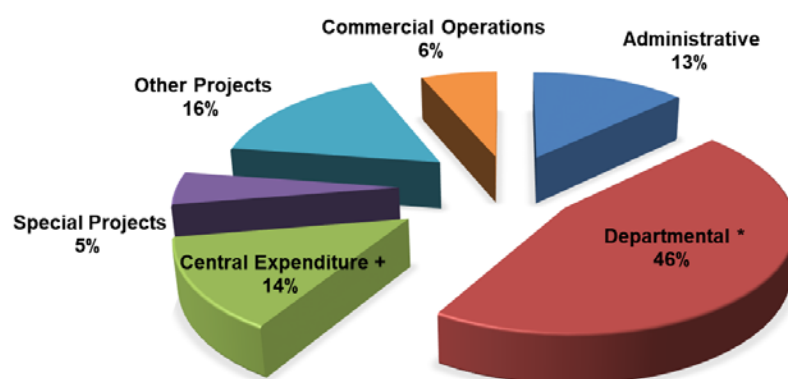
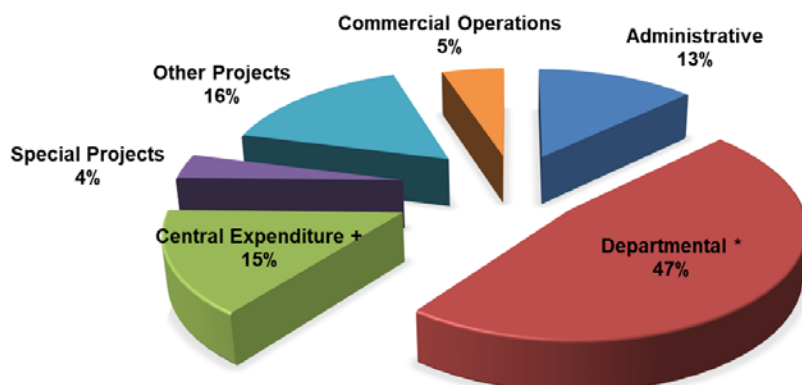


CHART 4A EXPENDITURE BY PERCENTAGE (%) AUGUST 1, 2020 - JULY 31, 2021



# The University of the West Indies

Selected Financial and Statistical Highlights

For the year ended 31 July 2022

## EXPENDITURE FIVE YEAR SUMMARY

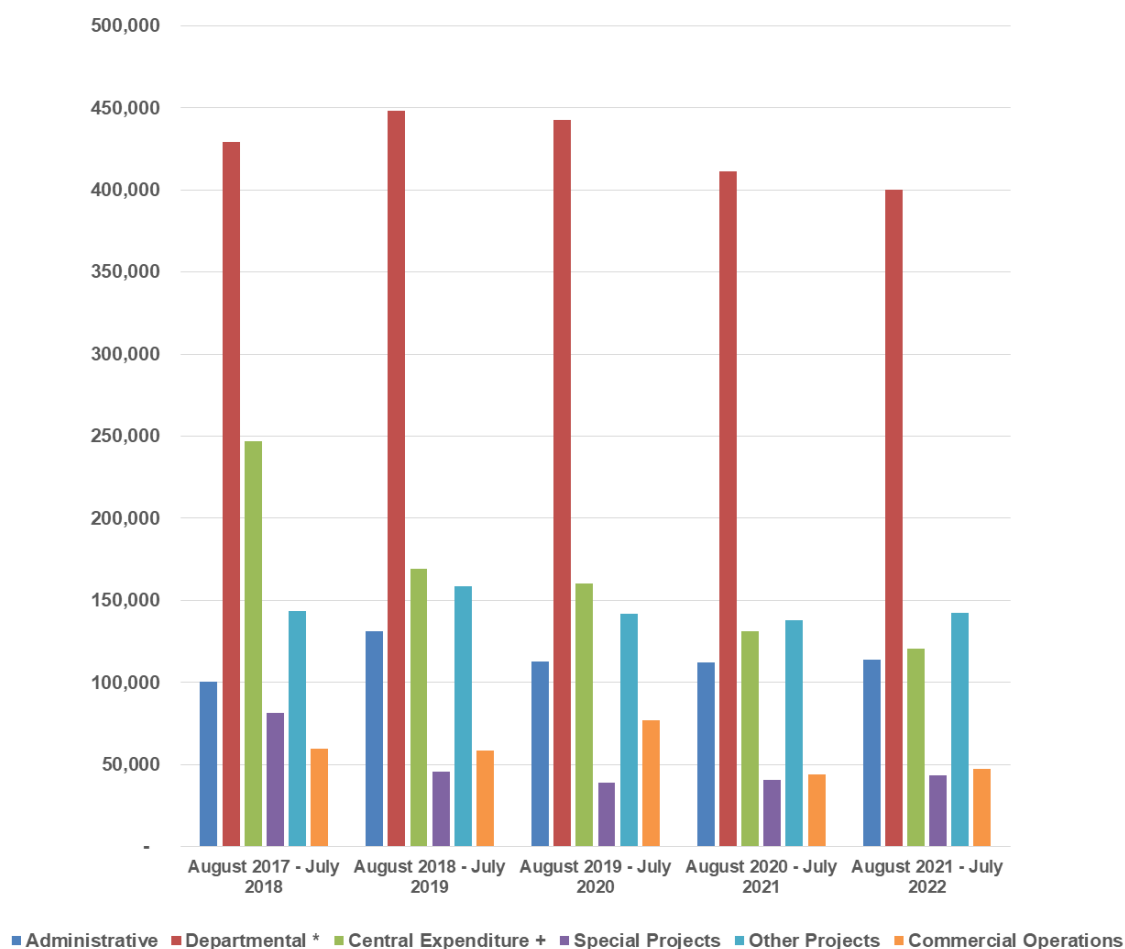
Table 5  
BDS\$'000

CATEGORIES	August 2017 - July 2018		August 2018 - July 2019		August 2019 - July 2020		August 2020 - July 2021		August 2021 - July 2022	
Administrative	100,666	9%	131,121	13%	112,732	12%	112,096	13%	113,693	13%
Departmental *	428,997	40%	447,970	44%	442,732	45%	411,421	47%	399,841	46%
Central Expenditure +	246,789	23%	169,004	17%	160,322	16%	131,129	15%	120,673	14%
Special Projects	81,292	8%	45,692	5%	39,179	4%	40,372	4%	43,157	5%
Other Projects	143,210	14%	158,461	15%	141,763	15%	137,984	16%	142,231	16%
Commercial Operations	59,609	6%	58,498	6%	76,855	8%	44,136	5%	47,293	6%
<b>TOTAL EXPENDITURE</b>	<b>1,060,563</b>	<b>100%</b>	<b>1,010,746</b>	<b>100%</b>	<b>973,583</b>	<b>100%</b>	<b>877,138</b>	<b>100%</b>	<b>866,888</b>	<b>100%</b>

\* includes depreciation

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

**CHART 5  
EXPENDITURE - FIVE YEAR SUMMARY  
BDS\$'000**

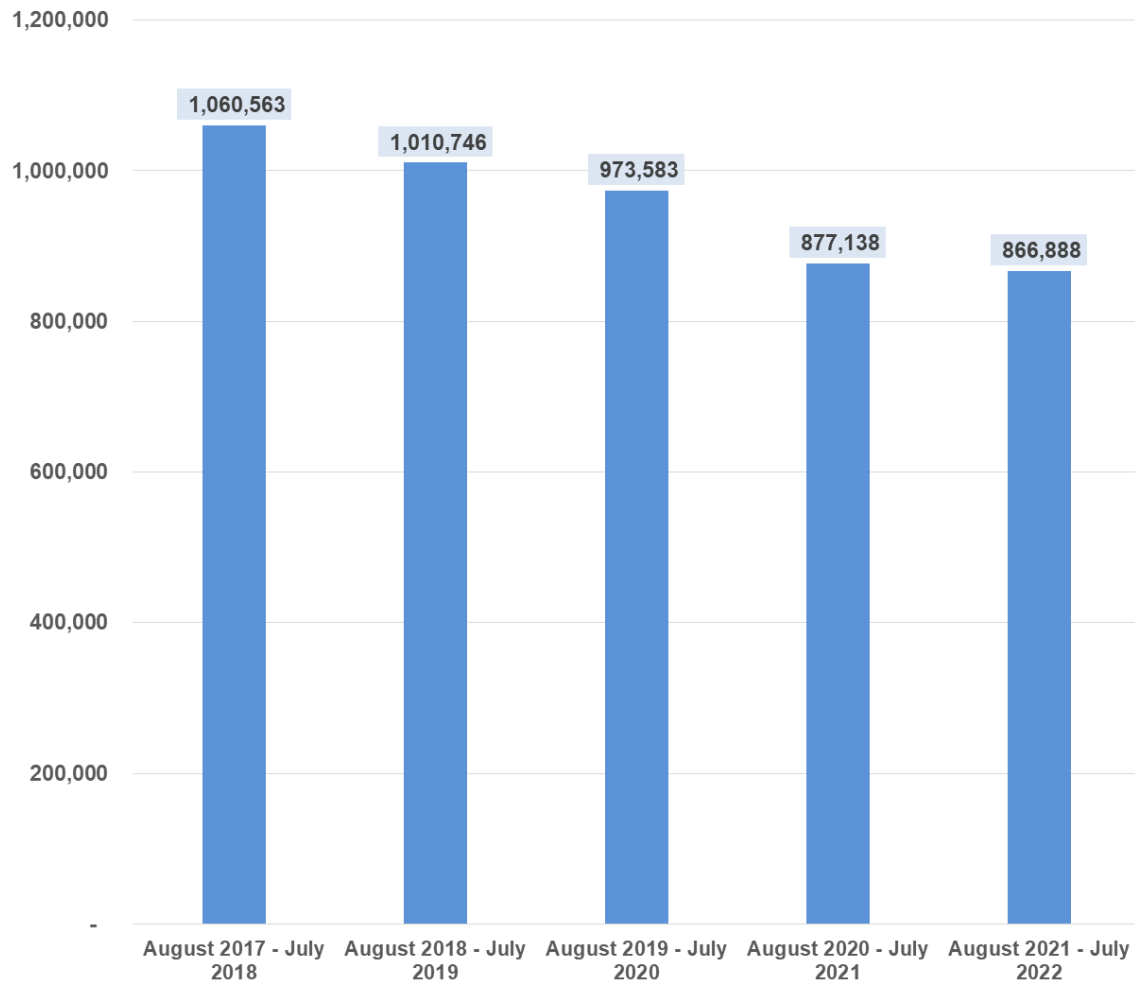


# The University of the West Indies

Selected Financial and Statistical Highlights  
For the year ended 31 July 2022

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**CHART 6**  
**TOTAL EXPENDITURE - FIVE YEAR SUMMARY**  
**BDS\$'000**



# The University of the West Indies

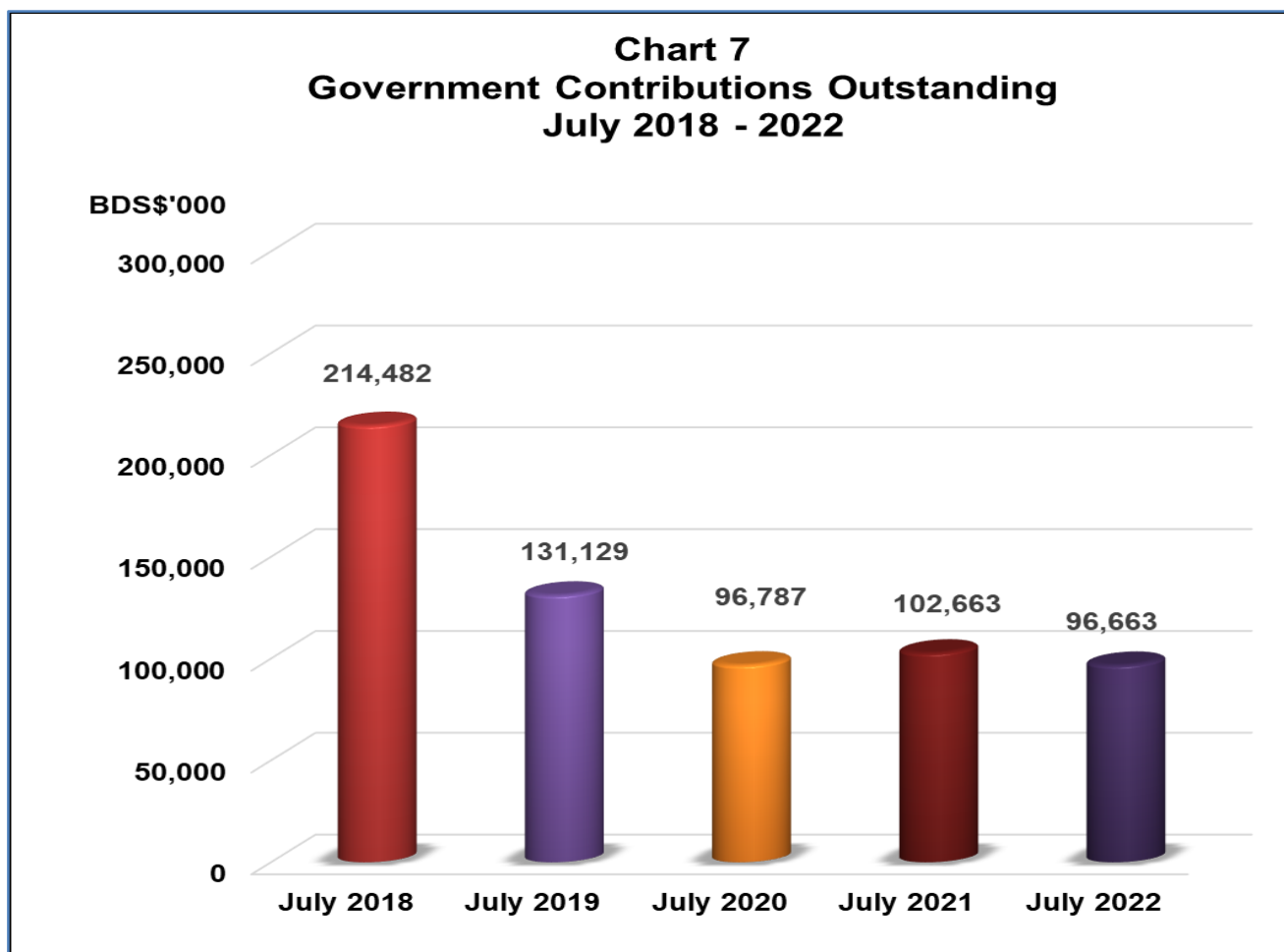
Selected Financial and Statistical Highlights  
For the year ended 31 July 2022

## GOVERNMENT CONTRIBUTIONS OUTSTANDING

JULY 2018 - JULY 2022

TABLE 7 (BDS\$'000)

PERIOD	BDS\$'000
July 2018	214,482
July 2019	131,129
July 2020	96,787
July 2021	102,663
July 2022	96,663



# The University of the West Indies

Financial Report

For the year ended 31 July 2022

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## 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 for outstanding balances. Campus Principals and Bursars also communicate with the respective campus Governments when necessary regarding outstanding payments and contributions.

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. Contributing governments are also provided with an interim billing based on the approved budget for the year of billing and the actual student numbers of the prior year. 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, 2022 contributing Governments owed The University of the West Indies BDS\$96.66M (net) for amounts billed as contributions towards economic cost of the University. This reflects a decrease of BDS\$6M or 5.84% compared with the balance of BDS\$102.66M (net) that was outstanding at the start of the financial year.

### Barbados

The Government of Barbados had an outstanding balance of BDS\$6.49M as at August 1, 2021. For the twelve month reporting period the Government made consistent monthly payments totalling BDS\$93.73M. The 2021/2022 final billing showed a required funding contribution of BDS\$114.82M. The Government however committed BDS\$91.74M for the period. The balance outstanding at July 31, 2022 was BDS\$4.50M. We look forward to receiving this balance within the financial year 2022/2023.

### Jamaica

At the beginning of the academic year, The Government of Jamaica had a prepaid balance of J\$1,243.44M. The 2021/2022 final billing for the twelve month period to July 31, 2022 indicated a funding contribution of J\$12,993.51M. The Government committed the amount of J\$8,213.38M and made consistent quarterly payments amounting to J\$8,329.63M. At July 31, 2022 the Government of Jamaica had a prepaid balance of J\$1,359.69M representing subvention advanced for the months of August and September 2022 in the financial year 2022/2023. 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 academic year had an outstanding balance of TT\$111.25M. The Final billing for the twelve month period to July 31, 2022 indicated a funding contribution of TT\$604.30M. The Government committed funding of TT\$556.79M for the period. Consistent monthly payments received over the period amounted to TT\$561.45M. The outstanding balance at July 31, 2022 stood at TT\$106.59M. We look forward to receiving this balance within the financial year 2022/2023.



# The University of the West Indies

Financial Report

For the year ended 31 July 2022

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## STATUS OF GOVERNMENT CONTRIBUTIONS (Cont'd)

### Anguilla

The balance owed by the Government of Anguilla at August 1, 2021 was XCD5.48M and a final billing of XCD 1.02M for the twelve month period to July 31, 2022 was added to Anguilla's account. Payments in the amount of XCD0.22M were received resulting in a balance of XCD6.28M as at July 31, 2022. Discussions will continue with the Government to liquidate the outstanding balance. A subsequent payment of XCD 369,708.31 was received in August 2022.

### Antigua and Barbuda

The Government of Antigua and Barbuda had an outstanding balance of XCD6.68M at August 1, 2021 which increased to XCD8.81M at July 31, 2022. This resulted from the twelve month final billing of XCD 2.13M as no payments were received during the year. The Government has committed to settling the arrears. A subsequent payment of XCD 750,000 was received in August 2022. We look forward to the arrears being settled in the financial year 2022/2023.

### Bahamas

The Government of the Bahamas opened the year with a prepaid amount of BAH\$1.23M. The final billing for the twelve month period to July 31, 2022 was BAH\$3.69M and payments totalling BAH\$3.32M were received, which resulted in a prepaid balance of BAH\$0.86M at July 31, 2022.

### Belize

At August 1, 2021 the amount owed by the Government of Belize stood at BZE\$369,443. The final billing for the twelve month period to July 31, 2022 was BZE\$1,461,506 and payments received on account amounted to BZE\$2,244,342. This resulted in a prepaid balance at July 31, 2022 of BZE\$413,393. A subsequent payment of BZE\$ 415,524 was received in September 2022.

### Bermuda

The balance on the account of the Government of Bermuda at August 1, 2021 was US\$110,569. In a previous meeting of the University Finance & General Purpose Committee, held on October 27, 2021 approval was given to write off 50% of the balance (US\$ 55,285) that was due at July 31, 2021. The final billing for the twelve month period to July 31, 2022 was US\$19,266. Payments totalling US\$55,284 were received to settle the arrears at August 1, 2021, resulting in the billing of US\$19,266 for the year 2021/2022 outstanding at July 31, 2022.

### The Virgin Islands

The amount outstanding as at August 1, 2021 stood at US\$2,989,970. The final billing of US\$ 368,200 for the twelve month period to July 31, 2022 was applied to the account. A payment of US\$257,041 was received in December 2021 resulting in a balance of US\$3,101,129. The Government of the Virgin Islands and The University have been discussing the settlement of the balance and the way forward with respect to delivery of programmes.

### Cayman Islands

The Cayman Islands had a prepaid balance of CI\$45,832 at August 1, 2021. The final billing for the twelve month period was CI\$493,745. Payments received amounted to CI\$550,765 resulting in a prepaid balance of CI\$102,852 at July 31, 2022.

# The University of the West Indies

Financial Report

For the year ended 31 July 2022

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## STATUS OF GOVERNMENT CONTRIBUTIONS (Cont'd)

### Dominica

The Government of Dominica had a balance of XCD32.15M outstanding at August 1, 2021 which represented an accumulation of several years' billings. The final billing for the period from August 01, 2021 to July 31, 2022 of XCD1.65M was added to the amount owing. A payment of XCD0.80M in January 2022, resulted in a balance of XCD33M outstanding at July 31, 2022.

### Grenada

The balance outstanding from the Government of Grenada at August 1, 2021 was XCD3.61M and at July 31, 2022 the prepaid balance stood at XCD0.20M after applying the final billing of XCD2.38M and receipt of consistent 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 and the University appreciates the efforts made by the Government in honoring this commitment.

### Montserrat

Montserrat opened the year with a balance of XCD213,764. A final billing for the year to July 31, 2022 of XCD771,171 was applied to the account. Payments totalling XCD726,810 were received. This resulted in a prepaid balance at July 31, 2022 of XCD258,125. A subsequent payment of XCD 257,628 was received in August, 2022.

### St. Kitts and Nevis

At August 1, 2021 the balance owed by the Government of St Kitts and Nevis was XCD438,866. For the year the Government was billed a final amount of XCD2, 823,793 to July 31, 2022. Payments of XCD3,255,667 were received which resulted in a prepaid balance of XCD 6,992 at July 31, 2022.

### St. Lucia

The Government of St Lucia, at August 1, 2021 had a balance of XCD 26.53M owing to the University for contribution to economic cost. The final billing of XCD3.06M was applied for the twelve month period to July 31, 2022. Payments totalling XCD2.06M were received which resulted in a balance of XCD27.53M. A subsequent payment of XCD1.45M was received in September 2022.

### St. Vincent and the Grenadines

At the start of the year, XCD27.38M was due from the Government of St Vincent and the Grenadines. The Government made payments totaling XCD6.13M during the year and after applying the 2021/2022 final billing of XCD4.57M the amount owing at July 31, 2022 stood at XCD25.82M. Payments made by the Government to the Caribbean Development Bank for a loan carried by the Open Campus for development of the Open Campus site in St Vincent and the Grenadines were recognised as receipts and included in the balance at year end.

### Turks & Caicos Islands

The Government of Turks and Caicos started the academic year August 1, 2021 with a prepayment of US\$250,289. This increased to a prepayment of US\$366,437 at July 31, 2022. The increase was due to payment of US\$395,592 received within the year and the final billing for the twelve month period amounting to US\$279,444.



## 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

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#### 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 2022, 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 2022;
- 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.

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#### 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.

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## **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 2022  
Kingston, Jamaica



# The University of the West Indies


## Combined Statement of Financial Position


31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	17,690,498	15,229,305
Resale agreements	6	1,554,188	1,424,495
Short-term investments	7	1,666,959	2,193,476
Accounts receivable	8	24,441,824	22,988,439
Inventories	9	574,351	592,655
		<u>45,927,820</u>	<u>42,428,370</u>
<b>Current Liabilities</b>	10	<u>(28,015,110)</u>	<u>(27,314,643)</u>
<b>Net Current Assets</b>		<u>17,912,710</u>	<u>15,113,727</u>
<b>Non-Current Assets</b>			
Advances	11	12,019	19,019
Long-term investments	7	12,365,623	13,844,458
Investment properties	12	4,476	4,725
Long-term receivables	13	3,247,449	3,575,856
Property, plant and equipment	14	65,401,245	67,268,771
Right-of-use assets	26	1,534,411	1,584,132
		<u>82,565,223</u>	<u>86,296,961</u>
		<u>100,477,933</u>	<u>101,410,688</u>
<b>Reserves</b>			
Cumulative translation reserve	15	20,450,072	20,532,525
Revaluation surplus	16	5,426,313	5,426,313
Investment revaluation reserve	17	1,633,344	1,781,123
General reserve		(976,175)	(1,038,832)
Accumulated (deficit)/surplus		<u>(1,261,162)</u>	<u>(2,389,766)</u>
Total reserves		<u>25,272,392</u>	<u>24,311,363</u>
<b>Non-Current Liabilities</b>			
Unexpended donations			
for special projects	18	5,643,052	5,111,139
Endowment funds	19	212,320	220,824
Capital grants	20	32,923,806	33,267,189
Long-term liabilities	21	6,261,640	6,693,456
Employee benefits obligation	22(d)	28,348,730	29,909,405
Deferred income	23	119,167	129,167
Lease liabilities	26	1,696,826	1,768,145
<b>Total non-current liabilities</b>		<u>75,205,541</u>	<u>77,099,325</u>
		<u>100,477,933</u>	<u>101,410,688</u>

Approved for issue by the University Audit Committee on 5 December 2022 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 2022**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Government contributions	4	30,205,318	28,881,314
Tuition and other student fees		9,926,290	10,066,030
Special projects		3,286,391	2,954,876
Other projects		16,027,988	14,961,883
Commercial operations		2,096,176	2,279,871
Investment income		516,362	788,449
Miscellaneous income		2,192,597	2,313,194
		<u>64,251,122</u>	<u>62,245,617</u>
Less: transfer to capital grants		(236,423)	(194,063)
Income after transfer to capital grants		<u>64,014,699</u>	<u>62,051,554</u>
<b>Expenses</b>			
Departmental		(27,663,420)	(27,204,007)
Administrative		(8,657,742)	(8,204,428)
Central		(4,495,812)	(4,200,227)
Net impairment losses on financial assets		(510,574)	(1,194,554)
Special projects		(3,286,391)	(2,954,876)
Other projects		(10,830,898)	(10,099,212)
Commercial operations		(3,601,343)	(3,230,357)
	24	<u>(59,046,180)</u>	<u>(57,087,661)</u>
Surplus for the year before finance costs		4,968,519	4,963,893
Finance costs	25	<u>(1,032,375)</u>	<u>(894,306)</u>
Surplus for the year before depreciation, pension and post-employment medical benefits		3,936,144	4,069,587
Depreciation		(2,784,574)	(2,908,400)
Pension and post-employment medical benefits	22(e)	<u>(3,150,596)</u>	<u>(3,308,457)</u>
<b>Deficit for the Year</b>		<u>(1,999,026)</u>	<u>(2,147,270)</u>
<b>Other Comprehensive Income</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Re-measurement of employee benefits obligation	22(e)	2,646,996	5,914,392
<b>Items that may be reclassified to profit or loss</b>			
Changes in fair value of debt instruments at fair value through other comprehensive income		(147,779)	252,098
Currency translation adjustments		<u>(82,453)</u>	<u>1,433,513</u>
<b>Total Other Comprehensive Income</b>		<u>2,416,764</u>	<u>7,600,003</u>
<b>Total Comprehensive Income for the Year</b>		<u><u>417,738</u></u>	<u><u>5,452,733</u></u>

# The University of the West Indies

## Combined Statement of Changes in Reserves

For the year ended 31 July 2022

(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
<b>Balances at August 1, 2020</b>	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
<b>Balances at July 31, 2021</b>	20,532,525	5,426,313	1,781,123	(1,038,832)	(2,389,766)	24,311,363
Comprehensive income for the year:						
Deficit for the year	-	-	-	-	(1,999,026)	(1,999,026)
Other comprehensive income	(82,453)	-	(147,779)	-	2,646,996	2,416,764
Total comprehensive income for the year	(82,453)	-	(147,779)	-	647,970	417,738
Transactions recorded directly in equity:						
Transfer to sabbatical fund	-	-	-	62,657	-	62,657
Transfer to net funds under management	-	-	-	-	480,634	480,634
Total transactions recorded directly in equity	-	-	-	62,657	480,634	543,291
<b>Balances at July 31, 2022</b>	20,450,072	5,426,313	1,633,344	(976,175)	(1,261,162)	25,272,392

# The University of the West Indies

## Combined Statement of Cash Flows

For the year ended 31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit for the year		(1,999,026)	(2,147,270)
Adjustments for:			
Depreciation: Property, plant and equipment	14	2,741,808	2,864,226
Investment properties	12	249	249
Right of use assets	14	42,517	43,925
Amortisation of capital grants	20	(1,064,092)	(1,056,480)
Employee benefits obligation		3,150,596	3,308,457
Loss on sale of property, plant and equipment		290,496	13,198
Foreign exchange adjustments		(1,289,190)	(2,072,615)
Impairment of financial assets (excluding economic cost)		493,136	768,760
Impairment of government receivables (for economic cost)		17,437	425,793
Interest income		(483,178)	(728,146)
Dividend income		(33,184)	(60,303)
Deferred income	23	(10,000)	(11,666)
Interest expense		1,032,375	894,306
		<u>2,889,944</u>	<u>2,242,434</u>
Changes in:			
Accounts receivable		(1,453,385)	(3,941,962)
Inventories		18,305	6,717
Current liabilities		527,609	1,263,904
Net cash provided by/(used in) operating activities		<u>1,982,473</u>	<u>(428,907)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		537,800	836,048
Dividend received		32,650	60,303
Investment, (net)		1,857,573	(2,260,188)
Increase in resale agreements		(129,693)	(217,308)
Decrease in advances		7,000	10,001
Decrease in long-term receivables		345,845	640,791
Purchase of property, plant and equipment	14	(1,604,504)	(869,684)
Proceeds from sale of property, plant and equipment		1,509	4,938
Net cash provided by/(used in) investing activities		<u>1,048,180</u>	<u>(1,795,099)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(770,798)	(748,132)
Unexpended donations for special projects		531,913	530,144
Endowment funds	19	(8,504)	(22,959)
Capital grants received	20	660,350	351,578
Proceeds of long-term loans		39,269	243,359
Repayment of long-term loans		(680,170)	(739,111)
Lease repayments		(359,937)	(245,479)
Other long-term liabilities, (net)		18,417	(68,331)
Net cash (used in) financing activities		<u>(569,460)</u>	<u>(698,931)</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,461,193</u>	<u>(2,922,937)</u>
Cash and cash equivalents at beginning of the year		15,229,305	18,152,242
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	5	<u><u>17,690,498</u></u>	<u><u>15,229,305</u></u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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.



# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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 determined that none was relevant to its operations.

##### ***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.

**Amendment to IAS 1, Presentation of financial statements', on classification of liabilities** (effective for annual periods beginning on or after 1 January 2024). 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. The University is currently assessing the impact of this standard.

**Narrow Scope amendments to IAS 1, Presentation of financial statements', Practice statement 2 and IAS 8** (Effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept materiality to accounting policy disclosures. 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. The amendments is not expected to have a significant impact on the University.

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 is the functional currency of the University. The financial statements are presented in thousands of dollars (J\$000) unless otherwise stated.

#### (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, 2022, after eliminating all significant inter-campus amounts. The Campuses and the University Centre (entities) are collectively referred to as "The University".

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (d) Basis of combination (continued)

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 wholly owned subsidiaries.

<b>Campus</b>	<b>Name of entities</b>	<b>Principal activities</b>
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

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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	
		2022	2021
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, 2022 and 2021, is as follows:

	Net assets/(liabilities)		Net (loss)/profit	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
UMC	-	(66,952)	-	(6,611)
Lumin	(24,585)	(1,697)	(21,263)	(5,034)
	<u>(24,585)</u>	<u>(68,649)</u>	<u>(21,263)</u>	<u>(11,645)</u>

#### (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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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:

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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 statement of comprehensive income 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.

##### (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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (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.

#### (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).



# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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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)].

#### (1) Defined-contribution plans

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

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (n) Employee benefits (continued)

##### *i. 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.

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.

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (n) Employee benefits (continued)

##### *(b) 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (q) Revenue recognition (continued)

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.

##### 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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).

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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.

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 University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (v) Leases (continued)

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.

#### **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.

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (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.

#### 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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.

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)].

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

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### 5. Cash and Cash Equivalents

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash on hand and imprest accounts	19,532	19,096
Bank current accounts	10,947,659	11,810,676
Savings accounts	622,748	429,432
Fixed-term deposits	<u>6,150,875</u>	<u>3,085,740</u>
	17,740,814	15,344,944
Bank overdraft	<u>(50,316)</u>	<u>(115,639)</u>
	<u><u>17,690,498</u></u>	<u><u>15,229,305</u></u>

Included in cash and cash equivalents are designated funds totalling J\$10,236,509,800 (2021: J\$10,217,063,300). 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 2022, approximates carrying value.

Included in resale agreements are designated funds with a nominal value of J\$596,382,814 (2021: J\$548,549,907). 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 7. Investments

	2022 \$'000	2021 \$'000
<b>Short-term investments:</b>		
Fair value through other comprehensive income:		
Regional quoted equities	1,625,260	2,183,652
Government securities	59,051	25,211
Unit trust accounts	-	-
	<u>1,684,311</u>	<u>2,208,863</u>
IFRS 9 expected credit loss adjustment	<u>(17,352)</u>	<u>(15,387)</u>
Total short-term investments	<u>1,666,959</u>	<u>2,193,476</u>
<b>Long-term investments:</b>		
Fair value through other comprehensive income:		
Regional quoted equities	484,298	552,798
Unit trust accounts	58,552	53,853
	<u>542,850</u>	<u>606,651</u>
Amortised cost:		
Government securities	1,091,204	1,105,211
Fixed-term deposits	11,642,119	13,062,500
	<u>13,276,173</u>	<u>14,774,362</u>
IFRS 9 expected credit loss adjustment	<u>(910,550)</u>	<u>(929,904)</u>
Total long-term investments	<u>12,365,623</u>	<u>13,844,458</u>
<b>Total investments</b>	<u>14,032,582</u>	<u>16,037,934</u>

- The investment in quoted equities was initially funded by the Princess Alice Appeal and other funds.
- Government securities held were issued by the Governments of Barbados, Jamaica, and Trinidad and Tobago.
- Included in investments are designated funds totalling J\$8,960,143,300 (2021: J\$8,376,781,400). 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.

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 8. Accounts Receivable

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Contributions due from governments [see (a) below]	3,820,144	3,591,126
Government Assistance for Tuition Expense (GATE)	5,070,568	5,127,050
Other Government receivables	12,385,182	7,222,918
Staff accounts	175,814	93,087
Student accounts	7,409,173	8,001,673
Advances for special projects	880,449	981,519
Other accounts receivable	2,844,888	6,872,990
	<u>32,586,218</u>	<u>31,890,363</u>
Less: impairment provisions [Note 27(i)]:		
- Student accounts	(4,608,249)	(5,514,858)
- Third parties	(785,224)	(649,655)
- Government of Trinidad and Tobago	(2,750,921)	(2,737,411)
	<u>(8,144,394)</u>	<u>(8,901,924)</u>
	<u>24,441,824</u>	<u>22,988,439</u>

#### (a) Contributions due from governments:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Anguilla	356,337	313,819
Antigua	499,475	381,884
Barbados	344,128	501,100
Belize	-	28,526
Bermuda	2,950	17,074
The Virgin Islands	474,759	461,700
Dominica	1,871,435	1,838,888
Grenada	-	206,459
Montserrat	14,636	12,226
St. Kitts and Nevis	396	25,101
St. Lucia	1,561,213	1,517,255
St. Vincent and the Grenadines	1,464,548	1,566,206
Trinidad and Tobago	2,419,476	2,538,006
	<u>9,009,353</u>	<u>9,408,244</u>
Transferred to long-term receivables (Note 13)	<u>(5,728,292)</u>	<u>(5,904,327)</u>
	<u>3,281,061</u>	<u>3,503,917</u>
Antigua (due to Five Islands Campus)	539,083	87,209
	<u>3,820,144</u>	<u>3,591,126</u>

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 9. Inventories

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
General stores	224,914	274,659
Bookshop inventory	253,268	271,048
Stationery	39,137	46,948
Pelican Power spare parts	57,032	-
	<u>574,351</u>	<u>592,655</u>

### 10. Current Liabilities

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Government contributions received in advance (i)	1,610,169	1,481,178
University Hospital of the West Indies (UHWI)	309	(3,545)
Norman Manley Law School	(467)	2,762
Student accounts	839,396	719,396
Staff accounts	5,657,948	6,177,286
Affiliated institutions	1,359,235	1,411,945
Accrued vacation leave	3,592,200	3,566,238
Short- term loan (ii)	1,299,573	1,148,790
Current portion of long-term liabilities (Note 21)	1,090,098	1,280,765
Deferred revenue	1,264,847	750,849
Sundry creditors	11,250,630	10,728,386
Current portion of lease liabilities (Note 26)	51,172	50,593
	<u>28,015,110</u>	<u>27,314,643</u>

(i) Contributions received in advance

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Bahamas	132,074	190,456
Jamaica	1,359,692	1,243,442
Cayman Islands	19,203	8,631
Belize	31,644	-
Grenada	11,457	-
Turks and Caicos Islands	56,099	38,649
	<u>1,610,169</u>	<u>1,481,178</u>

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

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 11. Advances

	<b>University Press \$'000</b>	<b>Joint Board of Teacher Education \$'000</b>	<b>Total \$'000</b>
Balances as at August 1, 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
Net movement	(7,000)	-	(7,000)
Balances as at July 31, 2022	8,641	3,378	12,019

### 12. Investment Properties

	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Cost	9,948	9,948
Less: accumulated depreciation	(5,472)	(5,223)
Balance at end of year	4,476	4,725
Depreciation charge for year	249	249

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

	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Income earned from the rental of properties	6,625	7,203
Expenses incurred by the properties	(7,277)	(8,180)

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.



# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 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:

	2022 \$'000	2021 \$'000
Within 1 year	6,521	7,037
Between 1 and 2 years	6,847	7,389
Between 2 and 3 years	7,190	7,758
Between 3 and 4 years	7,549	8,146
Between 4 and 5 years	7,927	8,553
Later than 5 years	8,323	8,981
	<u>44,357</u>	<u>47,864</u>

### 13. Long-term Receivables

	2022 \$'000	2021 \$'000
Contributions due from governments [see (a) below]		
Anguilla	356,337	313,819
The Virgin Islands	474,759	461,700
Dominica	1,871,434	1,838,888
Grenada	-	206,459
St. Lucia	1,561,214	1,517,255
St. Vincent and the Grenadines	1,464,548	1,566,206
	<u>5,728,292</u>	<u>5,904,327</u>
Less: impairment loss [see (a) below], [Note 27(a)]	<u>(2,528,334)</u>	<u>(2,510,897)</u>
	3,199,958	3,393,430
Medical Sciences students [see (b) below]	47,491	14,099
UHWI	-	168,327
Net long-term receivables	<u>3,247,449</u>	<u>3,575,856</u>

- (a) This represents government contributions outstanding for periods in excess of one year. An increase in the ECL provision of J\$17,437,000 [2021: J\$425,793,000] 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 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
<b>Cost or deemed cost</b>								
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
Currency translation adjustments	35,091	(364,493)	(53,757)	(4,175)	(25,871)	(46,341)	(18,418)	(477,964)
Additions	-	123,749	998,765	65,336	319,208	24,357	73,089	1,604,504
Adjustments	(50,303)	(133,256)	(25,930)	(22,961)	200,292	(20)	(134,780)	(166,958)
Disposals	-	(114,199)	(35,516)	(6,900)	(191,366)	(163)	-	(348,144)
July 31, 2022	2,517,535	76,746,068	16,513,998	1,326,255	7,358,495	9,320,599	2,821,978	116,604,928
<b>Depreciation</b>								
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	-	1,667,149	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	-	589,900	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
Charge for the year	-	1,697,049	621,079	48,281	325,751	49,648	-	2,741,808
Disposals	-	-	(33,828)	(6,900)	(15,248)	(163)	-	(56,139)
Adjustments	-	(29,877)	(8,838)	(19,198)	46,328	-	-	(11,585)
Currency translation adjustments	-	(80,666)	(43,384)	(3,802)	(21,897)	(45,371)	-	(195,120)
July 31, 2022	-	20,662,393	13,340,238	1,222,970	6,840,245	9,137,837	-	51,203,683
<b>Net book values</b>								
At July 31, 2022	2,517,535	56,083,675	3,173,760	103,285	518,250	182,762	2,821,978	65,401,245
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

# The University of the West Indies

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 14. (b) Right of Use Assets

	Buildings \$'000	Furniture, Fixtures and Equipment \$'000	Total \$'000
<b>Cost or deemed cost</b>			
<b>Balances at August 1 2020</b>	1,633,115	69,499	1,702,614
<b>Currency translation adjustments</b>	-	3,051	3,051
Adjustments	-	(27,477)	(27,477)
<b>Balances at July 31 2021</b>	1,633,115	45,073	1,678,188
Currency translation adjustments	-	(339)	(339)
Adjustments	-	(15,416)	(15,416)
<b>Balances at July 31, 2022</b>	1,633,115	29,318	1,662,433
<b>Depreciation</b>			
<b>Balances at August 1 2020</b>	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
<b>Balances at July 31 2021</b>	81,656	12,400	94,056
Charge for the year	40,828	1,689	42,517
Currency translation adjustments	(6,805)	(57)	(6,862)
Adjustments	-	(1,689)	(1,689)
<b>Balances at July 31, 2022</b>	115,679	12,343	128,022
<b>Net book values</b>			
At July 31, 2022	1,517,436	16,975	1,534,411
At July 31, 2021	1,551,459	32,673	1,584,132

### 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.

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 18. Unexpended Donations for Special Projects

	Departmental \$'000	Scholarships and Prizes \$'000	Total \$'000
Balances as at July 31, 2020	3,770,599	810,396	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	863,919	5,111,139
Receipts	6,571,249	504,560	7,075,809
Expenditure	(6,140,515)	(424,892)	(6,565,407)
Transfers	92,444	-	92,444
Currency translation adjustments	(84,729)	13,796	(70,933)
Balances as at July 31, 2022	4,685,669	957,383	5,643,052

### 19. Endowment Funds

	2022 \$'000	2021 \$'000
Balance at beginning of year	220,824	243,177
Expenditure	(8,390)	(22,959)
Currency translation adjustments	(114)	606
Balance at end of year	212,320	220,824

### 20. Capital Grants

	2022 \$'000	2021 \$'000
Balance at beginning of year	33,267,189	32,496,600
Receipts	660,350	351,578
Amortisation	(1,064,092)	(1,056,480)
Transfers	236,423	194,063
Currency translation adjustments	(176,064)	1,281,428
Balance at end of year	32,923,806	33,267,189

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

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### 21. Long-term Liabilities

#### (i) Long-term Loans

	Notes	Interest Rates %	2022 \$'000	2021 \$'000
European Union	(a)	1.0	294,411	358,568
Caribbean Development Bank (CDB)	(b) (i), (ii) & (iii)	2.0-4.1	887,197	1,005,674
Caribbean Development Bank (CDB)	(c)	3.4	88,351	128,652
Caribbean Development Bank (CDB)	(d)		1,098,509	1,036,075
National Housing Trust – Loan #1	(e)	5.0	327,214	397,690
National Housing Trust – Loan #2	(f)	5.0	1,737,167	1,842,591
CLICO International	(g)	7.0	227,952	229,933
Republic Bank (Barbados) Limited	(h)	5.5	-	3,861
Republic Finance and Trust (Barbados) Corporation	(i)	7.5	641,691	673,010
National Commercial Bank Jamaica Limited	(j)	7.75	450,667	579,429
JMMB Limited	(k)	7.95	266,260	266,260
Republic Bank (Trinidad) Limited	(l)	5.5	974,525	1,038,339
Barita Investments Limited	(m)	7.0	24,711	89,776
National Commercial Bank	(n)	7.75	110,943	134,998
Proven Investments Limited	(o)	9.0	118,779	143,690
Republic Bank (Barbados) Limited	(p)	4.25	39,269	-
			<u>7,287,646</u>	<u>7,928,546</u>

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

Retention on construction Projects	(q)	64,092	5,557
Digicel Jamaica Limited	(r)	-	40,118
		<u>64,092</u>	<u>45,675</u>
		<u>7,351,738</u>	<u>7,974,221</u>
Less: current portion of long-term liabilities (Note 10)		<u>(1,090,098)</u>	<u>(1,280,765)</u>
Total non-current portion of long-term liabilities		<u><u>6,261,640</u></u>	<u><u>6,693,456</u></u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

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### 21. Long-term Liabilities (Continued)

This section sets out the movements in net debt for the years ended 31 July 2022 and 2021.

	2022	2021
	\$'000	\$'000
<b>At 1 August</b>	6,693,456	6,878,635
Loans received	39,269	243,359
Loans repaid	(680,170)	(739,111)
Other long-term liabilities received/(repaid)	18,417	(68,331)
Foreign exchange adjustments	190,668	378,904
<b>At 31 July</b>	6,261,640	6,693,456

- (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, 2022, was €1,795,836 (2021: €2,027,537).

(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\$1,358,491,800) up to July 31, 2022 [2021: US\$8,873,458 (J\$1,370,294,800)].

Portion A, amounting to US\$5,544,000 (J\$848,764,800), 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, 2022 is US\$2,048,800, (J\$313,663,300) [2021: US\$2,182,427 (J\$337,024,100)].

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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 4.1% on the amount disbursed. At July 31, 2022, the amount disbursed was US\$8,246,000 (2021: US\$8,246,000) which equates to J\$1,262,430,400 (2021: J\$1,273,398,900) at the year-end exchange rate. The balance outstanding as at July 31, 2022 is US\$3,264,338 (J\$499,757,400) [2021: US\$3,779,408 (J\$583,639,900)]

#### (iii) *Digital Transformation Project (Software Engineering Programme)*

In 2021 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 for upgrading the St. Vincent site. In 2022 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, 2022 is US\$481,885 (J\$73,774,700) [2021: US\$550,499 (J\$85,010,300)].

- (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 3.40% (2021: 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, 2022 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, 2022 was BDS\$14,350,587 (2021: BDS\$13,418,373). The loan is fully disbursed at year end.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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 (2021: 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 was repayable over five years via semi-annual principal payments of BDS\$650,000 each, commencing February 28, 2015. The loan was 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. The loans were fully repaid during the year.



# The University of the West Indies

## Notes to the Financial Statements

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### 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 2022. 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 2022. The principal repayments have been revised to \$32,190,476 quarterly. The loan is scheduled to be repaid in December 2025.
- (k) 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 2021. 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, 2022 is J\$266,260,500 [2021: J\$266,260,500]. The facility is secured by resale agreements held by the University Centre at JMMB Limited.
- (l) 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.
- (m) On October 2, 2021 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, 2022 the balance outstanding is J\$24,711,000 [2021: 89,776,017]. 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.
- (n) In July 2022 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 from an overdraft facility for the same amount and repayment began in August 2021 for a period of five years.
- (o) The University of the West Indies, Open Campus in December 2021 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.

# The University of the West Indies

## Notes to the Financial Statements

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### 21. Long-term Liabilities (Continued)

- (p) On May 24, 2021 the University of the West Indies, Cave Hill Campus assigned a loan agreement with Republic Bank (Barbados) Limited for an amount of BDS\$2.2 million to assist with the retrofitting and equipment/consumables purchases and operating expenses for a new Commercial Analytical Lab. The loan is secured by a lien over term deposits totalling BDS\$2.2 million and bears interest at 4.25 % per annum. The first part of the loan of BDS\$513,000 is repayable via monthly interest payments and semi-annual lump sum payments of principal of BDS\$51,300 until maturity; this was drawn down in July 2022. The remaining loan is repayable via monthly interest payments and semi-annual lump sum payments of principal of BDS\$189,039 until maturity. The demand loan commences at the end of the 5th anniversary of the facility.
- (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 Wi-Fi 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 Wi-Fi 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 nil [2021: US\$259,802] as at July 31, 2022 as part B of the loan was repaid during the year.

### 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

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### 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:

	2022 \$'000	2021 \$'000
Defined contribution supplementation plan [Note 22(d)(i)]	18,903,147	20,120,065
Defined benefit plan [Note 22 (d)(i)]	3,057,665	3,069,259
	21,960,812	23,189,324
Post-employment medical benefits [Note 22(d)(ii)]	6,387,918	6,720,081
Amount recognized in the statement of financial position	28,348,730	29,909,405

# The University of the West Indies

## Notes to the Financial Statements

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### 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Present value of unfunded obligations	18,903,147	20,120,065	-	-	18,903,147	20,120,065
Present value of funded obligations	-	-	14,335,786	14,021,961	14,335,786	14,021,961
Fair value of plan assets	-	-	(11,278,121)	(10,952,702)	(11,278,121)	(10,952,702)
Recognised liability	18,903,147	20,120,065	3,057,665	3,069,259	21,960,812	23,189,324

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

	FSSU		St. Augustine ATS		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Net liability at beginning of year	20,120,065	21,557,453	3,069,259	3,442,182	23,189,324	24,999,635
Included in profit or loss [Note 22(e)]	1,812,377	1,770,536	547,437	605,705	2,359,814	2,376,241
Included in other comprehensive income	(1,511,424)	(2,380,961)	(209,663)	(300,619)	(1,721,087)	(2,681,580)
Contributions paid	(1,443,138)	(1,304,657)	(303,535)	(466,265)	(1,746,673)	(1,770,922)
Currency translation adjustments	(74,733)	477,694	(45,833)	(211,744)	(120,566)	265,950
Net liability at end of year	18,903,147	20,120,065	3,057,665	3,069,259	21,960,812	23,189,324

# The University of the West Indies

## Notes to the Financial Statements

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### 22. Employee Benefits Obligation (Continued)

#### (d) Post-employment benefits computation (continued)

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

	FSSU		St. Augustine ATS		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Movements in plan assets						
Fair value of plan assets at beginning of year	-	-	10,952,703	10,070,667	10,952,703	10,070,667
Plan participants' contributions	-	-	166,657	255,568	166,657	255,568
Expected return on plan assets	-	-	596,912	504,839	596,912	504,839
Contributions paid	-	-	333,314	511,137	333,314	511,137
Benefits paid	-	-	(434,615)	(592,902)	(434,615)	(592,902)
Actuarial losses on plan assets	-	-	(284,372)	(239,545)	(284,372)	(239,545)
Currency translation adjustments	-	-	(52,478)	442,938	(52,478)	442,938
Fair value of plan assets at end of year	-	-	11,278,121	10,952,702	11,278,121	10,952,702

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

Included in Profit or Loss:

	FSSU		St. Augustine ATS		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current service costs	159,964	298,576	367,026	427,215	526,990	725,791
Interest on obligation	1,495,417	1,471,960	180,411	178,490	1,675,828	1,650,450
Past service costs vested benefits	156,996	-	-	-	156,996	-
	1,812,377	1,770,536	547,437	605,705	2,359,814	2,376,241

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Re-measurement gain due to actuarial (gain)/loss arising from:						
- Experience adjustment	301,240	(2,075,036)	-	-	301,240	(2,075,036)
- Demographic assumptions	-	156,883	5,091	(62,476)	5,091	94,407
- Financial assumptions	(1,812,664)	(462,808)	(214,754)	(238,143)	(2,027,418)	(700,951)
	<u>(1,511,424)</u>	<u>(2,380,961)</u>	<u>(209,663)</u>	<u>(300,619)</u>	<u>(1,721,087)</u>	<u>(2,681,580)</u>

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 22. Employee Benefits Obligation (Continued)

#### (d) Post-employment benefits computation (continued)

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

	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
Liability at beginning of year	6,720,081	9,063,016
Included in profit or loss:		
- Current service cost	185,023	281,749
- Interest cost on obligation	481,857	587,976
- Past service cost-vested benefits	123,902	62,491
	<u>790,782</u>	<u>932,216</u>
Included in other comprehensive income:		
Re-measurement gain due to actuarial (gain)/loss arising from:		
- Experience adjustment	(142,018)	(320,570)
- Demographic assumptions	(137,143)	(1,841,005)
- Financial assumptions	(646,748)	(1,071,237)
	<u>(925,909)</u>	<u>(3,232,812)</u>
Other:		
- Contributions paid	(179,878)	(172,851)
- Currency translation adjustments	(17,159)	130,512
Liability at end of year	<u>6,387,918</u>	<u>6,720,081</u>

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

	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
Amount included in profit or loss:		
Pension supplementation-defined contribution plan [Note 22(d)(i)]	1,812,377	1,770,536
Defined benefit pension plan [Note 22(d)(i)]	547,437	605,705
	<u>2,359,814</u>	<u>2,376,241</u>
Post-employment medical care [Note 22(d)(ii)]	790,782	932,216
	<u>3,150,596</u>	<u>3,308,457</u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 22. Employee Benefits Obligation (Continued)

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

	2022 \$'000	2021 \$'000
Amount included in other comprehensive income:		
Pension supplementation-defined contribution plan [Note 22(d)(i)]	(1,511,424)	(2,380,961)
Defined benefit pension plan [Note 22(d)(i)]	(209,663)	(300,619)
	(1,721,087)	(2,681,580)
Post-employment medical care [Note 22(d)(ii)]	(925,909)	(3,232,812)
	(2,646,996)	(5,914,392)

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

	FSSU		St. Augustine ATS	
	2022	2021	2022	2021
	%	%	%	%
Discount rate	5.75-10.0	5.0-9.0	5.75	5.5
Future salary increases	2.5-5.5	2.0-6.5	3.0	3.0
Health cost inflation	3.0-7.0	3.0-7.0	n/a	n/a

#### (g) Sensitivity analysis on projected benefit obligation

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

	2022		2021	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Pension:				
Discount rate	(3,247,735)	3,921,479	(3,507,688)	4,249,783
Salary escalation rate	1,208,464	(1,016,095)	1,395,755	(1,179,142)
Health:				
Discount rate	(1,178,554)	924,289	(1,022,995)	1,314,518
Health inflation rate	1,214,971	(965,737)	1,305,988	(1,033,912)



# The University of the West Indies

## Notes to the Financial Statements

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### 22. Employee Benefits Obligation (Continued)

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

	2022	2021
Pension	10	9.0
Health	16.9	17.7

- (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\$1,070,203,700 (2021: J\$1,198,390,200).

### 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:

	2022 \$'000	2021 \$'000
Balance at beginning of the year	129,167	150,833
Less: amount recognized during the year	(10,000)	(11,666)
	119,167	139,167
Less: current portion included in current liabilities	-	(10,000)
	119,167	129,167

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.

# The University of the West Indies

## Notes to the Financial Statements

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### 24. Expenses by Nature

	2022 \$'000	2021 \$'000
Administrative services	1,196,801	481,594
Advertising	169,834	112,789
Cleaning and sanitation	177,463	164,593
Computer and software license fees	670,242	608,265
Courier services, shipping and freight charges	40,507	34,160
Donations and charity	62,948	50,834
General office supplies and consumables	746,021	182,839
Hospitality and entertainment	66,027	85,760
Impairment losses on financial assets	510,574	1,194,554
Insurance	740,260	554,623
Laboratory and medical supplies	542,715	474,793
Legal and professional fees	1,378,595	778,310
Local and foreign travel	246,902	142,665
Miscellaneous	1,391,146	2,923,676
Motor vehicle expenses	30,538	32,913
Printing and stationery	258,399	311,697
Repairs and maintenance		
- building	976,878	773,192
- furniture and fixtures	134,261	133,428
- motor vehicles	88,762	61,928
Security	727,356	1,005,107
Staff costs (Note 29)	43,312,373	42,708,448
Teaching and research	2,141,563	1,736,359
Training and development	1,070,656	106,377
Utilities	2,365,359	2,428,757
	<u>59,046,180</u>	<u>57,087,661</u>

# The University of the West Indies

## Notes to the Financial Statements

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### 25. Finance Costs

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense-loans	623,915	526,825
Interest expense-leases	254,658	282,407
Other finance costs	153,802	85,074
	<u>1,032,375</u>	<u>894,306</u>

### 26. Leases

(a) Amounts recognised in the statement of financial position

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	1,517,436	1,551,459
Equipment	16,975	32,673
Total right-of-use asset	<u>1,534,411</u>	<u>1,584,132</u>
Current	51,172	50,593
Non-current	1,696,826	1,768,145
Total lease liabilities	<u>1,747,998</u>	<u>1,818,738</u>

(b) Amounts recognised in the statement of comprehensive income

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation charge of right-of-use assets:		
Buildings	40,828	40,828
Equipment	1,689	3,097
	<u>42,517</u>	<u>43,925</u>
Interest expense	<u>254,658</u>	<u>282,407</u>

The total cash outflow for leases in 2022 was \$359,937,000.

(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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

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### 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.

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.

# The University of the West Indies

## Notes to the Financial Statements

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### 26. Leases (Continued)

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.

# The University of the West Indies

## Notes to the Financial Statements

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### 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 2022 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.

# The University of the West Indies

## Notes to the Financial Statements

**31 July 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 27. Financial Risk Management (Continued)

#### a. Credit risk (continued)

##### (ii) Student accounts

On this basis, the loss allowance as at 31 July 2022 and 31 July 2021 (was determined as follows for student accounts receivable:

	<b>Expected Credit Loss Rate</b>	<b>Gross Carrying Amount</b>
<b>31 July 2022</b>		
Current	13%	1,706,073
More than 90 days past due	26%	248,626
More than 120 days past due	48%	1,641,764
More than one year past due	90%	3,812,710
		<u>7,409,173</u>
Loss allowance		<u>(4,608,249)</u>
<b>Total</b>		<u><u>2,800,924</u></u>
	<b>Expected Credit Loss Rate</b>	<b>Gross Carrying Amount \$'000</b>
<b>31 July 2021</b>		
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
		<u>8,001,673</u>
Loss allowance		<u>(5,514,858)</u>
<b>Total</b>		<u><u>2,486,815</u></u>

# The University of the West Indies

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 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:

	2022 \$'000	2021 \$'000
Balance at beginning of year	5,514,858	4,622,788
Net increase in loss allowance recognised in income statement	335,266	599,239
Currency translation adjustment	(1,241,875)	292,831
<b>At 31 July 2022</b>	<b>4,608,249</b>	<b>5,514,858</b>

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:

	2022 \$'000	2021 \$'000
Government	1,132,903	854,290
Corporate	12,899,679	15,183,644
	<b>14,032,582</b>	<b>16,037,934</b>



# The University of the West Indies

## Notes to the Financial Statements

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### 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 categorised 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 its contractual 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 be credit-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).

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 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 2022 reconciles to the opening loss allowance on 1 August 2021 as follows:

	<b>Government Securities</b>	<b>Repos</b>	<b>Deposits</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening loss allowance as at 1 August 2021 – calculated under IFRS 9	274,565	10,023	660,703	945,291
Increase in loss allowance recognised in the income statement during the year	(2,343)	1,268	(16,314)	(17,389)
Closing loss allowance as at 31 July 2022	272,222	11,291	644,389	927,902

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

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 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

	2022 \$'000	2021 \$'000
Debt instruments – amortised cost	(17,389)	34,677
Student accounts receivable	335,266	599,239
Foreign exchange adjustment	(15,154)	(224,604)
Receivables from governments-economic cost	17,437	425,793
Other government receivables	(2,925)	393,947
Other receivables	193,339	(34,498)
Total loss allowance on financial assets	<u>510,574</u>	<u>1,194,554</u>

#### *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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 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:

	<b>2022</b>		<b>2021</b>	
	<b>\$'000</b>		<b>\$'000</b>	
	<b>Gross</b>	<b>ECL</b>	<b>Gross</b>	<b>ECL</b>
Past due 0-30 days	1,538,358	18,785	1,827,159	21,622
Past due 31-60 days	1,425,043	33,138	1,497,331	36,787
Past due 61-120 days	255,346	65,360	304,216	72,286
Past due 121-365 days	324,844	84,421	392,946	93,369
More than one year	5,465,762	2,326,630	5,386,592	2,286,833
Total	9,009,353	2,528,334	9,408,244	2,510,897

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of year	2,510,897	2,085,104
Amount recognised	17,437	425,793
Balance at end of year	2,528,334	2,510,897

##### *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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 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:

	2022 \$'000		2021 \$'000	
	Gross	ECL	Gross	ECL
Past due 0-120 days	1,954,699	368,599	1,654,219	419,119
Past due 121-365 days	1,641,764	793,560	2,044,200	946,268
More than one year	3,812,710	3,446,090	4,303,254	4,149,471
	<u>7,409,173</u>	<u>4,608,249</u>	<u>8,001,673</u>	<u>5,514,858</u>

##### *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 \$'000	Third parties \$'000	Government of Trinidad and Tobago \$'000
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	599,239	(34,498)	(32,259)
Balance at July 31, 2021	<u>5,514,858</u>	<u>649,655</u>	<u>2,737,411</u>
Currency translation adjustment	(1,241,875)	(57,770)	16,435
Amount recognised/(recovered)	335,266	193,339	(2,925)
Balance at July 31, 2022	<u>4,608,249</u>	<u>785,224</u>	<u>2,750,921</u>

##### *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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 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, 2022:	\$'000	\$'000	\$'000	\$'000	\$'000
Current liabilities	24,422,910	24,422,910	24,422,910	-	-
Long-term liabilities	7,351,738	12,538,248	1,925,851	1,020,290	9,592,107
	31,774,648	36,961,158	26,348,761	1,020,290	9,592,107
July 31, 2021:					
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

#### (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.

# The University of the West Indies

## Notes to the Financial Statements

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### 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:

	2022 \$'000	2021 \$'000
<i>Fixed rate instruments:</i>		
Financial assets	20,159,877	18,378,616
Financial liabilities	(6,376,966)	(7,013,106)
	<u>13,782,911</u>	<u>11,365,510</u>
<i>Variable rate instruments</i>		
Financial assets	11,520,091	12,124,469
Financial liabilities	(799,738)	(820,560)
	<u>10,720,353</u>	<u>11,303,909</u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 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 200 (2021: 100) basis points in interest rates would have decreased deficit for the year by J\$214,407,100 (2021: J\$113,039,100).

A decrease of 50 (2021: 100) basis points in interest rates would have increased deficit for the year by J\$53,601,800 (2021: J\$113,039,100).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2021.

##### (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 5% (2021: 5%) change in the market price of equities at the reporting date would result in an increase/decrease in investment revaluation reserve by J\$105,478,000 (2021: J\$410,467,500).

##### (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.



# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

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### 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:

	2022									
	BAH	BDS	BZE	CDN	CAY	EC	EURO	PND	TT	US
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	€'000	£'000	\$'000	\$'000
Cash and cash equivalents	11	11,845	-	729	-	23,127	37,218	17,522	30,131	57,482
Short term investments	-	-	-	-	-	-	-	46	-	7,173
Government contributions	(1,725)	4,496	(413)	-	(103)	101,523	-	-	106,595	2,754
Accounts receivable	(359)	(614)	(194)	(7)	-	(7,697)	-	0	(41,597)	(7,689)
Accounts payable	720	-	510	-	342	31,167	-	21	36,244	3,841
Long-term loans	-	-	-	-	-	-	(4,762)	-	-	(11,641)
Net exposure	(1,353)	15,727	(97)	722	239	148,120	32,456	17,589	131,373	51,920

	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

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

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### 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:

		2022	2021
BAH	\$1.00 =	J\$ 153.0961	J\$ 154.4262
BDS	\$1.00 =	J\$ 76.5481	J\$ 77.2131
BZE	\$1.00 =	J\$ 76.5481	J\$ 77.2131
CDN	\$1.00 =	J\$ 118.8103	J\$ 122.6839
CAY	\$1.00 =	J\$ 186.7026	J\$ 188.3247
EC	\$1.00 =	J\$ 56.7023	J\$ 57.1949
EURO	€1.00 =	J\$ 154.6336	J\$ 182.0140
GB	£1.00 =	J\$ 183.4874	J\$ 213.2121
TT	\$1.00 =	J\$ 22.6977	J\$ 22.8126
US	\$1.00 =	J\$ 153.0961	J\$ 154.4262

#### Sensitivity analysis

A 1% (2021: 2%) strengthening of the Jamaica dollar against the currencies listed above would have increased deficit for the year by J\$286,952 (2021: J\$566,929).

A 4% (2021: 6%) weakening of the Jamaica dollar against the currencies listed above would have decreased deficit for the year by J\$1,147,807 (2021: 1,700,786).

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis as 2021.

# The University of the West Indies

## Notes to the Financial Statements

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### 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:

	2022		
	Carrying amount \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets at fair value through other comprehensive income	2,168,609	2,109,558	59,051
	2021		
	Carrying amount \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets at fair value through comprehensive income	2,761,661	2,736,450	25,211

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.

# The University of the West Indies

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 29. Staff Costs

	2022 \$'000	2021 \$'000
Salaries and wages	38,176,635	37,151,067
Statutory payroll contributions	1,817,557	1,744,745
Pension plan contributions-defined contribution plans	1,975,711	2,351,059
Other	1,342,470	1,461,577
	<u>43,312,373</u>	<u>42,708,448</u>
Post-employment benefit costs [Note 22(e)]	3,150,596	3,308,457
	<u>46,462,969</u>	<u>46,016,905</u>

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

	2022 \$'000	2021 \$'000
Salaries and short-term employee benefits	<u>871,758</u>	<u>760,168</u>

### 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2022

(expressed in Jamaican dollars unless otherwise indicated)

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### 31. Capital Commitment

The University is committed to incur contractual capital expenditure of approximately J\$415.7 million (2021: J\$649.9 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 and Global Events

The World Health Organisation (WHO) declared the novel coronavirus known as COVID-19 to be a global pandemic in March 2020. The global impact had resulted in travel and border restrictions, quarantines, supply chain disruptions, business closures or consolidations, lower consumer demand and general market uncertainty. The continued impacts felt by The University had pushed The University to shift the delivery of its educational services to online learning and in some cases, delivery of virtual examinations. There was a sharp reduction in the occupancy within the student housing complexes, and this as well as other sources of income from commercial operations declined. Commercial activities are expected to return to full capacity during the 2023 financial year.

While the effects of the pandemic have subsided, The University is still aware that any resurgence has the potential to adversely affect its business, results of operations or financial condition.

In February 2022 Ukraine and Russia entered into an armed conflict. Over time, the conflict is likely to have direct and indirect economic and financial consequences, notably in the supply chain from rising prices and/or shortage of certain materials, goods and services and delays and increased costs in logistics. Furthermore the conflict may disrupt the overall global economy and growth.

The UWI receives a significant portion of its funding from contributing Governments and tuition fees. Any adverse effects based on the foregoing, experienced by Governments and students, will have a significant effect on the financial results of The University.

**THE UNIVERSITY OF THE WEST INDIES**



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**Supplementary Information  
to the Combined Financial Statements  
for the Year Ended July 31, 2022**

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# The University of the West Indies

Supplementary Information

For the year ended 31 July 2022

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## **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, 2022:

BDS\$1: J\$76.548050	(2021: BDS\$1: J\$77.213125)
US\$1: J\$153.096100	(2021: US\$1: J\$154.426250)

The Combined Statement of Other Comprehensive Income is translated using the average rates of exchange for the year to July 31, 2022:

BDS\$1: J\$76.150212	(2021: BDS\$1: J\$73.191307)
US\$1: J\$153.451610	(2021: US\$1: J\$147.639268)

The Combined Statement of Cash Flows is translated using the closing rates of exchange at July 31, 2022 and 2021 and items related to the Combined Statement of Comprehensive Income are translated at the average rates of exchange for 2022 and 2021.

Exchange differences are included in foreign exchange adjustments.

# The University of the West Indies

## Combined Statement of Financial Position

31 July 2022

(expressed in Jamaican and Barbados dollars)

	<u>2022</u> J\$'000	<u>2021</u> J\$'000	<u>2022</u> BDS\$'000	<u>2021</u> BDS\$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	17,690,498	15,229,305	231,103	197,237
Resale agreements	1,554,188	1,424,495	20,303	18,449
Short-term investments	1,666,959	2,193,476	21,777	28,408
Accounts receivable	24,441,824	22,988,439	319,300	297,727
Inventories	574,351	592,655	7,503	7,676
	<u>45,927,820</u>	<u>42,428,370</u>	<u>599,986</u>	<u>549,497</u>
<b>CURRENT LIABILITIES</b>	<u>(28,015,110)</u>	<u>(27,314,643)</u>	<u>(365,981)</u>	<u>(353,756)</u>
<b>NET CURRENT ASSETS</b>	<u>17,912,710</u>	<u>15,113,727</u>	<u>234,005</u>	<u>195,741</u>
<b>NON-CURRENT ASSETS</b>				
Advances	12,019	19,019	157	246
Long-term investments	12,365,623	13,844,458	161,541	179,302
Investment properties	4,476	4,725	58	61
Long-term receivables	3,247,449	3,575,856	42,424	46,312
Property, plant and equipment	65,401,245	67,268,771	854,382	871,209
Right-of-use assets	1,534,411	1,584,132	20,045	20,516
	<u>82,565,223</u>	<u>86,296,961</u>	<u>1,078,607</u>	<u>1,117,646</u>
	<u>100,477,933</u>	<u>101,410,688</u>	<u>1,312,612</u>	<u>1,313,387</u>
<b>RESERVES</b>				
Cumulative translation reserve	20,450,072	20,532,525	267,153	265,920
Revaluation surplus	5,426,313	5,426,313	70,888	70,277
Investment revaluation reserve	1,633,344	1,781,123	21,337	23,068
General reserve	(976,175)	(1,038,832)	(12,752)	(13,454)
Accumulated (deficit)/surplus	<u>(1,261,162)</u>	<u>(2,389,766)</u>	<u>(16,475)</u>	<u>(30,950)</u>
Total reserves	<u>25,272,392</u>	<u>24,311,363</u>	<u>330,151</u>	<u>314,861</u>
<b>NON-CURRENT LIABILITIES</b>				
Unexpended donations for special projects	5,643,052	5,111,139	73,719	66,195
Endowment funds	212,320	220,824	2,774	2,860
Capital grants	32,923,806	33,267,189	430,106	430,849
Long-term liabilities	6,261,640	6,693,456	81,800	86,688
Employee benefits obligation	28,348,730	29,909,405	370,339	387,362
Deferred income	119,167	129,167	1,556	1,672
Lease liabilities	1,696,826	1,768,145	22,167	22,900
<b>Total non-current liabilities</b>	<u>75,205,541</u>	<u>77,099,325</u>	<u>982,461</u>	<u>998,526</u>
	<u>100,477,933</u>	<u>101,410,688</u>	<u>1,312,612</u>	<u>1,313,387</u>



**The University of the West Indies**  
**Combined Statement of Comprehensive Income**  
**For the year ended 31 July 2022**  
(expressed in Jamaican and Barbados dollars)

	<b>2022</b> <b>J\$'000</b>	<b>2021</b> <b>J\$'000</b>	<b>2022</b> <b>BDS\$'000</b>	<b>2021</b> <b>BDS\$'000</b>
<b>INCOME</b>				
Government contributions	30,205,318	28,881,314	396,654	394,600
Tuition and other student fees	9,926,290	10,066,030	130,351	137,530
Special projects	3,286,391	2,954,876	43,157	40,372
Other projects	16,027,988	14,961,883	210,479	204,422
Commercial operations	2,096,176	2,279,871	27,527	31,149
Investment income	516,362	788,449	6,781	10,772
Miscellaneous income	2,192,597	2,313,194	28,793	31,605
	<u>64,251,122</u>	<u>62,245,617</u>	<u>843,742</u>	<u>850,450</u>
Less: transfer to capital grants	(236,423)	(194,063)	(3,105)	(2,651)
Income after transfer to capital grants	<u>64,014,699</u>	<u>62,051,554</u>	<u>840,637</u>	<u>847,799</u>
<b>EXPENSES</b>				
Departmental	(27,663,420)	(27,204,007)	(363,274)	(371,684)
Administrative	(8,657,742)	(8,204,428)	(113,693)	(112,096)
Central	(4,495,812)	(4,200,227)	(59,038)	(57,386)
Net impairment losses on financial assets	(510,574)	(1,194,554)	(6,705)	(16,321)
Special projects	(3,286,391)	(2,954,876)	(43,157)	(40,372)
Other projects	(10,830,898)	(10,099,212)	(142,231)	(137,984)
Commercial operations	(3,601,343)	(3,230,357)	(47,293)	(44,136)
	<u>(59,046,180)</u>	<u>(57,087,661)</u>	<u>(775,391)</u>	<u>(779,979)</u>
	-			
Surplus for the year before finance costs	4,968,519	4,963,893	65,246	67,820
Finance costs	(1,032,375)	(894,306)	(13,557)	(12,219)
Surplus for the year before depreciation, pension and post-employment medical benefits	3,936,144	4,069,587	51,689	55,601
Depreciation	(2,784,574)	(2,908,400)	(36,567)	(39,737)
Pension and post-employment medical benefits	(3,150,596)	(3,308,457)	(41,373)	(45,203)
	<u>(1,999,026)</u>	<u>(2,147,270)</u>	<u>(26,251)</u>	<u>(29,339)</u>
<b>DEFICIT FOR THE YEAR</b>				
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Item that will not be reclassified to profit or loss</b>				
Re-measurement of employee benefits obligation	2,646,996	5,914,392	34,760	80,807
<b>Items that may be reclassified to profit or loss</b>				
Changes in fair value of debt instruments at fair value through other comprehensive income	(147,779)	252,098	(1,941)	3,444
Currency translation adjustments	(82,453)	1,433,513	(1,083)	19,586
<b>Total Other Comprehensive Income</b>	<u>2,416,764</u>	<u>7,600,003</u>	<u>31,737</u>	<u>103,838</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>417,738</u>	<u>5,452,733</u>	<u>5,486</u>	<u>74,499</u>

# The University of the West Indies

## Combined Statement of Cash Flows

For the year ended 31 July 2022

(expressed in Jamaican and Barbados dollars)

	<b>2022</b> <b>JS\$'000</b>	<b>2021</b> <b>JS\$'000</b>	<b>2022</b> <b>BDS\$'000</b>	<b>2021</b> <b>BDS\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Deficit for the year	(1,999,026)	(2,147,270)	(26,251)	(29,339)
Adjustments for:				
Depreciation: Property, plant and equipment	2,741,808	2,864,226	36,005	39,133
Investment properties	249	249	3	3
Right of use assets	42,517	43,925	558	600
Amortization of capital grants	(1,064,092)	(1,056,480)	(13,974)	(14,435)
Employee benefits obligation	3,150,596	3,308,457	41,373	45,203
Loss on sale of property, plant and equipment	290,496	13,198	3,815	180
Foreign exchange adjustments	(1,289,190)	(2,072,615)	(15,399)	(40,658)
Impairment of financial assets (excluding economic cost)	493,136	768,760	6,476	10,503
Impairment of government receivables (for economic cost)	17,437	425,793	229	5,818
Interest income	(483,178)	(728,146)	(6,345)	(9,949)
Dividend income	(33,184)	(60,303)	(436)	(824)
Deferred income	(10,000)	(11,666)	(131)	(159)
Interest expense	1,032,375	894,306	13,557	11,582
	<u>2,889,944</u>	<u>2,242,434</u>	<u>39,480</u>	<u>17,659</u>
Changes in :				
Accounts receivable	(1,453,385)	(3,941,962)	(18,987)	(51,053)
Inventories	18,305	6,717	239	87
Current liabilities	527,609	1,263,904	6,893	16,369
Net cash provided by/(used in) operating activities	<u>1,982,473</u>	<u>(428,907)</u>	<u>27,625</u>	<u>(16,938)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	537,800	836,048	7,062	11,423
Dividend received	32,650	60,303	429	824
Investment, (net)	1,857,573	(2,260,188)	24,267	(29,272)
Increase in resale agreements	(129,693)	(217,308)	(1,694)	(2,814)
Decrease in advances	7,000	10,001	91	130
Decrease in long-term receivables	345,845	640,791	4,518	8,299
Purchase of property, plant and equipment	(1,604,504)	(869,684)	(20,961)	(11,263)
Proceeds from sale of property, plant and equipment	1,509	4,938	20	64
Net cash provided by/(used in) investing activities	<u>1,048,180</u>	<u>(1,795,099)</u>	<u>13,732</u>	<u>(22,610)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid	(770,798)	(748,132)	(10,122)	(10,222)
Unexpended donations for special projects	531,913	530,144	6,949	6,866
Endowment funds	(8,504)	(22,959)	(111)	(297)
Capital grants received	660,350	351,578	8,627	4,553
Proceeds of long-term loans	39,269	243,359	513	3,152
Repayment of long-term loans	(680,170)	(739,111)	(8,886)	(9,572)
Lease repayments	(359,937)	(245,479)	(4,702)	(3,179)
Other long term liabilities, (net)	18,417	(68,331)	241	(885)
Net cash used in financing activities	<u>(569,460)</u>	<u>(698,931)</u>	<u>(7,491)</u>	<u>(9,584)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>2,461,193</u>	<u>(2,922,937)</u>	<u>33,866</u>	<u>(49,132)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<u>15,229,305</u>	<u>18,152,242</u>	<u>197,237</u>	<u>246,368</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>17,690,498</u>	<u>15,229,305</u>	<u>231,103</u>	<u>197,237</u>

# The University of the West Indies

## Combined Statement of Financial Position

31 July 2022

(expressed in Jamaican and United States dollars)

	2022 J\$'000	2021 J\$'000	2022 US\$'000	2021 US\$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	17,690,498	15,229,305	115,552	98,619
Resale agreements	1,554,188	1,424,495	10,152	9,224
Short-term investments	1,666,959	2,193,476	10,888	14,204
Accounts receivable	24,441,824	22,988,439	159,650	148,864
Inventories	574,351	592,655	3,752	3,838
	<u>45,927,820</u>	<u>42,428,370</u>	<u>299,994</u>	<u>274,749</u>
<b>CURRENT LIABILITIES</b>	<u>(28,015,110)</u>	<u>(27,314,643)</u>	<u>(182,990)</u>	<u>(176,878)</u>
<b>NET CURRENT ASSETS</b>	<u>17,912,710</u>	<u>15,113,727</u>	<u>117,004</u>	<u>97,871</u>
<b>NON-CURRENT ASSETS</b>				
Advances	12,019	19,019	79	123
Long-term investments	12,365,623	13,844,458	80,770	89,651
Investment properties	4,476	4,725	29	31
Long-term receivables	3,247,449	3,575,856	21,212	23,156
Long-term receivables	65,401,245	67,268,771	427,191	435,605
Property, plant and equipment	1,534,411	1,584,132	10,023	10,258
	<u>82,565,223</u>	<u>86,296,961</u>	<u>539,304</u>	<u>558,823</u>
	<u>100,477,933</u>	<u>101,410,688</u>	<u>656,308</u>	<u>656,694</u>
<b>RESERVES</b>				
Cumulative translation reserve	20,450,072	20,532,525	133,577	132,960
Revaluation surplus	5,426,313	5,426,313	35,444	35,139
Investment revaluation reserve	1,633,344	1,781,123	10,669	11,534
General reserve	(976,175)	(1,038,832)	(6,376)	(6,727)
Accumulated (deficit)/surplus	<u>(1,261,162)</u>	<u>(2,389,766)</u>	<u>(8,238)</u>	<u>(15,475)</u>
Total reserves	<u>25,272,392</u>	<u>24,311,363</u>	<u>165,076</u>	<u>157,430</u>
<b>NON-CURRENT LIABILITIES</b>				
Unexpended donations for special projects	5,643,052	5,111,139	36,860	33,098
Endowment funds	212,320	220,824	1,388	1,430
Capital grants	32,923,806	33,267,189	215,053	215,424
Long-term liabilities	6,261,640	6,693,456	40,900	43,344
Employee benefits obligation	28,348,730	29,909,405	185,170	193,681
Employee benefits obligation	119,167	129,167	778	836
Deferred income	1,696,826	1,768,145	11,083	11,450
	<u>75,205,541</u>	<u>77,099,325</u>	<u>491,232</u>	<u>499,264</u>
<b>Total non-current liabilities</b>	<u>100,477,933</u>	<u>101,410,688</u>	<u>656,308</u>	<u>656,694</u>

**The University of the West Indies**  
**Combined Statement of Comprehensive Income**  
**For the year ended 31 July 2022**  
(expressed in Jamaican and United States dollars)

	<b>2022</b> <b>J\$'000</b>	<b>2021</b> <b>J\$'000</b>	<b>2022</b> <b>US\$'000</b>	<b>2021</b> <b>US\$'000</b>
<b>INCOME</b>				
Government contributions	30,205,318	28,881,314	196,839	195,621
Tuition and other student fees	9,926,290	10,066,030	64,687	68,180
Special projects	3,286,391	2,954,876	21,416	20,014
Other projects	16,027,988	14,961,883	104,450	101,341
Commercial operations	2,096,176	2,279,871	13,660	15,442
Investment income	516,362	788,449	3,365	5,340
Miscellaneous income	2,192,597	2,313,194	14,289	15,668
	<u>64,251,122</u>	<u>62,245,617</u>	<u>418,706</u>	<u>421,606</u>
Less: transfer to capital grants	(236,423)	(194,063)	(1,541)	(1,314)
Income after transfer to capital grants	<u>64,014,699</u>	<u>62,051,554</u>	<u>417,165</u>	<u>420,292</u>
<b>EXPENSES</b>				
Departmental	(27,663,420)	(27,204,007)	(180,275)	(184,260)
Administrative	(8,657,742)	(8,204,428)	(56,420)	(55,571)
Central	(4,495,812)	(4,200,227)	(29,298)	(28,449)
Net impairment losses on financial assets	(510,574)	(1,194,554)	(3,327)	(8,091)
Special projects	(3,286,391)	(2,954,876)	(21,416)	(20,014)
Other projects	(10,830,898)	(10,099,212)	(70,582)	(68,405)
Commercial operations	(3,601,343)	(3,230,357)	(23,469)	(21,880)
	<u>(59,046,180)</u>	<u>(57,087,661)</u>	<u>(384,787)</u>	<u>(386,670)</u>
Surplus for the year before finance costs	4,968,519	4,963,893	32,378	33,623
Finance costs	(1,032,375)	(894,306)	(6,727)	(6,057)
Surplus for the year before depreciation, pension and post-employment medical benefits	3,936,144	4,069,587	25,651	27,565
Depreciation	(2,784,574)	(2,908,400)	(18,146)	(19,699)
Pension and post-employment medical benefits	(3,150,596)	(3,308,457)	(20,532)	(22,409)
<b>DEFICIT FOR THE YEAR</b>	<u>(1,999,026)</u>	<u>(2,147,270)</u>	<u>(13,027)</u>	<u>(14,543)</u>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Item that will not be reclassified to profit or loss</b>				
Re-measurement of employee benefits obligation	2,646,996	5,914,392	17,250	40,060
<b>Items that may be reclassified to profit or loss</b>				
Changes in fair value of debt instruments at fair value through other comprehensive income	(147,779)	252,098	(963)	1,708
Currency translation adjustments	(82,453)	1,433,513	(537)	9,710
<b>Total Other Comprehensive Income</b>	<u>2,416,764</u>	<u>7,600,003</u>	<u>15,750</u>	<u>51,477</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>417,738</u>	<u>5,452,733</u>	<u>2,723</u>	<u>36,934</u>

# The University of the West Indies

## Combined Statement of Cash Flows

For the year ended 31 July 2022

(expressed in Jamaican and United States dollars)

	<u>2022</u> J\$'000	<u>2021</u> J\$'000	<u>2022</u> US\$'000	<u>2021</u> US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Deficit for the year	(1,999,026)	(2,147,270)	(13,027)	(14,543)
Adjustments for:				
Depreciation: Property, plant and equipment	2,741,808	2,864,226	17,868	19,400
Investment properties	249	249	2	2
Right of use assets	42,517	43,925	277	298
Amortization of capital grants	(1,064,092)	(1,056,480)	(6,934)	(7,156)
Employee benefits obligation	3,150,596	3,308,457	20,532	22,409
Loss on sale of property, plant and equipment	290,496	13,198	1,893	89
Foreign exchange adjustments	(1,289,190)	(2,072,615)	(7,506)	(20,044)
Impairment of financial assets (excluding economic cost)	493,136	768,760	3,214	5,207
Impairment of government receivables (for economic cost)	17,437	425,793	114	2,884
Interest income	(483,178)	(728,146)	(3,149)	(4,932)
Dividend income	(33,184)	(60,303)	(216)	(408)
Deferred income	(10,000)	(11,666)	(65)	(79)
Interest expense	1,032,375	894,306	6,728	5,791
	<u>2,889,944</u>	<u>2,242,434</u>	<u>19,731</u>	<u>8,918</u>
Changes in :				
Accounts receivable	(1,453,385)	(3,941,962)	(9,493)	(25,527)
Inventories	18,305	6,717	120	43
Current liabilities	<u>527,609</u>	<u>1,263,904</u>	<u>3,446</u>	<u>8,185</u>
Net cash provided by/(used in) operating activities	<u>1,982,473</u>	<u>(428,907)</u>	<u>13,804</u>	<u>(8,381)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	537,800	836,048	3,505	5,663
Dividend received	32,650	60,303	213	408
Investment, (net)	1,857,573	(2,260,188)	12,133	(14,636)
Increase in resale agreements	(129,693)	(217,308)	(847)	(1,407)
Decrease in advances	7,000	10,001	46	65
Decrease in long-term receivables	345,845	640,791	2,259	4,149
Purchase of property, plant and equipment	(1,604,504)	(869,684)	(10,480)	(5,632)
Proceeds from sale of property, plant and equipment	1,509	4,938	10	32
Net cash provided by/(used in) investing activities	<u>1,048,180</u>	<u>(1,795,099)</u>	<u>6,839</u>	<u>(11,357)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid	(770,798)	(748,132)	(5,023)	(5,067)
Unexpended donations for special projects	531,913	530,144	3,474	3,433
Endowment funds	(8,504)	(22,959)	(56)	(149)
Capital grants received	660,350	351,578	4,313	2,277
Proceeds of long-term loans	39,269	243,359	256	1,576
Repayment of long-term loans	(680,170)	(739,111)	(4,443)	(4,786)
Lease repayments	(359,937)	(245,479)	(2,351)	(1,590)
Other long term liabilities, (net)	18,417	(68,331)	120	(442)
Net cash used in financing activities	<u>(569,460)</u>	<u>(698,931)</u>	<u>(3,710)</u>	<u>(4,749)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>2,461,193</u>	<u>(2,922,937)</u>	<u>16,933</u>	<u>(24,487)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<u>15,229,305</u>	<u>18,152,242</u>	<u>98,619</u>	<u>123,106</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>17,690,498</u>	<u>15,229,305</u>	<u>115,552</u>	<u>98,619</u>



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