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2023/2024

# The University of the West Indies

## FINANCIAL REPORT & COMBINED ACCOUNTS FOR THE YEAR ENDED JULY 31, 2023

# 2023



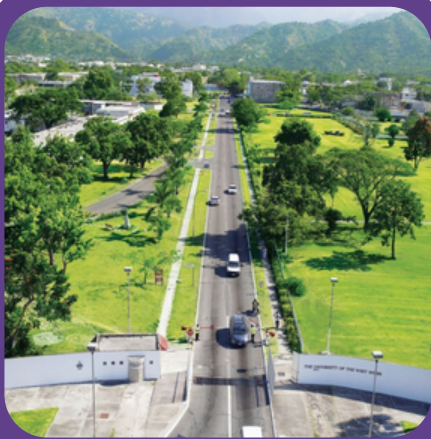
**St. Augustine Campus**



**Cave Hill Campus**



**Five Islands Campus**



**Mona Campus**



**Open Campus**

**Regional Headquarters**







**THE UNIVERSITY OF THE WEST INDIES**  
**FINANCIAL REPORT AND COMBINED ACCOUNTS**  
**FOR THE YEAR ENDED JULY 31, 2023**

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# THE UNIVERSITY OF THE WEST INDIES

## FINANCIAL REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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#### 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, 2023, 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, 2023, the operations of The University resulted in a **deficit of BDS\$37.2 million (2022: BDS\$26.3 million)**. The results by Campus were as follows:

Campus	BDS\$ million	
	July 2023	July 2022
Cave Hill	(2.9)	(0.6)
Five Islands	5.4	6.0
Mona	(12.0)	(2.7)
Open	(4.8)	(7.8)
St. Augustine	(7.5)	(3.0)
University Centre	<u>(15.4)</u>	<u>(18.2)</u>
Total	<u>(37.2)</u>	<u>(26.3)</u>

The **total income** of The University for the year was **BDS\$860.9** million, compared with **BD\$840.6** million for the prior year, an increase of 2.4%. **Total expenditure** for the year was **BDS\$898.1** million compared with **BDS\$866.9** million for 2022, an increase of 3.6%.

The deficit for the year comprised:

Activity	BDS\$ million	
	July 2023	July 2022
UGC Funded	(98.2)	(74.7)
Commercial Operations	(6.5)	(19.8)
Other Projects	<u>67.5</u>	<u>68.2</u>
Total	<u>(37.2)</u>	<u>(26.3)</u>

# The University of the West Indies

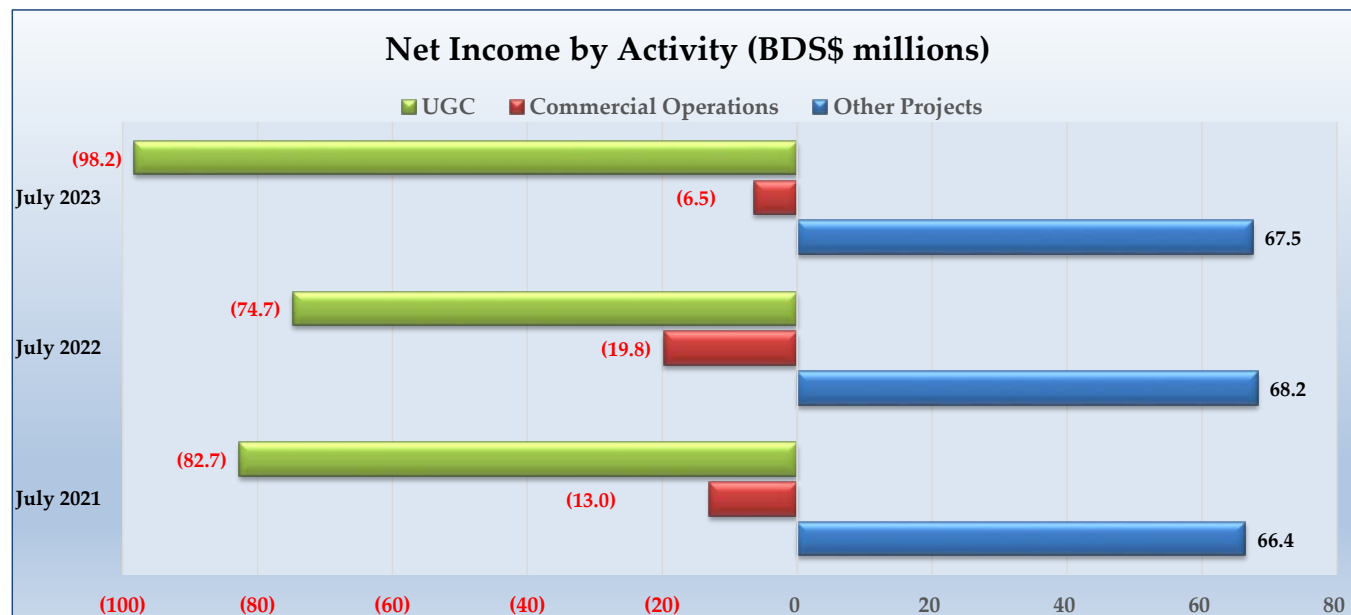
Financial Report

For the year ended 31 July 2023

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

### RESULTS FOR THE YEAR

The net income by activity for the comparative years 2021 to 2023 is shown below:



### COMBINED INCOME

The sources of income for the University were:

Source	July 2023	July 2022
	%	%
Government Contributions	47	47
Tuition and Other Student Fees	14	16
Special and Other Projects	30	30
Commercial Operations	5	3
Other	4	4
<b>Total</b>	<b>100</b>	<b>100</b>

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\$403.9 million and represented 47% of total income. In the prior year Government Contributions were BDS\$393.6 million and also represented 47% of total income. The income shown is net of adjustments totalling BDS\$95.8 million (2022: BDS\$99.7 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 2023

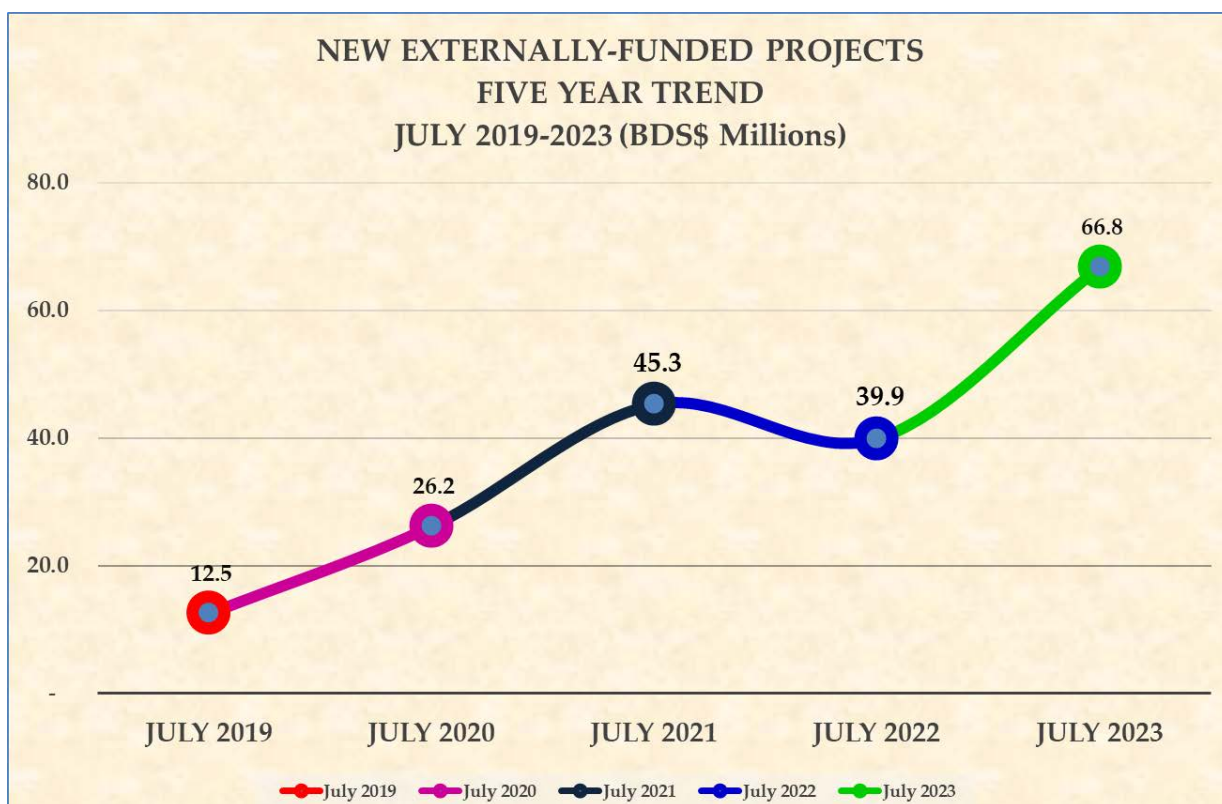
## I. COMBINED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

### COMBINED INCOME

#### Project Income

##### a) Special Projects

For the year this source of income totalled BDS\$48.1 million (2022: BDS\$43.2 million), and represented 5% (2022:5%) 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, 2023, the value of new grants received for research was BDS\$66.8 million compared with BDS\$39.9 million in the previous year.



##### b) Other Projects

Income from Other Projects totalled BDS\$209.7 million (2022: BDS\$210.4 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 (UWI-ROYTEC) and the St Augustine Campus Enterprises Company Limited (SACECL). For the year ended July 31, 2023, income from Other Projects represented 24% of total income.

Total projects income (Special Projects and Other Projects) represented 30% of total income (2022: 30%).



# The University of the West Indies

Financial Report

For the year ended 31 July 2023

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## 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\$122.3 million for the year (2022: BDS\$130.4 million). This represented 14% of total income (2022:16%) and there was an overall decline in student enrollment in 2022/2023. Tuition fees increased by 5% at the Mona Campus and Open Campus. All the other campuses tuition fees remained unchanged.

#### Other Income

Other Income totalled BDS\$34.8 million (2022: BDS\$35.6 million) and comprised of investment income of BDS\$6.4 million (2022: BDS\$6.8 million) and miscellaneous income of BDS\$28.4 million (2022: BDS\$28.8 million). Miscellaneous income included income earned from rental of facilities as well as an amount of BDS\$10.7 million (2022: BDS\$13.9 million) representing the value of Capital Grants amortised during the year. Also included is BDS\$1.8 million (2022: BDS\$2.2 million) earned by Mona School of Business and Management (MSBM) from professional services and grants.

#### Commercial Operations

Income from commercial operations increased from BDS\$27.5 million in 2022 to BDS\$42 million, and represented 5% of total income (2022: 3%). 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. Commercial activities are returning to full capacity post Covid-19 and efforts have continued on all campuses to increase this source of income.

### COMBINED EXPENDITURE

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

Category	July 2023	July 2022
	%	%
Departmental	46	46
Administrative	12	13
Central	15	14
Special and Other Projects	21	21
Commercial Operations	6	6
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 due to funding limitations and there was no significant increase in most categories for the financial year.

For the year ended July 31, 2023, there was an actuarially determined expense of **BDS\$36.6 million** (2022: BDS\$41.4 million) for post-employment pension and medical benefits.

A net impairment expense totalling **BDS\$7 million** (2022: BDS\$6.7 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 2023

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

### Net Current Assets

Current assets exceeded current liabilities by **BDS\$213 million** (2022: BDS\$234 million), however, this was an overall decrease of 9 % over prior year. The balance for cash and cash equivalents decreased by **BDS\$24.7 million** while the total of short-term investments and resale agreements increased by **BDS\$0.3 million**. Accounts receivable showed an increase of **BDS\$14.3 million** or 4.5% over the prior year. Current liabilities increased by 4.3%.

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

Included in this category are cash, current and savings accounts as well as fixed deposits held for periods not exceeding ninety days. The balance includes designated funds (not available for general use by the University) for special projects, commercial operations, and funds held for committed expenditure. The funds 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. When short-term investments, resale agreements and cash and cash equivalents are combined, this total showed a decrease of 7.1% compared with 2022.

### Accounts Receivable

Accounts receivable amounted to BDS\$333.6 million (2022: BDS\$319.3 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\$14.3 million was caused mainly by increase in amounts due from governments and scholarship donors, students and other 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 (net) over the past five years is shown in **Table 7** and **Chart 7** on **page 14**.

### Current Liabilities

The balance of BDS\$381.9 million (2022: BDS\$366 million) includes amounts due to suppliers for goods and services received totalling BDS\$158 million and BDS\$15.3 million for affiliated institutions. It also includes vacation leave accrual of BDS\$46.8 million (2022: BDS\$46.9 million), and other staff benefits such as study and travel and book grants and prepaid balances of BDS\$21.5 million (2022: BDS\$21 million) of contributing governments. The current portion of long-term liabilities was BDS\$15.1 million (2022: BDS\$14.2 million), which is due to be paid within the next twelve months.

Short-term loans and advances of BDS\$24.1 million (2022: BDS\$17 million) were also included in current liabilities.

### Long-Term Investments

There was an increase of 17.6% in the balance for long-term investments which totalled BDS\$190 million (2022: BDS\$161.5 million). Total designated funds which are not available for general use by the University amounted to BDS\$114.3 million.

# The University of the West Indies

Financial Report

For the year ended 31 July 2023

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

### Long-Term Receivables

At July 31, 2023, long-term receivables included a total of BDS\$64.5 million (2022: BDS\$74.8 million) for Government contributions not expected to be received within 12 months. Of this figure BDS\$34.5 million (2022: BDS\$33 million) had been impaired.

### Property, Plant and Equipment

During the period, additions to property, plant and equipment totalled **BDS\$13.4 million** (2022: BDS\$21 million). Of this amount approximately 57% was spent for additions to buildings, furniture and fixtures, 28% on computer and other electronic equipment and 15% on motor vehicles. There were no amounts categorized as Work-in-progress at year end 2023.

### Right-of-Use Assets

An amount of BDS\$22.5 million was transferred to this category on the adoption of IFRS 16 in 2021. At July 31, 2023 the balance amounted to BDS\$19.8 million.

### Long-Term Liabilities

The balance of **BDS\$76 million** (net of the current portion) for long-term liabilities decreased when compared with the balance at July 31, 2022 (BDS\$81.8 million). The current portion amounted to **BDS\$15.1 million**.

#### a) Long-term Loans

The balance of **BDS\$90.3 million** (2022: BDS\$95.2 million) for long-term loans represents an overall decrease of 5.2%.

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 from construction projects and deposits on the University Hospital of the West Indies renovation project.

### Lease Liabilities

The balance of BDS\$21.6 million (2022: BDS \$22.2 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, 2023 totalled **BDS\$4.3 million** (2022: BDS\$1.9 million depreciation).

### Revaluation Surplus

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

# The University of the West Indies

Financial Report

For the year ended 31 July 2023

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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, 2023 was prepared by the actuaries Eckler Partners Ltd. Based on this report an estimated net obligation of **BDS\$370.7 million** has been included in these financial statements. The estimated obligation at July 31, 2022 was BDS\$370.3 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>2023</b>	<b>2022</b>	<b>2021</b>
a) Total Expenses/Income	104%	103%	103%
b) Government Contributions/ Total Operating Income	47%	47%	46%
c) Total Income/Total Assets	51%	50%	49%
d) Liquidity ratio (acid test)	1.5	1.6	1.5
e) Average collection period for government contributions (months)	3.8	3.8	3.2

- For the year ended July 31, 2023 the ratio of total expenses to income increased by 1 percentage point when compared to the prior year 2022. Expenses exceeded income by 4%.
- The ratio of Government contributions to total operating income indicates that for the year ended July 31, 2023, The UWI relied on Governments to provide 47% of income, which is fairly consistent with the prior years.
- Total income to total assets was 51%; a 1 percentage point movement over the prior year 2022.
- The acid test ratio of 1.5 is fairly consistent with previous years. The UWI remains able to meet its current obligations from available funds 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 designated for use only on projects determined by Grant agencies.
- The time needed for The UWI to collect outstanding Government contributions is currently averaging 3.8 months, which is consistent with prior year 2022.

# The University of the West Indies

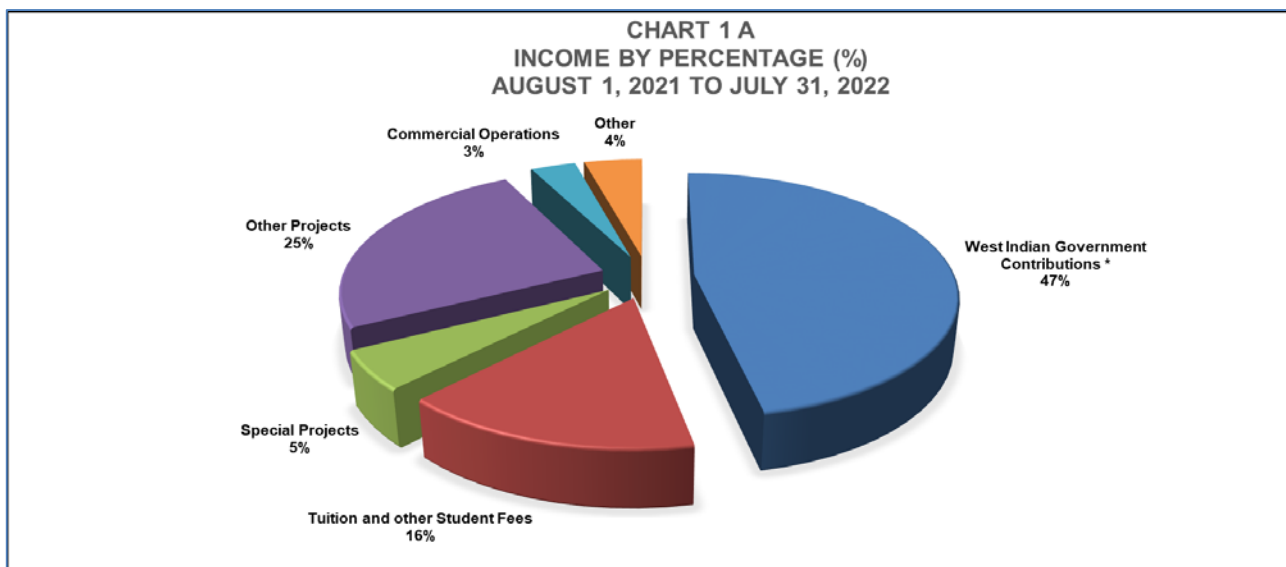
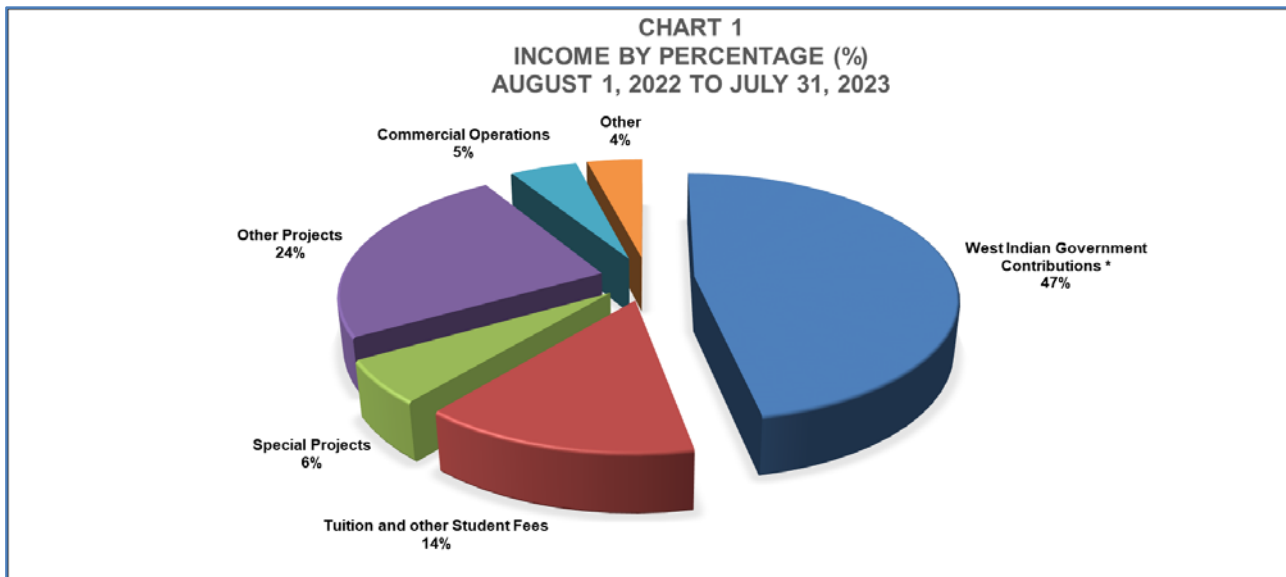
## Selected Financial and Statistical Highlights

### For the year ended 31 July 2023

**INCOME**  
For the period August 1, 2022 to July 31, 2023 with comparatives for the period August 1, 2021 to July 31, 2022  
**TABLE 1 - \$'000**

SOURCES	J\$		BDS\$		TT\$		EC\$	
	2023	2022	2023	2022	2023	2022	2023	2022
West Indian Government Contributions *	30,693,183	29,968,895	403,880	393,549	1,363,450	1,330,326	545,375	531,356
Tuition and other Student Fees	9,295,606	9,926,290	122,317	130,351	412,929	440,630	165,170	175,996
Special Projects	3,657,263	3,286,391	48,125	43,157	162,463	145,884	64,984	58,269
Other Projects	15,938,282	16,027,988	209,726	210,479	708,009	711,486	283,201	284,180
Commercial Operations	3,196,648	2,096,176	42,064	27,527	142,001	93,050	56,800	37,166
Other	2,641,786	2,708,959	34,763	35,574	117,353	120,251	46,941	48,031
<b>TOTAL INCOME</b>	<b>65,422,767</b>	<b>64,014,699</b>	<b>860,875</b>	<b>840,637</b>	<b>2,906,205</b>	<b>2,841,627</b>	<b>1,162,471</b>	<b>1,134,998</b>

\*net of transfer to capital grants



# The University of the West Indies

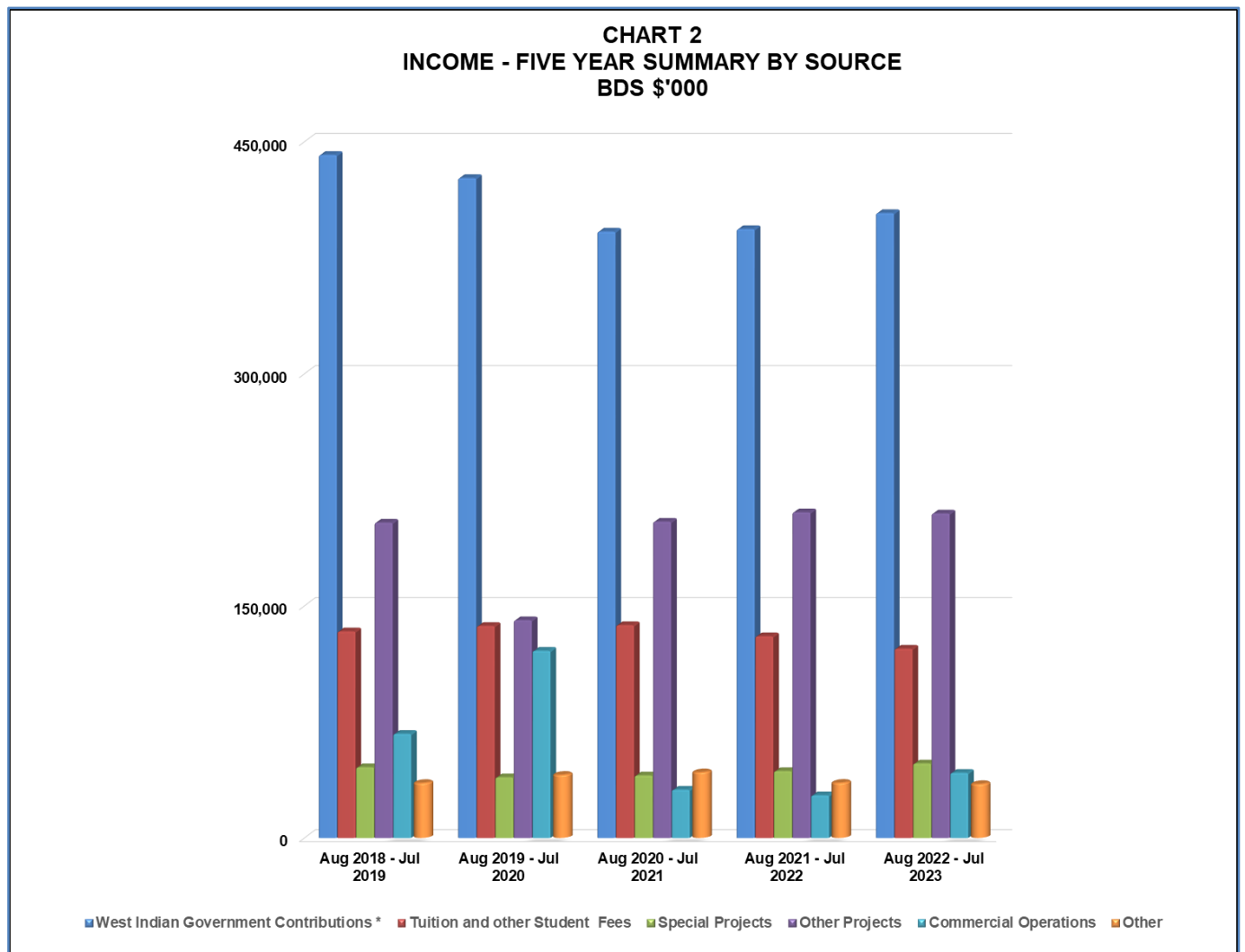
## Selected Financial and Statistical Highlights

### For the year ended 31 July 2023

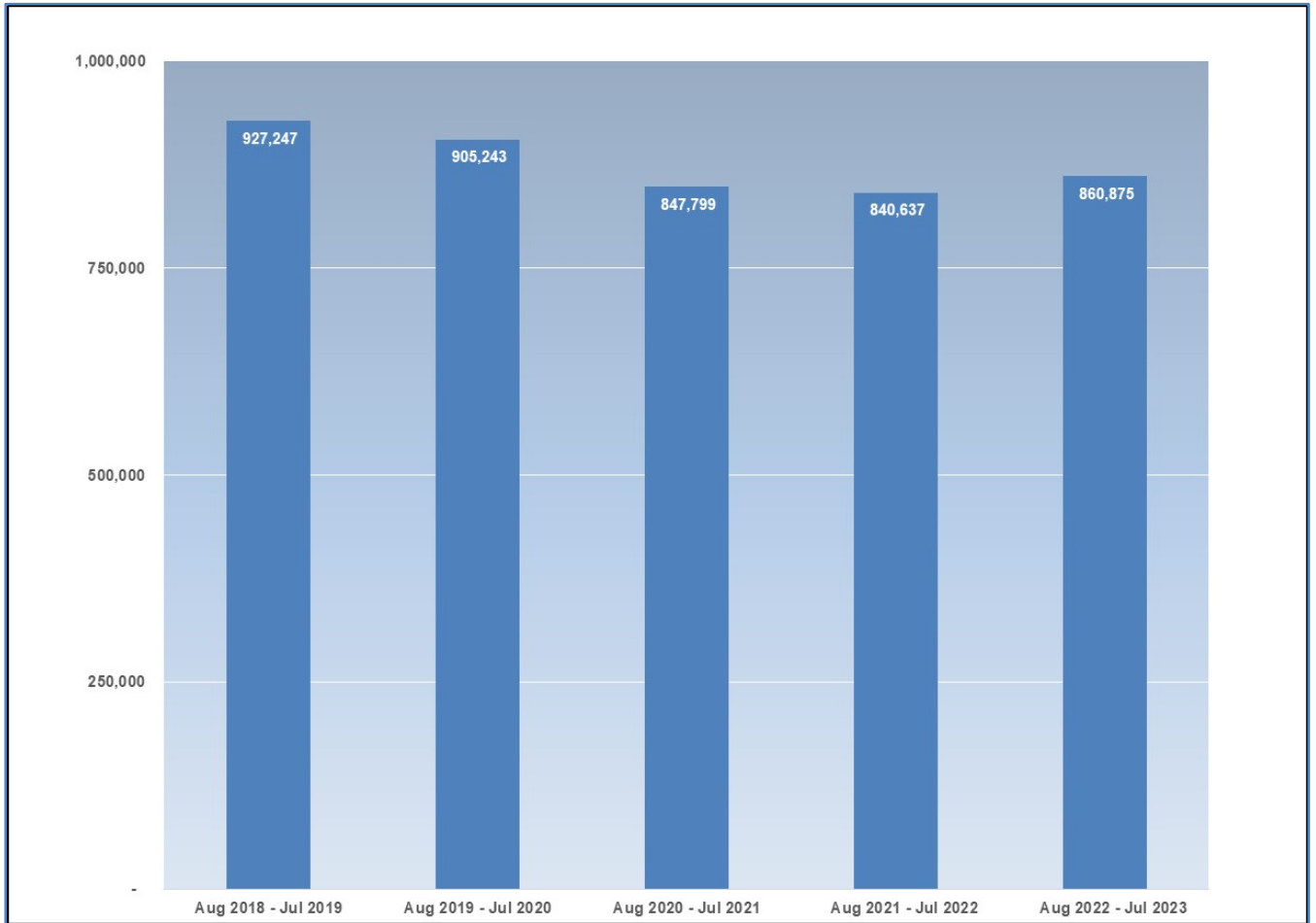
**INCOME - FIVE YEAR SUMMARY BY SOURCE**  
Table 2 - BDS\$'000

SOURCES	Aug 2018 - Jul 2019		Aug 2019 - Jul 2020		Aug 2020 - Jul 2021		Aug 2021 - Jul 2022		Aug 2022 - Jul 2023	
West Indian Government Contributions *	441,485	48%	426,568	47%	391,949	46%	393,549	47%	403,880	47%
Tuition and other Student Fees	133,522	14%	137,031	15%	137,530	16%	130,351	16%	122,317	14%
Special Projects	45,692	5%	39,179	4%	40,372	5%	43,157	5%	48,125	6%
Other Projects	203,802	22%	140,734	16%	204,422	24%	210,479	25%	209,726	24%
Commercial Operations	67,292	7%	121,005	13%	31,149	4%	27,527	3%	42,064	5%
Other	35,454	4%	40,726	5%	42,377	5%	35,574	4%	34,763	4%
<b>TOTAL INCOME</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>	<b>860,875</b>	<b>100%</b>

\*net of transfer to capital grants



**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 2023

#### EXPENDITURE

For the period August 1, 2022 to July 31, 2023 with comparatives for the period August 1, 2021 to July 31, 2022

TABLE 4 - \$'000

CATEGORIES	J\$		BDS\$		TT\$		EC\$	
	2023	2022	2023	2022	2023	2022	2023	2022
Administrative	8,468,137	8,657,742	111,429	113,693	376,171	384,319	150,467	153,504
Departmental *	31,279,629	30,447,994	411,597	399,841	1,389,501	1,351,593	555,795	539,851
Central Expenditure +	10,346,697	9,189,356	136,148	120,673	459,620	407,918	183,846	162,930
Special Projects	3,657,263	3,286,391	48,125	43,157	162,463	145,884	64,984	58,269
Other Projects	10,806,617	10,830,898	142,200	142,231	480,051	480,786	192,019	192,035
Commercial Operations	3,694,569	3,601,343	48,615	47,293	164,120	159,864	65,647	63,853
<b>TOTAL EXPENDITURE</b>	<b>68,252,911</b>	<b>66,013,725</b>	<b>898,114</b>	<b>866,888</b>	<b>3,031,926</b>	<b>2,930,364</b>	<b>1,212,758</b>	<b>1,170,442</b>

\* includes depreciation

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

CHART 4 EXPENDITURE BY PERCENTAGE (%) AUGUST 1, 2022 - JULY 31, 2023

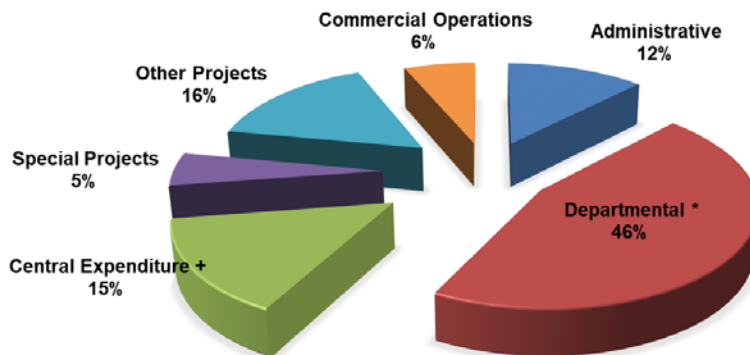
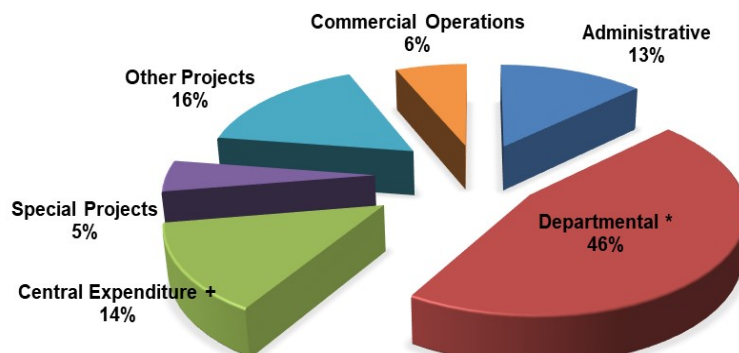


CHART 4A EXPENDITURE BY PERCENTAGE (%) AUGUST 1, 2021 - JULY 31, 2022





# The University of the West Indies

## Selected Financial and Statistical Highlights

### For the year ended 31 July 2023

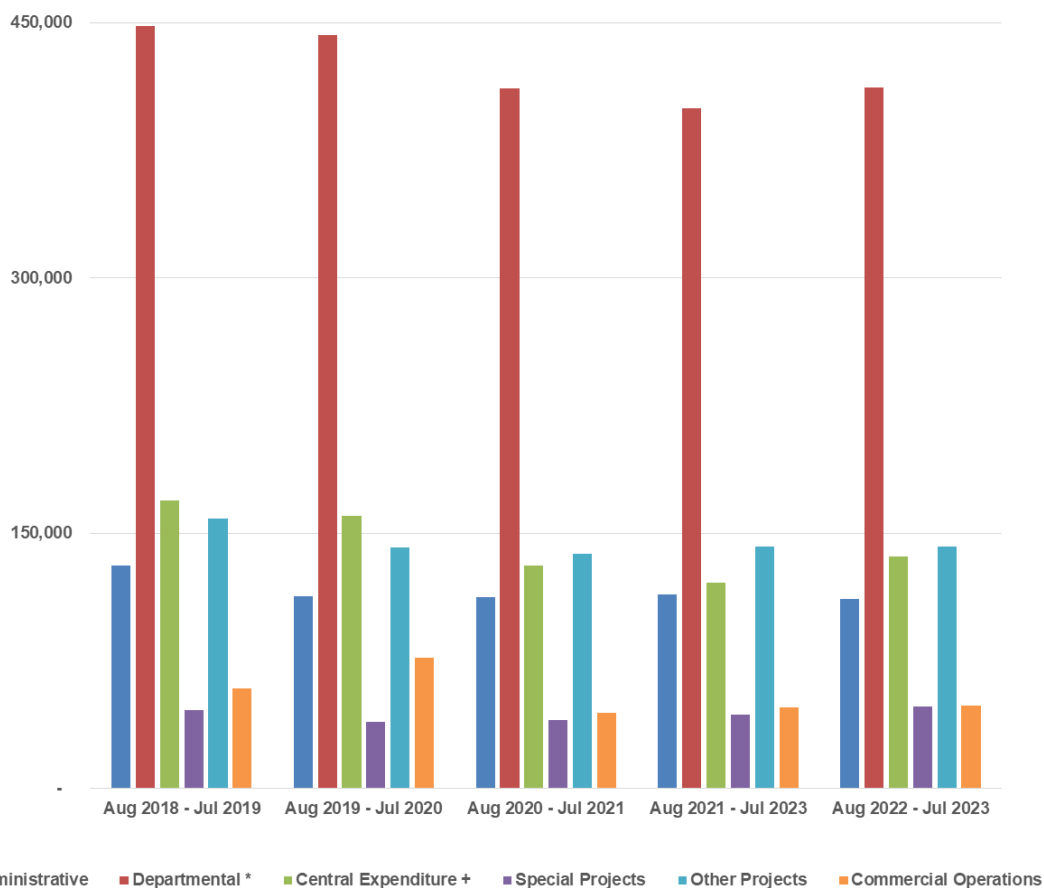
**EXPENDITURE**  
**FIVE YEAR SUMMARY**  
**Table 5**  
**BDS\$'000**

CATEGORIES	Aug 2018 - Jul 2019		Aug 2019 - Jul 2020		Aug 2020 - Jul 2021		Aug 2021 - Jul 2023		Aug 2022 - Jul 2023	
Administrative	131,121	13%	112,732	12%	112,096	13%	113,693	13%	111,429	12%
Departmental *	447,970	44%	442,732	45%	411,421	47%	399,841	46%	411,597	46%
Central Expenditure +	169,004	17%	160,322	16%	131,130	15%	120,674	14%	136,148	15%
Special Projects	45,692	5%	39,179	4%	40,372	4%	43,157	5%	48,125	5%
Other Projects	158,461	15%	141,763	15%	137,984	16%	142,231	16%	142,200	16%
Commercial Operations	58,498	6%	76,855	8%	44,136	5%	47,293	6%	48,615	6%
<b>TOTAL EXPENDITURE</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>	<b>898,114</b>	<b>100%</b>

\* includes depreciation

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

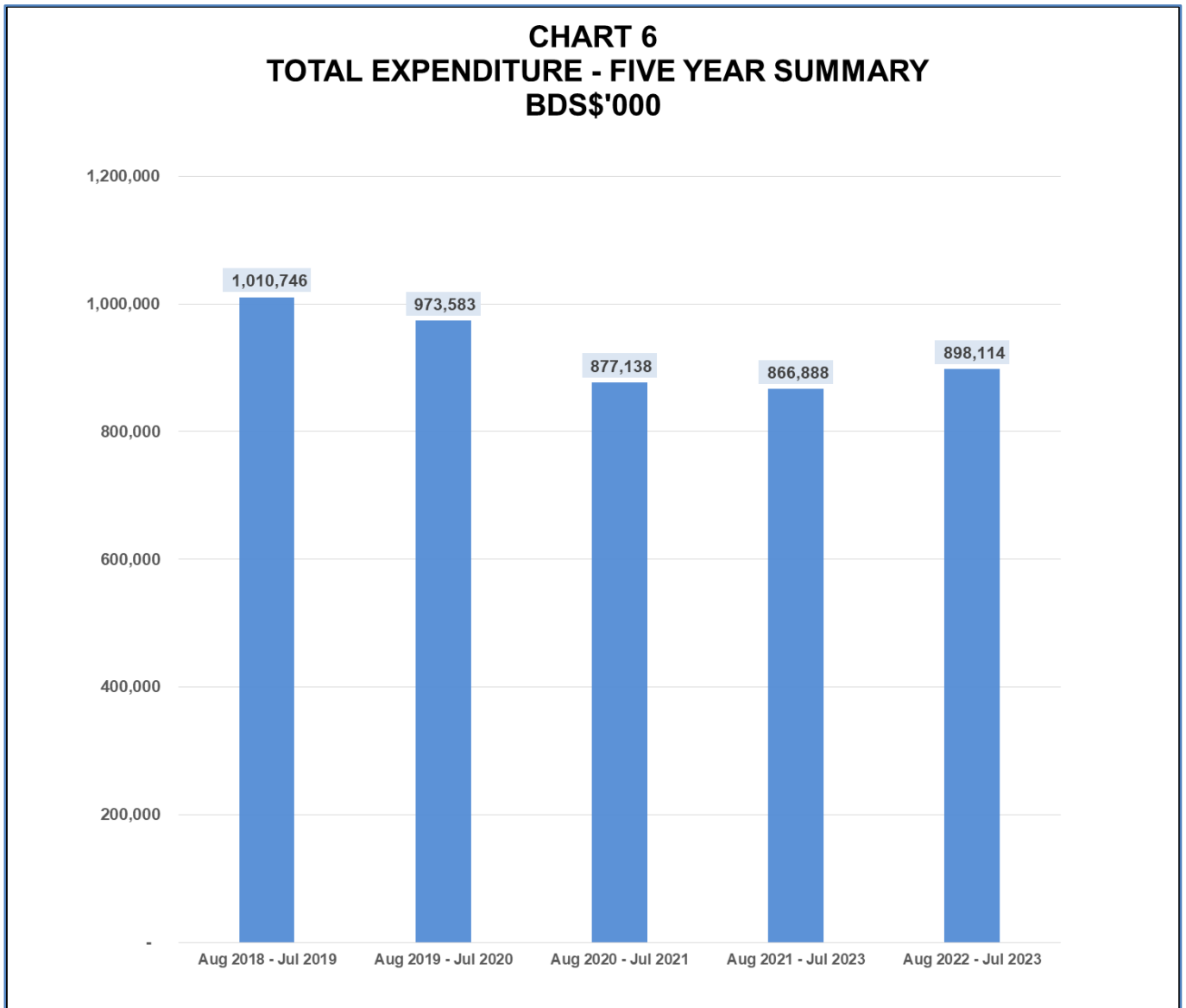
**CHART 5**  
**EXPENDITURE - FIVE YEAR SUMMARY**  
**BDS\$'000**



# The University of the West Indies

Selected Financial and Statistical Highlights  
For the year ended 31 July 2023

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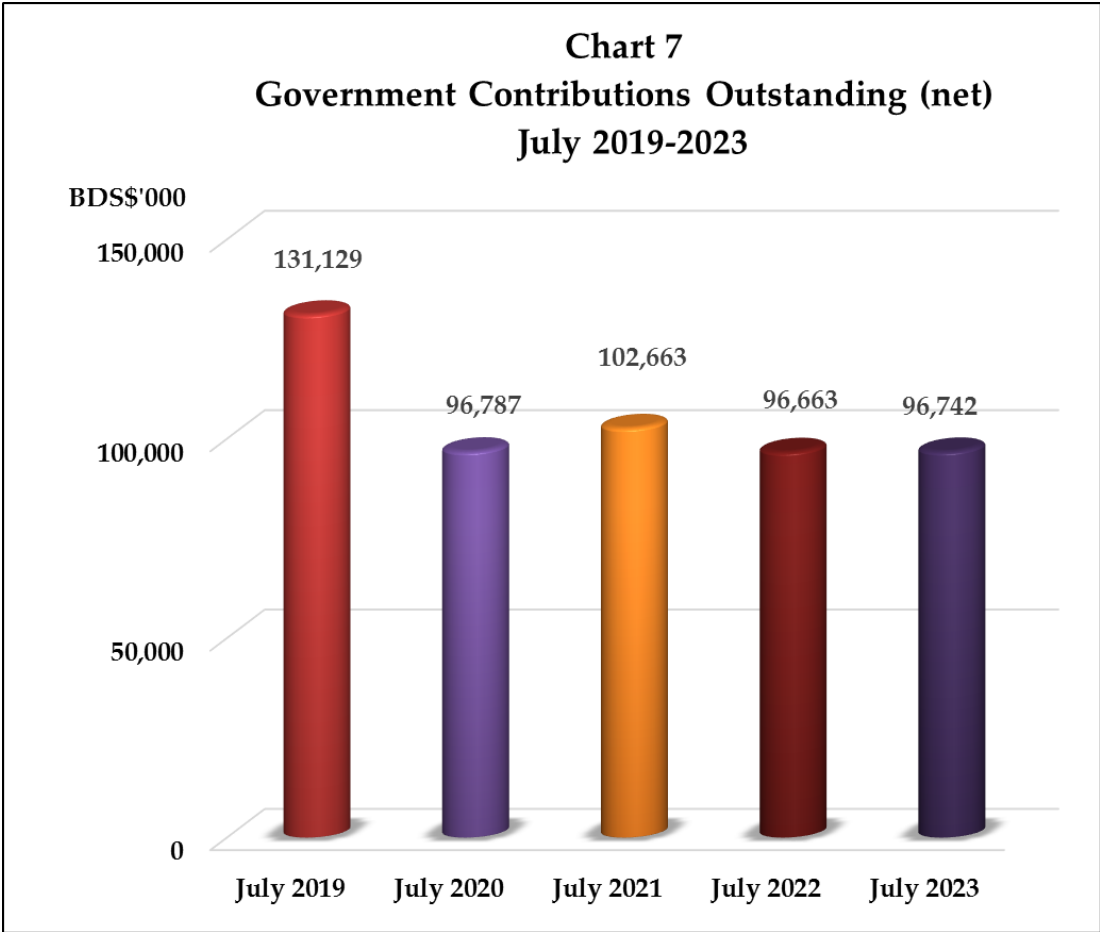


**GOVERNMENT CONTRIBUTIONS OUTSTANDING (net)**

JULY 2019 - JULY 2023

**TABLE 7 (BDS\$'000)**

PERIOD	BDS\$'000
July 2019	131,129
July 2020	96,787
July 2021	102,663
July 2022	96,663
July 2023	96,742



# The University of the West Indies

## Financial Report

### For the year ended 31 July 2023

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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 UWI's annual biennium budget. The Office of Finance follows up with the relevant Government ministries by way of correspondence, telephone calls and visits. Campus Principals and Bursars also communicate with the respective Campus Governments regarding outstanding balances.

Annually Governments are provided with a finalized bill, which is determined for the landed Campuses on the basis of actual student numbers for the respective countries and The UWI's approved budgets. The billing for the Open Campus (subsequently renamed the Global 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, 2023, Contributing Governments owed The UWI BDS\$96.74M (net) for amounts billed as contributions towards its economic cost. This reflects an increase of 0.08% compared with the balance of BDS\$96.66M (net) that was outstanding at the start of the financial year.

### Barbados

The Government of Barbados had an outstanding balance of BDS\$4.49M as at August 1, 2022. For the twelve month reporting period the Government made consistent monthly payments totalling BDS\$91.69M. The 2022/2023 final billing indicated required funding of BDS\$110.24M. The Government however committed BDS\$91.74M for the period. The balance outstanding at July 31, 2023 was BDS\$4.54M. The University appreciates the efforts made by the Government of Barbados in making timely monthly payments and looks forward to collecting the outstanding balance within the academic year 2023/2024.

### Jamaica

At the beginning of the academic year, the Government of Jamaica had a prepayment to The UWI of J\$1,359.69M. The 2022/2023 final billing for the twelve month period to July 31, 2023 indicated required funding of J\$13,806.22M. The Government committed the amount of J\$9,058.16M and made payments for the year amounting to J\$9,328.16M. At July 31, 2023, the Government of Jamaica had a prepaid balance of J\$1,629.69M. The UWI appreciates the efforts made by the Government of Jamaica to pay its subvention quarterly in advance.

### Trinidad and Tobago

The Government of Trinidad & Tobago at the start of the year had an outstanding balance of TT\$106.59M. The final billing for the year to July 31, 2023 indicated required funding of TT\$600.82M. The Government committed funding of TT\$551.80M for the year. Consistent monthly payments received over the year amounted to TT\$547.76M. The outstanding balance at July 31, 2023 stood at TT\$110.63M. The University appreciates the efforts made by the Government of Trinidad and Tobago in making timely monthly payments and looks forward to collecting the outstanding balance within the 2023/2024 academic year.

### Anguilla

The balance owed by the Government of Anguilla at August 1, 2022 was XCD 6.28M and a final billing of XCD 1M for the twelve month period to July 31, 2023 was added to Anguilla's account. Payments on account for the year amounted to XCD 3.48M resulting in a balance of XCD 3.80M as at July 31, 2023. Subsequent to the year-end the Government of Anguilla made periodic payments totalling XCD 2.2M against its opening balance and current years billing. Discussions will continue with the Government to liquidate the outstanding balance.

# The University of the West Indies

## Financial Report

For the year ended 31 July 2023

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### STATUS OF GOVERNMENT CONTRIBUTIONS (Cont'd)

#### Antigua and Barbuda

The Government of Antigua and Barbuda had an outstanding balance of XCD 8.81M at August 1, 2022 which decreased to XCD 7.92M as at July 31, 2023. This resulted from the twelve month 2022/2023 final billing of XCD 2.35M and the receipt of payments on account amounting to XCD 3.24M. The Government has committed to settling the arrears. The Government of Antigua and Barbuda made two subsequent payments totalling XCD 0.7M up to November 2023. The Government has given its commitment to honour the outstanding balance. In addition, at the year-end the Government of Antigua and Barbuda had a balance of BDS\$ 10.6M due to the Five Islands Campus for subvention payments.

#### Bahamas

The Government of the Bahamas opened the year with a prepaid amount of BAH\$862,706. The final billing for the twelve month period to July 31, 2023 was BAH\$3,867,115 and the receipt of payments on account amounted to BAH\$2,238,577. The balance at July 31, 2023 was BAH\$765,832. The Government of Bahamas made a subsequent payment of BAH\$1,033,760 in September 2023 and continues to keep its account current. The UWI appreciates the efforts of the Government of the Bahamas in keeping its account current.

#### Belize

At August 1, 2022 the amount prepaid by the Government of Belize was BZE\$0.41M. The final billing for the twelve month period to July 31, 2023 was BZE\$1.76M and payments received on account amounted to BZE\$1.02M, resulting in a balance at July 31, 2023 of BZE\$0.33M. The Government settled this balance subsequent to the year-end and continues to keep its account current.

#### Bermuda

The balance on the account of the Government of Bermuda at August 1, 2022 was US\$19,267. The final billing for the twelve month period to July 31, 2023 was US\$19,432. No payment was received in the year resulting in a balance of US\$38,699 at the end of July 31, 2023.

#### The Virgin Islands

The amount outstanding as at August 1, 2022 stood at US\$3,101,129. The final billing for the year to July 31, 2023 of US\$367,353 was applied to the account. A payment of US\$261,454 was received, resulting in a balance of US\$3,207,028. Subsequent to the year-end a payment of US\$455,513 was received. The University will continue to communicate with the Government regarding settlement of the outstanding balance.

#### Cayman Islands

The Cayman Islands had an outstanding balance of CI\$7,941 at August 1, 2022. The Government was billed CI\$435,090 for the year. Payments received amounted to CI\$525,882 resulting in a prepaid balance of CI\$82,851 at July 31, 2023. The UWI appreciates the efforts of the Government of the Cayman Islands in keeping its account current.

#### Dominica

The Government of Dominica had a balance of XCD 33M outstanding at August 1, 2022, which represents an accumulation of several years' billings. The final billing for the year to July 31, 2023 of XCD 1.62M was added to the amount owing. No payment was received during the year resulting in a balance outstanding at July 31, 2023 of XCD 34.62M. The University will continue to engage the Government in discussions regarding settlement of its arrears. These funds are required to provide cash flows for the University to honour its financial obligations and for achieving some of its strategic goals.

# The University of the West Indies

Financial Report

For the year ended 31 July 2023

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## STATUS OF GOVERNMENT CONTRIBUTIONS (Cont'd)

### Grenada

The prepaid balance of the Government of Grenada at August 1, 2022 was XCD 0.20M and at July 31, 2023 the outstanding balance stood at XCD 0.28M, after applying the final billing of XCD 2.57M and payments totalling XCD 2.09M. The balance was cleared subsequent to year-end and the Government continues to keep its account current.

### Montserrat

Montserrat opened the year with a balance of XCD 258,124. A final billing for the year to July 31, 2023 of XCD 896,849 was applied to the account. Payments totalling XCD 1,024,548 were received resulting in a balance at July 31, 2023 of XCD 130,425. The Government of Montserrat made a subsequent payment of XCD 263,017 in August 2023. The UWI appreciates the efforts of the Government of Montserrat in keeping its account current.

### St. Kitts and Nevis

At August 1, 2022 the balance owed by the Government of St Kitts and Nevis was XCD 6,991. For the year the Government was billed an amount of XCD 2,874,976 to July 31, 2023. Payments totalling XCD 2,985,879 were received, which resulted in a prepaid balance of XCD 103,912 at July 31, 2023. The UWI appreciates the efforts of the Government of St. Kitts and Nevis in keeping its account current.

### St. Lucia

At August 1, 2022, the Government of St. Lucia had a balance of XCD 27.53M owing to The UWI. The final billing of XCD 3.19M for the year and payments totalling XCD 4.71M resulted in a balance of XCD 26.01M at July 31, 2023. Discussions will continue with the Government towards settlement of the arrears which are required by the University to provide cash flows to honour its financial obligations and for achieving some of its strategic goals. An amount of XCD 2.1M was received subsequent to the year-end.

### St. Vincent and the Grenadines

At the start of the year, XCD 25.83M was due from the Government of St. Vincent and the Grenadines for contributions to economic cost. The Government made payments totalling XCD 6.61M during the year and, after applying the 2022/2023 final billing of XCD 5.93M, the amount owing at July 31, 2023 stood at XCD 25.15M. Payments made include quarterly instalments towards the CDB Loan received by the University for development of the Open Campus (subsequently renamed the Global Campus) site in St. Vincent and the Grenadines. Subsequent to the year-end the Government made direct payments to the University totaling XCD 3.50M and continued to honour their payments towards settling the CDB loan.

### Turks & Caicos Islands

The Government of Turks and Caicos started the academic year on August 1, 2022 with a prepayment of US\$366,438. This amount decreased to a prepayment of US\$57,693 at July 31, 2023. The decrease was due to the final billing for the twelve month period August 2022 to July 2023, amounting to US\$308,745. No payments were received during the year as the account continued to be prepaid.



## 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 2023, 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 2023;
- 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 includes 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  
Kingston, Jamaica  
13 March 2024

# The University of the West Indies


## Combined Statement of Financial Position

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	6	15,953,139	17,690,498
Resale agreements	7	2,186,153	1,554,188
Short-term investments	8	1,473,839	1,666,959
Accounts receivable	9	25,786,144	24,441,824
Inventories	10	577,968	574,351
		<u>45,977,243</u>	<u>45,927,820</u>
<b>Current Liabilities</b>	11	<u>(29,518,694)</u>	<u>(28,015,110)</u>
<b>Net Current Assets</b>		<u>16,458,549</u>	<u>17,912,710</u>
<b>Non-Current Assets</b>			
Advances	12	8,019	12,019
Long-term investments	8	14,691,271	12,365,623
Investment properties	13	4,227	4,476
Long-term receivables	14	2,411,489	3,247,449
Property, plant and equipment	15	64,448,932	65,401,245
Right-of-use assets	27	1,529,138	1,534,411
		<u>83,093,076</u>	<u>82,565,223</u>
		<u>99,551,625</u>	<u>100,477,933</u>
<b>Reserves</b>			
Cumulative translation reserve	16	21,307,367	20,450,072
Revaluation surplus	17	5,426,313	5,426,313
Investment revaluation reserve	18	1,308,661	1,633,344
General reserve		(835,758)	(976,175)
Accumulated deficit		<u>(3,445,195)</u>	<u>(1,261,162)</u>
<b>Total reserves</b>		<u>23,761,388</u>	<u>25,272,392</u>
<b>Non-Current Liabilities</b>			
Unexpended donations for special projects	19	6,635,726	5,643,052
Endowment funds	20	213,608	212,320
Capital grants	21	32,633,073	32,923,806
Long-term liabilities	22	5,877,563	6,261,640
Employee benefits obligation	23(d)	28,653,657	28,348,730
Deferred income	24	109,167	119,167
Lease liabilities	27	1,667,443	1,696,826
<b>Total non-current liabilities</b>		<u>75,790,237</u>	<u>75,205,541</u>
		<u>99,551,625</u>	<u>100,477,933</u>

Approved for issue by the University Audit Committee on 11 March 2024 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 2023**  
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Government contributions	4	30,803,155	30,205,318
Tuition and other student fees		9,295,606	9,926,290
Special projects		3,657,263	3,286,391
Other projects		15,938,282	16,027,988
Commercial operations		3,196,648	2,096,176
Investment income		486,870	516,362
Miscellaneous income	5	2,154,915	2,192,597
		<u>65,532,739</u>	<u>64,251,122</u>
Less: transfer to capital grants		(109,972)	(236,423)
Income after transfer to capital grants		<u>65,422,767</u>	<u>64,014,699</u>
<b>Expenses</b>			
Departmental		(28,601,959)	(27,663,420)
Administrative		(8,468,137)	(8,657,742)
Central		(6,133,702)	(4,495,812)
Net impairment losses on financial assets		(534,464)	(510,574)
Special projects		(3,657,263)	(3,286,391)
Other projects		(10,806,617)	(10,830,898)
Commercial operations		(3,694,569)	(3,601,343)
	25	<u>(61,896,711)</u>	<u>(59,046,180)</u>
Surplus for the year before finance costs		3,526,056	4,968,519
Finance costs	26	(899,092)	(1,032,375)
Surplus for the year before depreciation, pension and post-employment medical benefits		2,626,964	3,936,144
Depreciation		(2,677,670)	(2,784,574)
Pension and post-employment medical benefits	23(e)	(2,779,438)	(3,150,596)
<b>Deficit for the Year</b>		<u>(2,830,144)</u>	<u>(1,999,026)</u>
<b>Other Comprehensive Income</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Re-measurement of employee benefits obligation	23(e)	646,111	2,646,996
<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		(324,683)	(147,779)
Currency translation adjustments		857,295	(82,453)
<b>Total Other Comprehensive Income</b>		<u>1,178,723</u>	<u>2,416,764</u>
<b>Total Comprehensive Income for the Year</b>		<u>(1,651,421)</u>	<u>417,738</u>

# The University of the West Indies

## Combined Statement of Changes in Reserves

For the year ended 31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Capital Reserves			Other Reserves		Total reserves \$'000
	Cumulative translation reserve \$'000	Revaluation surplus \$'000	Investment revaluation reserve \$'000	General reserves \$'000	Accumulated deficit \$'000	
	<b>Balances at August 1, 2021</b>	20,532,525	5,426,313	1,781,123	(1,038,832)	
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
Comprehensive income for the year:						
Deficit for the year	-	-	-	-	(2,830,144)	(2,830,144)
Other comprehensive income	857,295	-	(324,683)	-	646,111	1,178,723
Total comprehensive income for the year	857,295	-	(324,683)	-	(2,184,033)	(1,651,421)
Transactions recorded directly in equity:						
Transfer to sabbatical fund	-	-	-	140,417	-	140,417
Total transactions recorded directly in equity	-	-	-	140,417	-	140,417
<b>Balances at July 31, 2023</b>	21,307,367	5,426,313	1,308,661	(835,758)	(3,445,195)	23,761,388

# The University of the West Indies

## Combined Statement of Cash Flows

For the year ended 31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit for the year		(2,830,144)	(1,999,026)
Adjustments for:			
Depreciation: Property, plant and equipment	15	2,630,855	2,741,808
Investment properties	13	249	249
Right of use assets	15	46,566	42,517
Amortisation of capital grants	21	(824,284)	(1,064,092)
Employee benefits obligation		2,779,438	3,150,596
(Gain)/loss on sale of property, plant and equipment		(16,765)	290,496
Foreign exchange adjustments		(1,679,069)	(1,289,190)
Impairment of financial assets (excluding economic cost)		395,320	493,136
Impairment of government receivables (for economic cost)		139,144	17,437
Interest income		(468,371)	(483,178)
Dividend income		(18,499)	(33,184)
Deferred income	24	(10,000)	(10,000)
Interest expense		899,092	1,032,375
		<u>1,043,532</u>	<u>2,889,944</u>
Changes in:			
Accounts receivable		(1,344,320)	(1,453,385)
Inventories		(3,617)	18,305
Current liabilities		<u>1,557,649</u>	<u>527,609</u>
Net cash provided by operating activities		1,253,244	1,982,473
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		403,383	537,800
Dividend received		18,499	32,650
Investment, (net)		(2,457,210)	1,857,573
Increase in resale agreements		(631,963)	(129,693)
Decrease in advances		4,000	7,000
Decrease in long-term receivables		975,104	345,845
Purchase of property, plant and equipment	15	(1,035,645)	(1,604,504)
Proceeds from sale of property, plant and equipment		<u>19,567</u>	<u>1,509</u>
Net cash (used in)/provided by investing activities		(2,704,265)	1,048,180
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(813,441)	(770,798)
Unexpended donations for special projects		992,674	531,913
Endowment funds	20	1,143	(8,504)
Capital grants received	21	150,186	660,350
Proceeds of long-term loans		405,353	39,269
Repayment of long-term loans		(711,431)	(680,170)
Lease repayments		(312,512)	(359,937)
Other long-term liabilities, (net)		1,690	18,417
Net cash used in financing activities		<u>(286,338)</u>	<u>(569,460)</u>
Net (decrease)/ increase in cash and cash equivalents		<u>(1,737,359)</u>	<u>2,461,193</u>
Cash and cash equivalents at beginning of the year		<u>17,690,498</u>	<u>15,229,305</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	6	<u><u>15,953,139</u></u>	<u><u>17,690,498</u></u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(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 2023

(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 the following is relevant to its operations.

***Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' combinations'*** (effective for periods beginning on or after 1 January 2022) specify which costs a company includes when assessing whether a contract will be loss-making. The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. There was no impact from the adoption of these amendments in the current year.

##### ***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.

***Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8,*** (effective for annual periods beginning on or after 1 January 2023, with early application permitted). In February 2021, the IASB ('the Board') issued amendments to the following standards:

- Disclosure of Accounting Policies, which amends IAS 1 and IFRS Practice Statement 2; and
- Definition of Accounting Estimates, which amends IAS 8.

The amendments aim to improve accounting policy disclosures, either by making the disclosures more specific to the entity or by reducing generic disclosures that are commonly understood applications of IFRS and to distinguish changes in accounting estimates from changes in accounting policies. These amendments are not expected to have a significant impact on the preparation of financial statements. The University will assess the impact of future adoption of these amendments.

***Amendment to IFRS 16 – Leases on sale and leaseback*** (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The University will assess the impact of future adoption of this amendment.

***Amendments 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 will assess the impact of future adoption of these amendments.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(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 that are not yet effective and have not been early adopted by the University (continued).*

**Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements** (effective for annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The Group will assess the impact of future adoption of these amendments.

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, 2023, 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 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 subsidiaries.

Campus	Name of entities	Principal activities	Percentage ownership
Mona Campus	Mona Informatix Limited (MIL)	Provision of data processing services.	100%
	Mona School of Business and Management (MSBM)	Provision of management education to private and public sectors; research on management-related topics; and consultancy services to private and public sectors and international bodies.	100%
	Mona Tech Engineering Services Limited (MTES)	Provision of consultancy services in combined heat and power plants (CHP), energy conservation measures; repairs and preventative maintenance of air conditioning systems, biomedical and industrial instruments.	60%
St. Augustine Campus	UWI School of Business & Applied Studies Limited (UWI-ROYTEC)	Provision of a place for education and learning.	100%
	St. Augustine Campus Enterprises Company Limited (SACECL)	Provision of accommodation and conference facilities for university related purposes.	100%
Open Campus	Early Childhood Centres of Excellence (ECCE)	Provision of early childhood educational services	100%

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(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	
		2023	2022
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, 2023 and 2022, is as follows:

	Net assets/(liabilities)		Net (loss)/profit	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
UMC	-	-	-	-
Lumin	(30,193)	(24,585)	(7,232)	(21,263)
	<u>(30,193)</u>	<u>(24,585)</u>	<u>(7,232)</u>	<u>(21,263)</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 2023

(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 2023

(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 28 for further details.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(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 28 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 2023

(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 <sup>1</sup> / <sub>2</sub> %
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computers and other electronic equipment	33 <sup>1</sup> / <sub>3</sub> %
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 2023

(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 23(a)], and the other for non-academic staff [Note 23(c)] and a defined-benefit plan for administrative and technical staff [Note 23(b)].

##### (1) Defined-contribution plans

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

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

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

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

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

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

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

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 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

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

##### c. *Post-employment medical care*

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

#### (o) Capital grants

Capital grants comprise the following:

- (i) Estimated fair value of property, plant and equipment donated to the University [note 2(m)c]; and
- (ii) Amounts granted to the University subject to conditions that must be met, the primary condition being that the grant must be used for the acquisition or construction of property, plant and equipment.

The amounts meeting the condition include:

- sums included in the biennial budgets for the repayment of the principal of loans taken out to purchase or construct or otherwise acquire property, plant and equipment and funded by contributions from the contributing governments; and
- sums from donors other than the contributing governments referred to above, where the donors impose such a condition.

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

#### (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 19). Such donations are accounted for as follows:

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

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (p) Donations for designated projects(continued)

##### (i) (continued)

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

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

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

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

#### (q) Revenue recognition

Government contributions are recognised as income on the accrual basis. Tuition fees are recognised over the period of instruction for which the fees are paid. Fees received but not yet earned are included as deferred revenue in current liabilities.

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

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

Income from commercial operations is accounted for on the accrual basis, and on the straight-line basis over the period of the lease, where there are lease agreements.

##### 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (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.

#### (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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (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).
- (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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (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 2023

(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 2023

(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.

**(aa) 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 2023

(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 9 (a)].

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 5. Miscellaneous Income

Income earned from the amortisation of capital grants, professional services, graduation, admission and application fees, recovery of shared services and utilities, rental of facilities, donations, late fees and provision of transcripts.

### 6. Cash and Cash Equivalents

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash on hand and imprest accounts	18,294	19,532
Bank current accounts	10,157,547	10,947,659
Savings accounts	648,670	622,748
Fixed-term deposits	<u>5,165,806</u>	<u>6,150,875</u>
	15,990,317	17,740,814
Bank overdraft	<u>(37,178)</u>	<u>(50,316)</u>
	<u>15,953,139</u>	<u>17,690,498</u>

Included in cash and cash equivalents are designated funds totalling J\$11,885,113,200 (2022: J\$10,236,509,800). 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.

### 7. Resale Agreements

The fair value of the underlying securities for resale agreements as at 31 July 2023, approximates carrying value.

Included in resale agreements are designated funds with a nominal value of J\$1,177,034,014 (2022: J\$596,382,814). 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

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### 8. Investments

	2023 \$'000	2022 \$'000
<b>Short-term investments:</b>		
Fair value through other comprehensive income:		
Regional quoted equities	1,428,183	1,625,260
Government securities	50,599	59,051
	<u>1,478,782</u>	<u>1,684,311</u>
IFRS 9 expected credit loss adjustment	(4,943)	(17,352)
Total short-term investments	<u>1,473,839</u>	<u>1,666,959</u>
<b>Long-term investments:</b>		
Fair value through other comprehensive income:		
Regional quoted equities	393,466	484,298
Unit trust accounts	64,037	58,552
	<u>457,503</u>	<u>542,850</u>
Amortised cost:		
Government securities	1,096,296	1,091,204
Fixed-term deposits	14,066,173	11,642,119
	<u>15,619,972</u>	<u>13,276,173</u>
IFRS 9 expected credit loss adjustment	(928,701)	(910,550)
Total long-term investments	<u>14,691,271</u>	<u>12,365,623</u>
<b>Total investments</b>	<u>16,165,110</u>	<u>14,032,582</u>

- a. The investment in quoted equities was initially funded by the Princess Alice Appeal and other funds.
- b. Government securities held were issued by the Governments of Barbados, Jamaica, and Trinidad and Tobago.
- c. Included in investments are designated funds totalling J\$8,838,634,700 (2022: J\$8,960,143,300). 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

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(expressed in Jamaican dollars unless otherwise indicated)

### 9. Accounts Receivable

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Contributions due from governments (see (a) below)	4,969,106	3,820,144
Government Assistance for Tuition Expense (GATE)	3,537,992	5,070,568
Other Government receivables	12,968,191	12,385,182
Staff accounts	196,065	175,814
Student accounts	7,824,963	7,409,173
Advances for special projects	951,601	880,449
Other accounts receivable	3,469,004	2,844,888
	<u>33,916,922</u>	<u>32,586,218</u>
Less: impairment provisions [Note 28(i)]:		
- Student accounts	(4,512,975)	(4,608,249)
- Third parties	(872,226)	(785,224)
- Government of Trinidad and Tobago	(2,745,577)	(2,750,921)
	<u>(8,130,778)</u>	<u>(8,144,394)</u>
	<u>25,786,144</u>	<u>24,441,824</u>

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Anguilla	217,714	356,337
Antigua	453,492	499,475
Bahamas	118,312	-
Barbados	350,859	344,128
Belize	25,335	-
Bermuda	5,979	2,950
The Virgin Islands	495,447	474,759
Dominica	1,982,900	1,871,435
Grenada	15,956	-
Montserrat	7,468	14,636
St. Kitts and Nevis	-	396
St. Lucia	1,489,423	1,561,213
St. Vincent and the Grenadines	1,440,196	1,464,548
Trinidad and Tobago	2,535,585	2,419,476
	<u>9,138,666</u>	<u>9,009,353</u>
Transferred to long-term receivables (Note 14)	(4,988,980)	(5,728,292)
	<u>4,149,686</u>	<u>3,281,061</u>
Antigua (due to Five Islands Campus)	819,420	539,083
	<u>4,969,106</u>	<u>3,820,144</u>

# The University of the West Indies

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 10. Inventories

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
General stores	217,277	224,914
Bookshop inventory	269,173	253,268
Stationery	48,635	39,137
Pelican Power spare parts	42,883	57,032
	<u>577,968</u>	<u>574,351</u>

### 11. Current Liabilities

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Government contributions received in advance (i)	1,660,176	1,610,169
University Hospital of the West Indies (UHWI)	313	309
Student accounts	401,881	839,396
Staff accounts	5,372,545	5,657,948
Affiliated institutions	1,184,846	1,359,235
Accrued vacation leave	3,614,873	3,592,200
Short- term loan (ii)	1,863,229	1,299,573
Current portion of long-term liabilities (Note 22)	1,168,051	1,090,098
Deferred revenue	1,979,445	1,264,847
Sundry creditors	12,213,208	11,250,163
Current portion of lease liabilities (Note 27)	60,127	51,172
	<u>29,518,694</u>	<u>28,015,110</u>

(i) Contributions received in advance

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Bahamas	-	132,074
Jamaica	1,629,693	1,359,692
Cayman Islands	15,620	19,203
Belize	-	31,644
Grenada	-	11,457
St. Kitts and Nevis	5,950	-
Turks and Caicos Islands	8,913	56,099
	<u>1,660,176</u>	<u>1,610,169</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 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Advances

	<b>University Press \$'000</b>	<b>Joint Board of Teacher Education \$'000</b>	<b>Total \$'000</b>
Balances as at August 1, 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
Net movement	(4,000)	-	(4,000)
Balances as at July 31, 2023	<u>4,641</u>	<u>3,378</u>	<u>8,019</u>

### 13. Investment Properties

	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Cost	9,948	9,948
Less: accumulated depreciation	<u>(5,721)</u>	<u>(5,472)</u>
Balance at end of year	<u>4,227</u>	<u>4,476</u>
Depreciation charge for year	<u>249</u>	<u>249</u>

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

	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Income earned from the rental of properties	8,826	6,625
Expenses incurred by the properties	<u>(20,719)</u>	<u>(7,277)</u>

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

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### 13. 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:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	7,440	6,521
Between 1 and 2 years	23,150	6,847
Between 2 and 3 years	24,840	7,190
Between 3 and 4 years	26,082	7,549
Between 4 and 5 years	27,386	7,927
Later than 5 years	28,755	8,323
	<u>137,653</u>	<u>44,357</u>

### 14. Long-term Receivables

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Contributions due from governments (see (a) below)		
Anguilla	160,297	356,337
The Virgin Islands	438,695	474,759
Dominica	1,982,900	1,871,434
St. Lucia	1,306,605	1,561,214
St. Vincent and the Grenadines	1,100,483	1,464,548
	<u>4,988,980</u>	<u>5,728,292</u>
Less: impairment loss (see (a) below), (Note 28(a))	<u>(2,667,478)</u>	<u>(2,528,334)</u>
	2,321,502	3,199,958
Medical Sciences students (see (b) below)	952	47,491
Car Loan	2,777	-
UHWI	86,258	-
Net long-term receivables	<u>2,411,489</u>	<u>3,247,449</u>

(a) This represents government contributions outstanding for periods in excess of one year. An increase in the ECL provision of J\$139,144,000 (2022: J\$17,437,000) 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

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(expressed in Jamaican dollars unless otherwise indicated)

### 15. (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, 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
Currency translation adjustments	25,082	564,015	106,613	6,552	37,562	84,925	20,538	845,287
Additions	-	86,307	501,078	160,381	274,026	13,853	-	1,035,645
Transfers	-	188,022	-	-	-	-	(188,022)	-
Adjustments	(50,800)	164,550	951	8,569	18,455	-	413	142,138
Disposals	-	-	(27,440)	(65,877)	(57,112)	-	-	(150,429)
July 31, 2023	2,491,817	77,748,962	17,095,200	1,435,880	7,631,426	9,419,377	2,654,907	118,477,569
<b>Depreciation</b>								
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
Charge for the year	-	1,717,575	613,374	86,471	174,300	39,135	-	2,630,855
Disposals	-	-	(25,392)	(65,877)	(56,358)	-	-	(147,627)
Adjustments	-	(49,927)	(32,423)	(1,537)	14,407	-	-	(69,480)
Currency translation adjustments	-	162,988	93,330	6,947	63,371	84,570	-	411,206
July 31, 2023	-	22,493,029	13,989,127	1,248,974	7,035,965	9,261,542	-	54,028,637
<b>Net book values</b>								
At July 31, 2023	2,491,817	55,255,933	3,106,073	186,906	595,461	157,835	2,654,907	64,448,932
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

# The University of the West Indies

## Notes to the Financial Statements

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

	Buildings \$'000	Furniture, Fixtures and Equipment \$'000	Total \$'000
<b>Cost or deemed cost</b>			
Balances at August 1 2021	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>	<b>1,633,115</b>	<b>29,318</b>	<b>1,662,433</b>
Currency translation adjustments	-	231	231
Adjustments	-	35,388	35,388
<b>Balances at July 31, 2023</b>	<b>1,633,115</b>	<b>64,937</b>	<b>1,698,052</b>
<b>Depreciation</b>			
Balances at August 1 2021	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>	<b>115,679</b>	<b>12,343</b>	<b>128,022</b>
Charge for the year	40,828	5,738	46,566
Currency translation adjustments	-	64	64
Adjustments	-	(5,738)	(5,738)
<b>Balances at July 31, 2023</b>	<b>156,507</b>	<b>12,407</b>	<b>168,914</b>
<b>Net book values</b>			
At July 31, 2023	1,476,608	52,530	1,529,138
At July 31, 2022	1,517,436	16,975	1,534,411

### 16. Cumulative Translation Reserve

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

### 17. Revaluation Surplus

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

### 18. Investment Revaluation Reserve

This represents unrealised surplus on the revaluation of investment securities.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

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### 19. Unexpended Donations for Special Projects

	Departmental \$'000	Scholarships and Prizes \$'000	Total \$'000
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
Receipts	4,357,842	1,761,081	6,118,923
Expenditure	(3,604,925)	(1,622,726)	(5,227,651)
Transfers	49,716	-	49,716
Currency translation adjustments	41,094	10,592	51,686
Balances as at July 31, 2023	5,529,396	1,106,330	6,635,726

### 20. Endowment Funds

	2023 \$'000	2022 \$'000
Balance at beginning of year	212,320	220,824
Receipts/(Expenditure)	1,143	(8,390)
Currency translation adjustments	145	(114)
Balance at end of year	213,608	212,320

### 21. Capital Grants

	2023 \$'000	2022 \$'000
Balance at beginning of year	32,923,806	33,267,189
Receipts	150,186	660,350
Amortisation	(824,284)	(1,064,092)
Transfers	109,972	236,423
Currency translation adjustments	273,393	(176,064)
Balance at end of year	32,633,073	32,923,806

# The University of the West Indies

## Notes to the Financial Statements

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### 22. Long-term Liabilities

#### (i) Long-term Loans

	Notes	Interest Rates %	2023 \$'000	2022 \$'000
European Union	(a)	1.0	284,745	294,411
Caribbean Development Bank (CDB)	(b) (i) to (iv)	2.0-5.5	1,082,466	887,197
Caribbean Development Bank (CDB)	(c)	3.4	47,482	88,351
Caribbean Development Bank (CDB)	(d)		1,019,337	1,098,509
National Housing Trust – Loan #1	(e)	5.0	265,301	327,214
National Housing Trust – Loan #2	(f)	5.0	1,647,788	1,737,167
CLICO International	(g)	7.0	230,203	227,952
Republic Finance and Trust (Barbados) Corporation	(h)	7.5	622,217	641,691
National Commercial Bank Jamaica Limited	(i)	7.75	321,905	450,667
JMMB Limited	(j)	7.95	246,547	266,260
Republic Bank (Trinidad) Limited	(k)	5.5	916,165	974,525
Barita Investments Limited	(l)	7.0	38,352	24,711
National Commercial Bank Jamaica Limited	(m)	7.75	84,560	110,943
Proven Investments Limited	(n)	9.0	104,122	118,779
Republic Bank (Barbados) Limited	(o)	4.25	70,378	39,269
			<u>6,981,568</u>	<u>7,287,646</u>

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

Retention on construction projects	(p)		64,046	64,092
			<u>64,046</u>	<u>64,092</u>
			7,045,614	7,351,738
Less: current portion of long-term liabilities (Note 11)			<u>(1,168,051)</u>	<u>(1,090,098)</u>
Total non-current portion of long-term liabilities			<u><u>5,877,563</u></u>	<u><u>6,261,640</u></u>

# The University of the West Indies

## Notes to the Financial Statements

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

This section sets out the movements in net debt for the years ended 31 July 2023 and 2022.

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 August</b>	6,261,640	6,693,456
Loans received	405,353	39,269
Loans repaid	(711,431)	(680,170)
Other long-term liabilities received	1,690	18,417
Foreign exchange adjustments	(79,689)	190,668
<b>At 31 July</b>	<u>5,877,563</u>	<u>6,261,640</u>

- €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, 2023, was €1,725,086 (2022: €1,795,836).

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

The CDB loans, amounting to US\$8,896,000, are guaranteed by all the contributing governments. The University has drawn down US\$8,873,458 (J\$1,370,885,800) up to July 31, 2023 (2022: US\$8,873,458 (J\$1,358,491,800)).

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, 2023 is US\$1,826,112, (J\$282,121,200) (2022: US\$2,048,800 (J\$313,663,300)).

# The University of the West Indies

## Notes to the Financial Statements

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

(b) (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 5.5% on the amount disbursed. At July 31, 2023, the amount disbursed was US\$8,246,000 (2022: US\$8,246,000) which equates to J\$1,273,948,000 (2022: J\$1,262,430,400) at the year-end exchange rate. The balance outstanding as at July 31, 2023 is US\$2,405,078 (J\$371,567,400) (2022: US\$3,264,338 (J\$499,757,400)).

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

In 2022, UWI 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 unutilised portion of a loan provided by CDB for development of the Open Campus St Vincent Site. In 2023, 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 31 July 2023 is US\$413,632 (J\$63,903,200) (2022: US\$481,885 (J\$73,774,700)) and the loan matures on January 1, 2039.

**(iv) Digital Transformation 2023**

In March 2022, the University signed a loan agreement with the Caribbean Development Bank for a loan of up to US\$ 6M to undertake its Digital Transformation Program University-wide. The loan is guaranteed by Sagicor and the Governments of Antigua and Barbuda and Barbados. Repayment will begin 3 years from the date of signing the loan agreement and quarterly instalments will be paid in 108 instalments for the SFR portion of the loan (US\$ 2M) and 68 equal instalments quarterly for the OCF portion (US\$ 4M). The interest rate on the SFR portion is 0.75% and 5.5% on the OCR. Interest is being capitalised and a commitment fee of 1% is being paid on the outstanding balance of the OCR portion. An initial draw down of US\$2,327,000 was received in April 2023. The balance outstanding at July 31, 2023 was US\$ 2,361,758 (J\$364,874,700).

- (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% (2022: 3.40%) 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.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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

- (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, 2023 was BDS\$13,056,033 (2022: BDS\$14,350,587). The loan is fully disbursed at year end and matures on January 1, 2039.
- (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 (2022: 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. In 2011 CLICO was placed under judicial management by the Government of Barbados and subsequently ceased trading. The loan remains outstanding and a request for repayment has not been received.



# The University of the West Indies

## Notes to the Financial Statements

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

- (h) 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.
- (i) 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 2023. 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 2020. The principal repayments have been revised to \$32,190,476 quarterly. The loan is scheduled to be repaid in December 2025.
- (j) In November 2017, the University Centre obtained obtained a revolving Line of Credit for US\$1.8 million from JMMB Limited for operational support. On 16 December 2020 the loan was converted to a \$270 million Jamaican dollar facility at 7.95% per annum. The loan was subsequently converted to a term loan of J\$266,260,500 at an interest rate of 8.5% and tenure of 3 years, the balance being payable in full on February 3, 2026. The balance outstanding at July 31, 2023 was J\$246,547,370 (2022: (J\$266,260,500). The facility is secured by resale agreements held by UWI Centre at JMMB Limited.
- (k) 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.
- (l) On 2 October 2022, UWI Centre obtained a J\$140million loan for two years from Barita for operational support. Interest on this loan was 7% per annum payable monthly. This loan was repaid in September 2022 (2022: J\$24,711,000). In September 2022 a new loan for \$51,005,100 was obtained at an interest rate of 10.13 % for three years. At July 31, 2023 the balance was \$38,352,127. The loan is secured by stocks owned by UWI Centre and listed on the Jamaica Stock Exchange and by hypothecation of Barita Unit Trusts J\$ income portfolio.
- (m) In July 2021 the University of the West Indies, Open Campus signed a loan agreement for BDS\$1,748,385 with the National Commercial Bank at an interest rate of 7.75%. The loan was converted form an overdraft facility for the same amount and repayment began in August 2021 for a period of five years.
- (n) The University of the West Indies, Open Campus in December 2020 signed a loan agreement for BDS\$2 million with Proven Investments Ltd (PIL) at an interest rate of 9% per annum. The loan repayment commenced in January 2021 for a period of ten years.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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

- (o) 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 and fully paid by July 2023. An additional \$500,000 was drawn down in July 2023 and matures in June 2027.

The demand loan commences in June 2026 at which time the maturity date will be agreed. To date there has been no drawdown on this portion. When accessed, the demand loan is repayable via monthly interest payments and semi-annual lump sum payments of principal of BDS\$189,039 until maturity.

- (p) 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.

### 23. Employee Benefits Obligation

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

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

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

#### (a) Plan for academic and senior administrative staff

The 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 23. 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:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Defined contribution supplementation plan (Note 23(d)(i))	16,658,028	18,903,147
Defined benefit plan (Note 23 (d)(i))	3,706,166	3,057,665
	<u>20,364,194</u>	<u>21,960,812</u>
Post-employment medical benefits (Note 23(d)(ii))	8,289,463	6,387,918
Amount recognized in the statement of financial position	<u>28,653,657</u>	<u>28,348,730</u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 23. Employee Benefits Obligation (Continued)

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

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

	FSSU		St. Augustine ATS		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Present value of unfunded obligations	16,658,028	18,903,147	-	-	16,658,028	18,903,147
Present value of funded Obligations	-	-	15,139,656	14,335,786	15,139,656	14,335,786
Fair value of plan assets	-	-	(11,433,490)	(11,278,121)	(11,433,490)	(11,278,121)
Recognised liability	<u>16,658,028</u>	<u>18,903,147</u>	<u>3,706,166</u>	<u>3,057,665</u>	<u>20,364,194</u>	<u>21,960,812</u>

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

	FSSU		St. Augustine ATS		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net liability at beginning of year	18,903,147	20,120,065	3,057,665	3,069,259	21,960,812	23,189,324
Included in profit or loss (Note 23(e))	1,588,479	1,812,377	539,846	547,437	2,128,325	2,359,814
Included in other comprehensive income	(2,440,287)	(1,511,424)	400,681	(209,663)	(2,039,606)	(1,721,087)
Contributions paid	(1,490,815)	(1,443,138)	(304,647)	(303,535)	(1,795,462)	(1,746,673)
Currency translation adjustments	97,504	(74,733)	12,621	(45,833)	110,125	(120,566)
Net liability at end of year	<u>16,658,028</u>	<u>18,903,147</u>	<u>3,706,166</u>	<u>3,057,665</u>	<u>20,364,194</u>	<u>21,960,812</u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 23. Employee Benefits Obligation (Continued)

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

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

	St. Augustine ATS		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Movements in plan assets				
Fair value of plan assets at beginning of year	11,278,121	10,952,703	11,278,121	10,952,703
Plan participants' contributions	166,707	166,657	166,707	166,657
Expected return on plan assets	640,201	596,912	640,201	596,912
Contributions paid	333,455	333,314	333,455	333,314
Benefits paid	(625,966)	(434,615)	(625,966)	(434,615)
Actuarial losses on plan assets	(468,576)	(284,372)	(468,576)	(284,372)
Currency translation adjustments	109,548	(52,478)	109,548	(52,478)
Fair value of plan assets at end of year	<u>11,433,490</u>	<u>11,278,121</u>	<u>11,433,490</u>	<u>11,278,121</u>

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current service costs	118,865	159,964	352,799	367,026	471,664	526,990
Interest on obligation	1,462,095	1,495,417	187,047	180,411	1,649,142	1,675,828
Past service costs vested benefits	7,519	156,996	-	-	7,519	156,996
	<u>1,588,479</u>	<u>1,812,377</u>	<u>539,846</u>	<u>547,437</u>	<u>2,128,325</u>	<u>2,359,814</u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 23. 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Re-measurement gain due to actuarial (gain)/loss arising from:						
- Experience adjustment	427,006	301,240	-	-	427,006	301,240
- Demographic assumptions	-	-	(55,333)	5,091	(55,333)	5,091
- Financial assumptions	(2,867,293)	(1,812,664)	456,014	(214,754)	(2,411,279)	(2,027,418)
	<u>(2,440,287)</u>	<u>(1,511,424)</u>	<u>400,681</u>	<u>(209,663)</u>	<u>(2,039,606)</u>	<u>(1,721,087)</u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 23. Employee Benefits Obligation (Continued)

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

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

	<b>2023</b> <b>\$'000</b>	<b>2022</b> <b>\$'000</b>
Liability at beginning of year	6,387,918	6,720,081
Included in profit or loss:		
- Current service cost	160,984	185,023
- Interest cost on obligation	495,590	481,857
- Past service cost-vested benefits	(5,461)	123,902
	<u>651,113</u>	<u>790,782</u>
Included in other comprehensive income:		
Re-measurement gain due to actuarial (gain)/loss arising from:		
- Experience adjustment	(80,898)	(142,018)
- Demographic assumptions	3,391,866	(137,143)
- Financial assumptions	(1,917,472)	(646,748)
	<u>1,393,496</u>	<u>(925,909)</u>
Other:		
- Contributions paid	(175,909)	(179,878)
- Currency translation adjustments	32,845	(17,158)
Liability at end of year	<u><u>8,289,463</u></u>	<u><u>6,387,918</u></u>

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

	<b>2023</b> <b>\$'000</b>	<b>2022</b> <b>\$'000</b>
Amount included in profit or loss:		
Pension supplementation-defined contribution plan (Note 23(d)(i))	1,588,479	1,812,377
Defined benefit pension plan (Note 23(d)(i))	539,846	547,437
Post-employment medical care (Note 23(d)(ii))	651,113	790,782
	<u><u>2,779,438</u></u>	<u><u>3,150,596</u></u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 23. Employee Benefits Obligation (Continued)

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

	2023 \$'000	2022 \$'000
Amount included in other comprehensive income:		
Pension supplementation-defined contribution plan (Note 23(d)(i))	(2,440,287)	(1,511,424)
Defined benefit pension plan (Note 23(d)(i))	400,681	(209,663)
	(2,039,606)	(1,721,087)
Post-employment medical care (Note 23(d)(ii))	1,393,495	(925,909)
	<u>(646,111)</u>	<u>(2,646,996)</u>

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

	FSSU		St. Augustine ATS	
	2023	2022	2023	2022
	%	%	%	%
Discount rate	5.75-13.0	5.75-10.0	5.75	5.75
Future salary increases	2.75-5.5	2.5-5.5	3.0	3.0
Health cost inflation	3.5-7.0	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.

	2023 \$'000		2022 \$'000	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Pension:				
Discount rate	(2,913,334)	3,513,621	(3,247,735)	3,921,479
Salary escalation rate	1,152,056	(967,885)	1,208,464	(1,016,095)
Health:				
Discount rate	(181,555)	1,293,511	(1,178,554)	924,289
Health inflation rate	1,256,792	(1,018,197)	1,214,971	(965,737)



# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

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### 23. Employee Benefits Obligation (Continued)

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

	2023	2022
Pension	7.6	10
Health	<u>15.3</u>	<u>16.9</u>

- (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\$993,202,600 (2022: J\$1,070,203,700).

### 24. Deferred Income

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

	2023 \$'000	2022 \$'000
Balance at beginning of the year	119,167	129,167
Less: amount recognized during the year	<u>(10,000)</u>	<u>(10,000)</u>
	<u>109,167</u>	<u>119,167</u>

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

31 July 2023

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### 25. Expenses by Nature

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Administrative services	1,252,443	1,196,801
Advertising	163,823	169,834
Cleaning and sanitation	259,888	177,463
Computer and software license fees	800,284	670,242
Courier services, shipping and freight charges	55,985	40,507
Donations and charity	61,884	62,948
General office supplies and consumables	474,141	746,021
Hospitality and entertainment	167,051	66,027
Impairment losses on financial assets	534,464	510,574
Insurance	805,859	740,260
Laboratory and medical supplies	526,777	542,715
Legal and professional fees	1,092,247	1,378,595
Local and foreign travel	546,770	246,902
Miscellaneous	1,873,198	1,391,146
Motor vehicle expenses	56,588	30,538
Printing and stationery	350,423	258,399
Repairs and maintenance		
- building	1,357,317	976,878
- furniture and fixtures	260,787	134,261
- motor vehicles	109,711	88,762
Security	873,564	727,356
Staff costs (Note 30)	44,557,271	43,312,373
Teaching and research	1,806,525	2,141,563
Training and development	875,810	1,070,656
Utilities	3,033,901	2,365,359
	<u>61,896,711</u>	<u>59,046,180</u>

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 26. Finance Costs

	<b>2023</b> <b>\$'000</b>	<b>2022</b> <b>\$'000</b>
Interest expense-loans	463,409	623,915
Interest expense-leases	253,528	254,658
Other finance costs	182,155	153,802
	<u>899,092</u>	<u>1,032,375</u>

### 27. Leases

(a) Amounts recognised in the statement of financial position

	<b>2023</b> <b>\$'000</b>	<b>2022</b> <b>\$'000</b>
Buildings	1,476,608	1,517,436
Equipment	52,530	16,975
Total right-of-use asset	<u>1,529,138</u>	<u>1,534,411</u>
Current	60,127	51,172
Non-current	1,667,443	1,696,826
Total lease liabilities	<u>1,727,570</u>	<u>1,747,998</u>

(b) Amounts recognised in the statement of comprehensive income

	<b>2023</b> <b>\$'000</b>	<b>2022</b> <b>\$'000</b>
Depreciation charge of right-of-use assets:		
Buildings	40,828	40,828
Equipment	5,738	1,689
	<u>46,566</u>	<u>42,517</u>
Interest expense	<u>253,528</u>	<u>254,658</u>

The total cash outflow for leases in 2023 was \$312,512,000 (2022: \$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

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### 27. 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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### 27. 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.

### 28. 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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### 28. 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 2023 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

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### 28. Financial Risk Management (Continued)

#### (a) Credit risk (continued)

##### (ii) Student accounts

On this basis, the loss allowance as at 31 July 2023 and 31 July 2022 (was determined as follows for student accounts receivable:

	<b>Expected Credit Loss Rate</b>	<b>Gross Carrying Amount \$'000</b>
<b>31 July 2023</b>		
Current	17%	1,041,888
More than 90 days past due	41%	1,152,925
More than 120 days past due	52%	1,693,988
More than one year past due	76%	3,936,162
		<u>7,824,963</u>
Loss allowance		<u>(4,512,975)</u>
<b>Total</b>		<u><u>3,311,988</u></u>
	<b>Expected Credit Loss Rate</b>	<b>Gross Carrying Amount \$'000</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>

# The University of the West Indies

## Notes to the Financial Statements

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### 28. 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:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of year	4,608,249	5,514,858
Net (decrease)/increase in loss allowance recognised in income statement	435,710	335,266
Currency translation adjustment	<u>(530,984)</u>	<u>(1,241,875)</u>
<b>At 31 July 2023</b>	<u><b>4,512,975</b></u>	<u><b>4,608,249</b></u>

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:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Government	1,141,952	1,132,903
Corporate	<u>15,023,158</u>	<u>12,899,679</u>
	<u><b>16,165,110</b></u>	<u><b>14,032,582</b></u>



# The University of the West Indies

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### 28. 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

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(expressed in Jamaican dollars unless otherwise indicated)

### 28. 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 2023 reconciles to the opening loss allowance on 1 August 2022 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 2022 – calculated under IFRS 9	272,222	11,291	644,389	927,902
Increase in loss allowance recognised in the income statement during the year	2,658	(9,900)	12,984	5,742
Closing loss allowance as at 31 July 2023	<u>274,880</u>	<u>1,391</u>	<u>657,373</u>	<u>933,644</u>

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

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### 28. 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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Debt instruments – amortised cost	5,742	(17,389)
Student accounts receivable	435,710	335,266
Foreign exchange adjustment	(32,391)	(15,154)
Receivables from governments-economic cost	139,144	17,437
Other government receivables	(15,305)	(2,925)
Other receivables	1,564	193,339
Total loss allowance on financial assets	<u>534,464</u>	<u>510,574</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

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### 28. 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 9(a) and 14] was:

	2023 \$'000		2022 \$'000	
	Gross	ECL	Gross	ECL
Past due 0-30 days	1,538,169	3,467	1,538,358	18,785
Past due 31-60 days	1,728,345	3,328	1,425,043	33,138
Past due 61-120 days	285,907	34,326	255,346	65,360
Past due 121-365 days	368,241	88,674	324,844	84,421
More than one year	5,218,004	2,537,683	5,465,762	2,326,630
Total	9,138,666	2,667,478	9,009,353	2,528,334

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

	2023 \$'000	2022 \$'000
Balance at beginning of year	2,528,334	2,510,897
Amount recognised	139,144	17,437
Balance at end of year	2,667,478	2,528,334

##### *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

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### 28. 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 9) at the reporting date is summarised as follows:

	2023 \$'000		2022 \$'000	
	Gross	ECL	Gross	ECL
Past due 0-120 days	2,194,813	649,414	1,954,699	368,599
Past due 121-365 days	1,693,988	879,654	1,641,764	793,560
More than one year	3,936,162	2,983,907	3,812,710	3,446,090
	<u>7,824,963</u>	<u>4,512,975</u>	<u>7,409,173</u>	<u>4,608,249</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	Third parties	Government of Trinidad and Tobago
	\$'000	\$'000	\$'000
Balance at July 31, 2021	5,514,858	649,655	2,737,411
Currency translation adjustment	(1,241,875)	(57,770)	16,435
Amount recognised/(recovered)	335,266	193,339	(2,925)
Balance at July 31, 2022	4,608,249	785,224	2,750,921
Currency translation adjustment	(530,984)	85,438	9,961
Amount recognised/(recovered)	435,710	1,564	(15,305)
Balance at July 31, 2023	<u>4,512,975</u>	<u>872,226</u>	<u>2,745,577</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

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### 28. 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
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>July 31, 2023:</b>					
Current liabilities	25,903,821	25,903,821	25,903,821	-	-
Long-term liabilities	7,045,614	11,312,639	1,282,425	1,239,880	8,790,334
	<u>32,949,435</u>	<u>37,216,460</u>	<u>27,186,246</u>	<u>1,239,880</u>	<u>8,790,334</u>
<b>July 31, 2022:</b>					
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
	<u>31,774,648</u>	<u>36,961,158</u>	<u>26,348,761</u>	<u>1,020,290</u>	<u>9,592,107</u>

#### (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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### 28. 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:

	2023 \$'000	2022 \$'000
<i>Fixed rate instruments:</i>		
Financial assets	22,092,612	20,159,877
Financial liabilities	(6,100,291)	(6,376,966)
	<u>15,992,321</u>	<u>13,782,911</u>
<i>Variable rate instruments</i>		
Financial assets	10,769,039	11,520,091
Financial liabilities	(796,716)	(799,738)
	<u>9,972,323</u>	<u>10,720,353</u>

# The University of the West Indies

## Notes to the Financial Statements

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### 28. 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 50 (2022: 200) basis points in interest rates would have decreased the deficit for the year by J\$4,986,200 (2022: J\$214,407,100).

A decrease of 25 (2022: 50) basis points in interest rates would have increased the deficit for the year by J\$2,493,100 (2022: J\$53,601,800).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2022.

##### (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 6% (2022: 5%) increase in the market price of equities at the reporting date would result in an increase in the investment revaluation reserve by J\$109,298,979 (2022: J\$105,478,000). A decrease of 3% (2022: 5%) in equity prices at the reporting date would result in a decrease in the investment revaluation reserve by J\$54,649,500 (2022: J\$105,478,000).

##### (iii) Foreign currency risk

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

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

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



# The University of the West Indies

## Notes to the Financial Statements

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### 28. 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:

	2023									
	BAH \$'000	BDS \$'000	BZE \$'000	CDN \$'000	CAY \$'000	EC \$'000	EURO €'000	PND £'000	TT \$'000	US \$'000
Cash and cash equivalents	2	14,585	70	353	-	30,001	41,897	19,088	31,292	70,024
Short term investments	-	-	-	-	-	-	-	46	-	11,678
Government contributions	1,530	4,539	328	-	(83)	97,819	-	-	110,635	3,188
Accounts receivable	1,614	-	986	-	477	29,564	-	19	37,078	2,941
Accounts payable	(121)	(595)	(217)	-	-	(10,199)	-	(5)	(37,092)	(27,896)
Long-term loans	-	-	-	-	-	-	(5,558)	-	-	(11,232)
Net exposure	3,025	18,529	1,167	353	394	147,185	36,339	19,148	141,913	48,703

	2022									
	BAH \$'000	BDS \$'000	BZE \$'000	CDN \$'000	CAY \$'000	EC \$'000	EURO €'000	PND £'000	TT \$'000	US \$'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	720	-	510	-	342	31,167	-	21	36,244	3,841
Accounts payable	(359)	(614)	(194)	(7)	-	(7,697)	-	-	(41,597)	(7,689)
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

# The University of the West Indies

## Notes to the Financial Statements

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### 28. 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:

		<b>2023</b>	<b>2022</b>
BAH	\$1.00 =	J\$154.4929	J\$ 153.0961
BDS	\$1.00 =	J\$77.3039	J\$ 76.5481
BZE	\$1.00 =	J\$77.3039	J\$ 76.5481
CDN	\$1.00 =	J\$115.4597	J\$ 118.8103
CAY	\$1.00 =	J\$188.5462	J\$ 186.7026
EC	\$1.00 =	J\$57.2622	J\$ 56.7023
EURO	€1.00 =	J\$168.7762	J\$ 154.6336
GB	£1.00 =	J\$196.3249	J\$ 183.4874
TT	\$1.00 =	J\$22.9185	J\$ 22.6977
US	\$1.00 =	J\$154.4929	J\$ 153.0961

#### Sensitivity analysis

A 1% (2022: 1%) strengthening of the Jamaica dollar against the currencies listed above would have increased the deficit for the year by J\$312,021 (2022: J\$286,952).

A 4% (2022: 4%) weakening of the Jamaica dollar against the currencies listed above would have decreased the deficit for the year by J\$1,248,086 (2022: J\$1,147,807).

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis as 2022.

# The University of the West Indies

## Notes to the Financial Statements

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 29. 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:

	2023		
	Carrying amount \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets at fair value through other comprehensive income	1,872,248	1,821,649	50,599
	2022		
	Carrying amount \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets at fair value through comprehensive income	2,168,609	2,109,558	59,051

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

31 July 2023

(expressed in Jamaican dollars unless otherwise indicated)

### 30. Staff Costs

	2023 \$'000	2022 \$'000
Salaries and wages	39,098,849	38,176,635
Statutory payroll contributions	1,895,236	1,817,557
Pension plan contributions-defined contribution plans	2,091,357	1,975,711
Other	1,471,829	1,342,470
	<u>44,557,271</u>	<u>43,312,373</u>
Post-employment benefit costs (Note 23(e))	2,779,438	3,150,596
	<u>47,336,709</u>	<u>46,462,969</u>

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

	2023 \$'000	2022 \$'000
Salaries and short-term employee benefits	<u>854,998</u>	<u>871,758</u>

### 31. 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

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### 32. Capital Commitment

The University is committed to incur contractual capital expenditure of approximately J\$600.7 million (2022: J\$415.7 million).

### 33. 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.

#### *Roytec Mortgage Loan*

The St Augustine Campus is the guarantor on a loan of TT\$58 million contracted by UWI-ROYTEC on September 26 2018 to acquire the property to house their main campus.

#### *Outstanding negotiations with Staff Unions*

Salary costs for negotiations concluded but not yet paid are accrued for in the financial statements of the St Augustine Campus. For periods awaiting negotiations, no accruals are made in the financial statements as the funding mandate from the Government of Trinidad and Tobago does not recognize these costs until negotiations are completed. Negotiations yet to commence for periods covered by the financial statements are:

- (i) Academic and Senior Professional Staff – Bargaining periods August 2014 to July 2023
- (ii) Administrative, Technical and Services Staff - – Bargaining periods January 2015 to July 2023
- (iii) UWI Estate Police - Bargaining periods August 2014 to July 2023
- (iv) Daily Paid Staff - Bargaining periods January 2014 to July 2023



# **The University of the West Indies**

## **SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 31, 2023**

# The University of the West Indies

Supplementary Information

For the year ended 31 July 2023

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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 21, 22 and 24 have been translated to thousands of Barbados and United States dollars and included on pages 87 to 92 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, 2023:

BDS\$1: J\$77.303950	(2022: BDS\$1: J\$76.548050)
US\$1: J\$154.492850	(2022: US\$1: J\$153.096100)

The Combined Statement of Other Comprehensive Income is translated using the average rates of exchange for the year to July 31, 2023:

BDS\$1: J\$75.995721	(2022: BDS\$1: J\$76.150212)
US\$1: J\$153.091826	(2022: US\$1: J\$153.451610)

The Combined Statement of Cash Flows is translated using the closing rates of exchange at July 31, 2023 and 2022 and items related to the Combined Statement of Comprehensive Income are translated at the average rates of exchange for 2023 and 2022.

Exchange differences are included in foreign exchange adjustments.



# The University of the West Indies

## Combined Statement of Financial Position

31 July 2023

(expressed in Jamaican and Barbados dollars)

	<u>2023</u> J\$'000	<u>2022</u> J\$'000	<u>2023</u> BDS\$'000	<u>2022</u> BDS\$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	15,953,139	17,690,498	206,369	231,103
Resale agreements	2,186,153	1,554,188	28,280	20,303
Short-term investments	1,473,839	1,666,959	19,066	21,777
Accounts receivable	25,786,144	24,441,824	333,568	319,300
Inventories	577,968	574,351	7,477	7,503
	<u>45,977,243</u>	<u>45,927,820</u>	<u>594,760</u>	<u>599,986</u>
<b>CURRENT LIABILITIES</b>	<u>(29,518,694)</u>	<u>(28,015,110)</u>	<u>(381,852)</u>	<u>(365,981)</u>
<b>NET CURRENT ASSETS</b>	<u>16,458,549</u>	<u>17,912,710</u>	<u>212,908</u>	<u>234,005</u>
<b>NON-CURRENT ASSETS</b>				
Advances	8,019	12,019	104	157
Long-term investments	14,691,271	12,365,623	190,046	161,541
Investment properties	4,227	4,476	55	58
Long-term receivables	2,411,489	3,247,449	31,195	42,424
Property, plant and equipment	64,448,932	65,401,245	833,708	854,382
Right-of-use assets	1,529,138	1,534,411	19,781	20,045
	<u>83,093,076</u>	<u>82,565,223</u>	<u>1,074,889</u>	<u>1,078,607</u>
	<u>99,551,625</u>	<u>100,477,933</u>	<u>1,287,797</u>	<u>1,312,612</u>
<b>RESERVES</b>				
Cumulative translation reserve	21,307,367	20,450,072	275,631	267,153
Revaluation surplus	5,426,313	5,426,313	70,195	70,888
Investment revaluation reserve	1,308,661	1,633,344	16,929	21,337
General reserve	(835,758)	(976,175)	(10,811)	(12,752)
Accumulated (deficit)/surplus	(3,445,195)	(1,261,162)	(44,567)	(16,475)
Total reserves	<u>23,761,388</u>	<u>25,272,392</u>	<u>307,377</u>	<u>330,151</u>
<b>NON-CURRENT LIABILITIES</b>				
Unexpended donations for special projects	6,635,726	5,643,052	85,839	73,719
Endowment funds	213,608	212,320	2,764	2,774
Capital grants	32,633,073	32,923,806	422,140	430,106
Long-term liabilities	5,877,563	6,261,640	76,032	81,800
Employee benefits obligation	28,653,657	28,348,730	370,662	370,339
Deferred income	109,167	119,167	1,413	1,556
Lease liabilities	1,667,443	1,696,826	21,570	22,167
<b>Total non-current liabilities</b>	<u>75,790,237</u>	<u>75,205,541</u>	<u>980,420</u>	<u>982,461</u>
	<u>99,551,625</u>	<u>100,477,933</u>	<u>1,287,797</u>	<u>1,312,612</u>

**The University of the West Indies**  
**Combined Statement of Comprehensive Income**  
**For the year ended 31 July 2023**  
(expressed in Jamaican and Barbados dollars)

	<u>2023</u> J\$'000	<u>2022</u> J\$'000	<u>2023</u> BDS\$'000	<u>2022</u> BDS\$'000
<b>INCOME</b>				
Government contributions	30,803,155	30,205,318	405,327	396,654
Tuition and other student fees	9,295,606	9,926,290	122,317	130,351
Special projects	3,657,263	3,286,391	48,125	43,157
Other projects	15,938,282	16,027,988	209,726	210,479
Commercial operations	3,196,648	2,096,176	42,064	27,527
Investment income	486,870	516,362	6,407	6,781
Miscellaneous income	2,154,915	2,192,597	28,356	28,793
	<u>65,532,739</u>	<u>64,251,122</u>	<u>862,322</u>	<u>843,742</u>
Less: transfer to capital grants	(109,972)	(236,423)	(1,447)	(3,105)
Income after transfer to capital grants	<u>65,422,767</u>	<u>64,014,699</u>	<u>860,875</u>	<u>840,637</u>
<b>EXPENSES</b>				
Departmental	(28,601,959)	(27,663,420)	(376,363)	(363,274)
Administrative	(8,468,137)	(8,657,742)	(111,429)	(113,693)
Central	(6,133,702)	(4,495,812)	(80,711)	(59,040)
Net impairment losses on financial assets	(534,464)	(510,574)	(7,033)	(6,705)
Special projects	(3,657,263)	(3,286,391)	(48,125)	(43,157)
Other projects	(10,806,617)	(10,830,898)	(142,200)	(142,231)
Commercial operations	(3,694,569)	(3,601,343)	(48,615)	(47,293)
	<u>(61,896,711)</u>	<u>(59,046,180)</u>	<u>(814,476)</u>	<u>(775,391)</u>
Surplus for the year before finance costs	3,526,056	4,968,519	46,399	65,246
Finance costs	(899,092)	(1,032,375)	(11,831)	(13,557)
Surplus for the year before depreciation, pension and post-employment medical benefits	2,626,964	3,936,144	34,568	51,689
Depreciation	(2,677,670)	(2,784,574)	(35,234)	(36,567)
Pension and post-employment medical benefits	(2,779,438)	(3,150,596)	(36,574)	(41,373)
<b>DEFICIT FOR THE YEAR</b>	<u>(2,830,144)</u>	<u>(1,999,026)</u>	<u>(37,240)</u>	<u>(26,251)</u>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Item that will not be reclassified to profit or loss</b>				
Re-measurement of employee benefits obligation	646,111	2,646,996	8,502	34,760
<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	(324,683)	(147,779)	(4,272)	(1,941)
Currency translation adjustments	857,295	(82,453)	11,281	(1,083)
<b>Total Other Comprehensive Income</b>	<u>1,178,723</u>	<u>2,416,764</u>	<u>15,511</u>	<u>31,737</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>(1,651,421)</u>	<u>417,738</u>	<u>(21,729)</u>	<u>5,486</u>

# The University of the West Indies

## Combined Statement of Cash Flows

For the year ended 31 July 2023

(expressed in Jamaican and Barbados)

	<u>2023</u> J\$'000	<u>2022</u> J\$'000	<u>2023</u> BDS\$'000	<u>2022</u> BDS\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Deficit for the year	(2,830,144)	(1,999,026)	(37,240)	(26,251)
Adjustments for:				
Depreciation: Property, plant and equipment	2,630,855	2,741,808	34,618	36,005
Investment properties	249	249	3	3
Right of use assets	46,566	42,517	613	558
Amortisation of capital grants	(824,284)	(1,064,092)	(10,846)	(13,974)
Employee benefits obligation	2,779,438	3,150,596	36,574	41,373
(Gain)/Loss on sale of property, plant and equipment	(16,765)	290,496	(221)	3,815
Foreign exchange adjustments	(1,679,069)	(1,289,190)	(24,501)	(15,399)
Impairment of financial assets (excluding economic cost)	395,320	493,136	5,202	6,476
Impairment of government receivables (for economic cost)	139,144	17,437	1,831	229
Interest income	(468,371)	(483,178)	(6,163)	(6,345)
Dividend income	(18,499)	(33,184)	(243)	(436)
Deferred Income	(10,000)	(10,000)	(132)	(131)
Interest expense	899,092	1,032,375	11,831	13,557
	<u>1,043,532</u>	<u>2,889,944</u>	<u>11,326</u>	<u>39,480</u>
Changes in:				
Accounts receivable	(1,344,320)	(1,453,385)	(17,390)	(18,987)
Inventories	(3,617)	18,305	(47)	239
Current liabilities	1,557,649	527,609	20,150	6,893
Net cash provided by operating activities	<u>1,253,244</u>	<u>1,982,473</u>	<u>14,039</u>	<u>27,625</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	403,383	537,800	5,308	7,062
Dividend received	18,499	32,650	243	429
Investment, (net )	(2,457,210)	1,857,573	(31,786)	24,267
Increase in resale agreements	(631,963)	(129,693)	(8,175)	(1,694)
Decrease in advances	4,000	7,000	52	91
Decrease in long term receivables	975,104	345,845	12,614	4,518
Purchase of property, plant and equipment	(1,035,645)	(1,604,504)	(13,397)	(20,961)
Proceeds from sale of property, plant and equipment	19,567	1,509	253	20
Net cash (used in)/provided by investing activities	<u>(2,704,265)</u>	<u>1,048,180</u>	<u>(34,888)</u>	<u>13,732</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid	(813,441)	(770,798)	(10,704)	(10,122)
Unexpended donations for special projects	992,674	531,913	12,841	6,949
Endowment funds	1,143	(8,504)	15	(111)
Capital grants received	150,186	660,350	1,943	8,627
Proceeds of long-term loans	405,353	39,269	5,244	513
Repayment of long-term loans	(711,431)	(680,170)	(9,203)	(8,886)
Lease repayments	(312,512)	(359,937)	(4,043)	(4,702)
Other long term liabilities (net)	1,690	18,417	22	241
Net cash (used in) financing activities	<u>(286,338)</u>	<u>(569,460)</u>	<u>(3,885)</u>	<u>(7,491)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,737,359)</u>	<u>2,461,193</u>	<u>(24,734)</u>	<u>33,866</u>
Cash and cash equivalents at beginning of the year	17,690,498	15,229,305	231,103	197,237
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>15,953,139</u>	<u>17,690,498</u>	<u>206,369</u>	<u>231,103</u>

# The University of the West Indies

## Combined Statement of Financial Position

31 July 2023

(expressed in Jamaican and United States dollars)

	<u>2023</u> J\$'000	<u>2022</u> J\$'000	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	15,953,139	17,690,498	103,261	115,552
Resale agreements	2,186,153	1,554,188	14,151	10,152
Short-term investments	1,473,839	1,666,959	9,540	10,888
Accounts receivable	25,786,144	24,441,824	166,908	159,650
Inventories	577,968	574,351	3,741	3,752
	<u>45,977,243</u>	<u>45,927,820</u>	<u>297,601</u>	<u>299,994</u>
<b>CURRENT LIABILITIES</b>	(29,518,694)	(28,015,110)	(191,068)	(182,990)
<b>NET CURRENT ASSETS</b>	<u>16,458,549</u>	<u>17,912,710</u>	<u>106,533</u>	<u>117,004</u>
<b>NON-CURRENT ASSETS</b>				
Advances	8,019	12,019	52	79
Long-term investments	14,691,271	12,365,623	95,094	80,770
Investment properties	4,227	4,476	27	29
Long-term receivables	2,411,489	3,247,449	15,609	21,212
Long-term receivables	64,448,932	65,401,245	417,164	427,191
Property, plant and equipment	1,529,138	1,534,411	9,898	10,023
	<u>83,093,076</u>	<u>82,565,223</u>	<u>537,844</u>	<u>539,304</u>
	<u>99,551,625</u>	<u>100,477,933</u>	<u>644,377</u>	<u>656,308</u>
<b>RESERVES</b>				
Cumulative translation reserve	21,307,367	20,450,072	137,918	133,577
Revaluation surplus	5,426,313	5,426,313	35,123	35,444
Investment revaluation reserve	1,308,661	1,633,344	8,471	10,669
General reserve	(835,758)	(976,175)	(5,410)	(6,376)
Accumulated (deficit)/surplus	(3,445,195)	(1,261,162)	(22,300)	(8,238)
Total reserves	<u>23,761,388</u>	<u>25,272,392</u>	<u>153,802</u>	<u>165,076</u>
<b>NON-CURRENT LIABILITIES</b>				
Unexpended donations for special projects	6,635,726	5,643,052	42,952	36,860
Endowment funds	213,608	212,320	1,383	1,388
Capital grants	32,633,073	32,923,806	211,227	215,053
Long-term liabilities	5,877,563	6,261,640	38,044	40,900
Employee benefits obligation	28,653,657	28,348,730	185,469	185,170
Employee benefits obligation	109,167	119,167	707	778
Deferred income	1,667,443	1,696,826	10,793	11,083
<b>Total non-current liabilities</b>	<u>75,790,237</u>	<u>75,205,541</u>	<u>490,575</u>	<u>491,232</u>
	<u>99,551,625</u>	<u>100,477,933</u>	<u>644,377</u>	<u>656,308</u>

**The University of the West Indies**  
**Combined Statement of Comprehensive Income**  
**For the year ended 31 July 2023**  
(expressed in Jamaican and United States dollars)

	<u>2023</u> J\$'000	<u>2022</u> J\$'000	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<b>INCOME</b>				
Government contributions	30,803,155	30,205,318	201,207	196,839
Tuition and other student fees	9,295,606	9,926,290	60,719	64,687
Special projects	3,657,263	3,286,391	23,889	21,416
Other projects	15,938,282	16,027,988	104,109	104,450
Commercial operations	3,196,648	2,096,176	20,881	13,660
Investment income	486,870	516,362	3,180	3,365
Miscellaneous income	2,154,915	2,192,597	14,076	14,289
	<u>65,532,739</u>	<u>64,251,122</u>	<u>428,061</u>	<u>418,706</u>
Less: transfer to capital grants	(109,972)	(236,423)	(718)	(1,541)
Income after transfer to capital grants	<u>65,422,767</u>	<u>64,014,699</u>	<u>427,343</u>	<u>417,165</u>
<b>EXPENSES</b>				
Departmental	(28,601,959)	(27,663,420)	(186,829)	(180,275)
Administrative	(8,468,137)	(8,657,742)	(55,314)	(56,420)
Central	(6,133,702)	(4,495,812)	(40,066)	(29,298)
Net impairment losses on financial assets	(534,464)	(510,574)	(3,491)	(3,327)
Special projects	(3,657,263)	(3,286,391)	(23,889)	(21,416)
Other projects	(10,806,617)	(10,830,898)	(70,589)	(70,582)
Commercial operations	(3,694,569)	(3,601,343)	(24,133)	(23,469)
	<u>(61,896,711)</u>	<u>(59,046,180)</u>	<u>(404,311)</u>	<u>(384,787)</u>
Surplus for the year before finance costs	3,526,056	4,968,519	23,032	32,378
Finance costs	(899,092)	(1,032,375)	(5,873)	(6,727)
Surplus for the year before depreciation, pension and post-employment medical benefits	2,626,964	3,936,144	17,159	25,651
Depreciation	(2,677,670)	(2,784,574)	(17,491)	(18,146)
Pension and post-employment medical benefits	(2,779,438)	(3,150,596)	(18,155)	(20,532)
	<u>(2,830,144)</u>	<u>(1,999,026)</u>	<u>(18,487)</u>	<u>(13,027)</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	646,111	2,646,996	4,220	17,250
<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	(324,683)	(147,779)	(2,121)	(963)
Currency translation adjustments	857,295	(82,453)	5,600	(537)
<b>Total Other Comprehensive Income</b>	<u>1,178,723</u>	<u>2,416,764</u>	<u>7,699</u>	<u>15,750</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>(1,651,421)</u>	<u>417,738</u>	<u>(10,788)</u>	<u>2,723</u>



# The University of the West Indies

## Combined Statement of Cash Flows

For the year ended 31 July 2023

(expressed in Jamaican and United States dollars)

	<u>2023</u> J\$'000	<u>2022</u> J\$'000	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Deficit for the year	(2,830,144)	(1,999,026)	(18,487)	(13,027)
Adjustments for:				
Depreciation: Property, plant and equipment	2,630,855	2,741,808	17,185	17,868
Investment properties	249	249	2	2
Right of use assets	46,566	42,517	304	277
Amortization of capital grants	(824,284)	(1,064,092)	(5,384)	(6,934)
Employee benefits obligation	2,779,438	3,150,596	18,155	20,532
(Gain)/Loss on sale of property, plant and equipment	(16,765)	290,496	(110)	1,893
Foreign exchange adjustments	(1,679,069)	(1,289,190)	(12,051)	(7,506)
Impairment of financial assets (excluding economic cost)	395,320	493,136	2,582	3,214
Impairment of government receivables (for economic cost)	139,144	17,437	909	114
Interest income	(468,371)	(483,178)	(3,059)	(3,149)
Dividend income	(18,499)	(33,184)	(121)	(216)
Deferred income	(10,000)	(10,000)	(65)	(65)
Interest expense	899,092	1,032,375	5,873	6,728
	1,043,532	2,889,944	5,733	19,731
Changes in :				
Accounts receivable	(1,344,320)	(1,453,385)	(8,702)	(9,493)
Inventories	(3,617)	18,305	(23)	120
Current liabilities	1,557,649	527,609	10,082	3,446
Net cash provided by operating activities	1,253,244	1,982,473	7,090	13,804
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	403,383	537,800	2,635	3,505
Dividend received	18,499	32,650	121	213
Investment, (net)	(2,457,210)	1,857,573	(15,905)	12,133
Increase in resale agreements	(631,963)	(129,693)	(4,091)	(847)
Decrease in advances	4,000	7,000	26	46
Decrease in long-term receivables	975,104	345,845	6,312	2,259
Purchase of property, plant and equipment	(1,035,645)	(1,604,504)	(6,704)	(10,480)
Proceeds from sale of property, plant and equipment	19,567	1,509	127	10
Net cash (used in)/provided by investing activities	(2,704,265)	1,048,180	(17,479)	6,839
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid	(813,441)	(770,798)	(5,313)	(5,023)
Unexpended donations for special projects	992,674	531,913	6,425	3,474
Endowment funds	1,143	(8,504)	7	(56)
Capital grants received	150,186	660,350	972	4,313
Proceeds of long-term loans	405,353	39,269	2,624	256
Repayment of long-term loans	(711,431)	(680,170)	(4,605)	(4,443)
Lease repayments	(312,512)	(359,937)	(2,023)	(2,351)
Other long term liabilities, (net)	1,690	18,417	11	120
Net cash (used in) financing activities	(286,338)	(569,460)	(1,902)	(3,710)
Net (decrease)/increase in cash and cash equivalents	(1,737,359)	2,461,193	(12,291)	16,933
Cash and cash equivalents at beginning of the year	17,690,498	15,229,305	115,552	98,619
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>15,953,139</b>	<b>17,690,498</b>	<b>103,261</b>	<b>115,552</b>





# The University of the West Indies

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