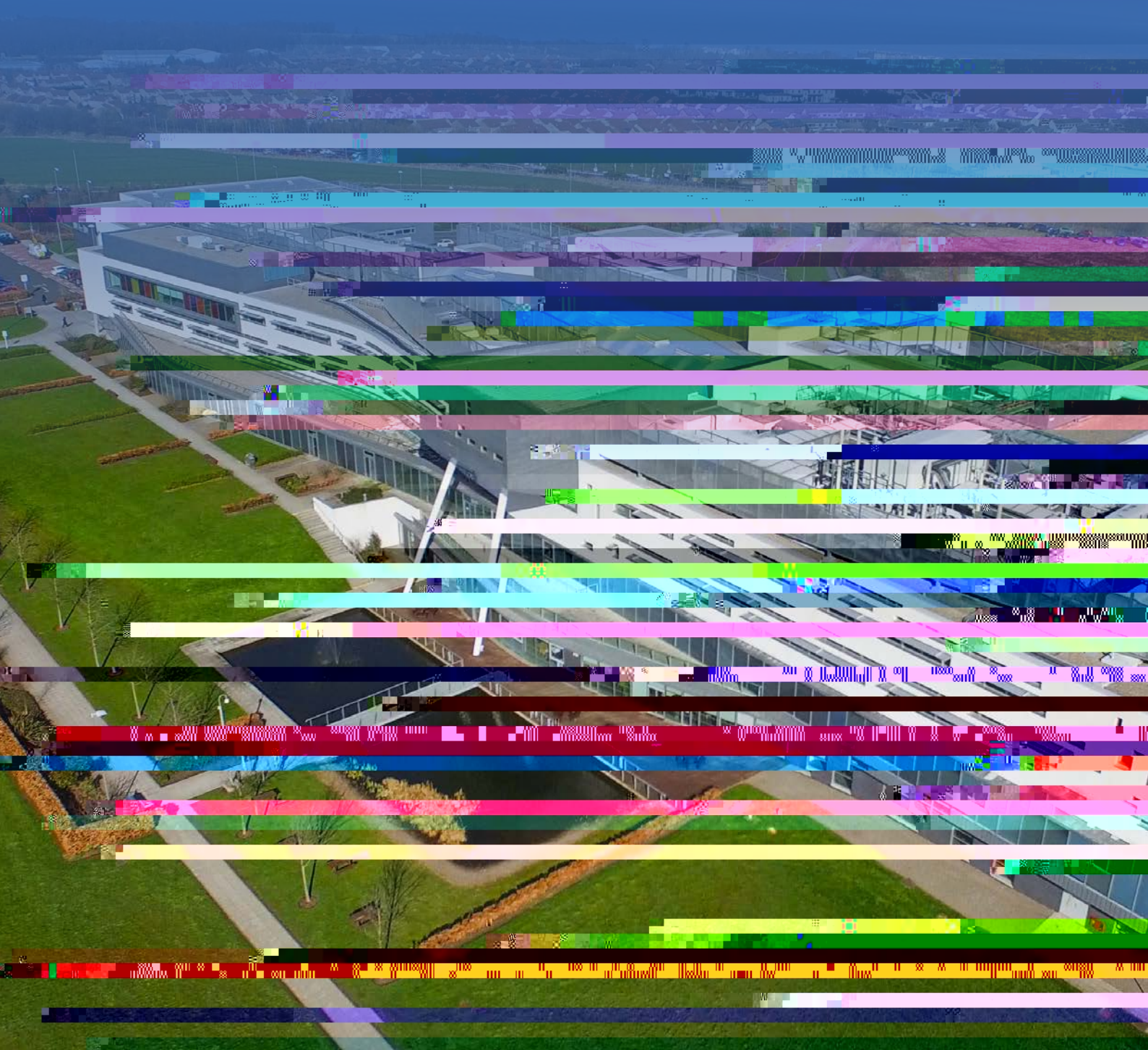




# Strategic Report and Financial Statements



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8dchdaVMZY'hiM Zb Zci 'd[ 'Xh] 'Ødl h	24
C di Zhi d' i] Z'xcVcXVahiM Zb Zci h	25 – 45



# STRATEGIC REPORT

Fj Zzc B VgVgzi J cKZghn: YcVjg] hVc Vj idcab dj hHdii h] ] ^] ZgZy Xl dc' ehi h] i dc' VcY h gZ\ h ZgZY j cYZgi] Z 8db eVc Zh6Xh VhVXdb eVcniab iZY Vh Vj Vg/ci ZZ#h gZ\ h ZgZY d[xZ' h F] Zzc B VgVgzi J cKZghn 9gKZ! B j HZaVjg]!: Vh Ad] Vcl: = ' & +J J #] ] Z J cKZghn] VhVZZc ZciZgY' cid i] Z Hdii h] ' 8] VgfnGZ\ h ZgVcY h Zci hZY! e VXdgVcXZ 1 h] hZl dc' & (L& d[i] Z 8] VgfnZhVcYl g hZZ' xkZhib Zci hHdii a/cYl '6X' '%&! id g[Zgid' hZj VhV'8] VgfnGZ\ h ZgZY' e Hdii a/cY#

## Scope of the financial statements

I ] Z' xVcXVah iVZb Zci h eghZciZY' dc' eVZh & 'id') \* Xdb eghZ i] Z XdchdaV iZY' gZj ahi d[i] Z J cKZghn VcY' h h] VhY Vgn Xdb eVcni F B J : ci ZgeghZ hAb iZY# F B J : ci ZgeghZ hAb iZY j cYZg V ZhXdb b ZgXVaXdcj aVcXh l dg ] j i h h e\ i] Z ZneZg hZ' d[i] Z J cKZghn h VhYZb X VcY iZ] cXVah iV[! VcY Vhd YZVah i] 'kVM dc' aZi e\ d[i] Z J cKZghn h h j YZci VXd b b dVM dc#

I ] Z' xVcXVah iVZb Zci h] VZ' VZZc' egZeVgZY' dc' V\dc' e\ XdcZg: Vh h' e' VXdgVcXZ 1 h] ; eVcXVaGZedj e\ H VcVgY' %& ' e GH&% ' VcY i] Z HViZb Zci' d[ 'GZdb b ZcYZY' E d' XZ' E' 6Xdj ci e\ [dg; j g] ZgVcY = ^] Zg: Vj Xl dc' '%&' H-DGE' '%&' H! i h] ' i] Z' 6Xdj cih 9 gZl dc' h j ZY' Vh i] Z Hdii h] ; j cY e\ '8dj cXaH 8l' VcY l h] i] Z J c iZY' @e\ Ydb '8db eVc Zh6Xh# b eZb Zci V' dc' d[ 'HDGE' '%&' gZj gZY i] Z J cKZghn id gZ h iZ' h Xdb eVg h KZ' e [dgb V' dc' [gdb i] Z ig' ch' e' YMiZ d[ ' & G' j h' '%& ) # ] Z' xVcXVa b eVh' d[i] Z

## Development of strategic plan

x' 9 ZXZb VZg' '%&' [daul e\ V l 'YZ' Xdcj aM' dc' egiXZ h i] Z J cKZghn 8dj g' VeegdkZY i] Z cZl ' h iGM Z\ X' eac' l ] X] ] W' VZZc' YZkZaleZY' e' VXdgVcXZ 1 h] i] Z F B & '% h iGM Z\ n' YZi V' h d[ l ] X] ' VgZ' VXXZh VZ' dc' i] Z J cKZghn h i Z Vh Z# ] Z' F B & '% h iGM Z\ n' h VhZY' Vg j cY i] Z J cKZghn h k h' dc' id' VZ' V J cKZghn d[ 'YZVh VcY' eQ ZcZ# ] Z h iGM Z\ n' h i h dj i i] Z

**STRATEGIC REPORT (continued)**

## STRATEGIC REPORT (continued)

### Borrowings

7dggdl 'c\hM' (&? an' %&+ Vb dj ciZY'id 'Y(\*&#b 'adcl'k (&? an' %&\*!Y' (+# 'b 'adcl'gZAl 'c\Zci 'gZan'id VhZx) gZY'adVc' [VX'ah' I '↑] '7Vg\ahh'7Vc' 'eak'iv Zc' dj i' id' 'ij' cY'i] Z' XWb' e'j hYZKZadeb Zci' M' B'j hZa'V'g] #

### Pension arrangements

I ] Z' J c'kZgh'n' h' 'ckd'kZY' 'c' i] g'Z' e'Zch'dc' h'X] Zb Z' h' Vh' [da'ail' h' "

I ] Z' Ad' i] 'Nc' EZch'dc' ; j cY' ! I ] 'X] ' h'eVg' 'd' i] Z' Ad' XW' < dkZ' gcb Zci' EZch'dc' h'X] Zb Z' tA' < EH' ! h' Vb' j' a' "Zb' ead'nZg' YZ' x' cZY' VZ' cZ' x' i' h'X] Zb Z' # ] Z' h'X] Zb Z' ] W' VYZ' x' t' M' ' (&? an' %&+ # ] Z' ; j cY' 'ig' h' iZ' Zh' ] WkZ' ! 'c' g'Z' X' c' i' n' Z' Vg' h' 'Vee' aZY' 'c' X' g' V' h' Z' h' i' d' i] Z' ' a' kZ' ad' [ Zb' ead'nZg' h' VcY' Zb' ead'nZ' h' X' d' c' i' g' V' Y' i' 'd' c' h' i' d' i] Z' h'X] Zb Z' 'c' d' g' Y' Z' g' i' d' ' g' Z' X' d' k' Z' g' i] h' YZ' x' t' 'ed' h' t' 'd' c' # ] Z' J c' kZ' g' h' n' i' h' ] Vg' Z' d' i] Z' [ j cY' YZ' x' t' h' V' h' V' a' g' a' m' ZY' V' h' i] Z' h'X] Zb Z' V' X' j' Vg' h' ] V' h' VZ' c' h' ] d' l' c' V' h' V' a' W' a' t' n' M' ' (&? an' %&+ #

I ] Z' b' d' h' i' g' Z' X' c' i' V' X' j' Vg' V' a' g' k' Z' l' ' d' i] Z' H' d' i' i' h' ] I Z' W' X] Z' g' h' i' h' e' Z' g' V' c' j' M' 'd' c' h' X] Zb Z' h' H' H' l' V' h' j' cY' Z' g' V' Z' c' V' h' M' ' (& B' Vg' X] " %& # 6' h' V' g' Z' h' a' ' d' i] h' g' Z' k' Z' l' ! i] Z' a' kZ' ad' [ Zb' ead'nZg' h' X' d' c' i' g' V' Y' i' 'd' c' h' i' d' i] h' h' X] Zb Z' l' V' h' Z' i' M' ' & # / ' l' ↑ ] Z' [Z' X] ' [g' d' b' & H' Z' e' i' Zb' VZ' g' ' %&\* # 6' h' i] Z' h'X] Zb Z' ' h' j' c' j' cY' ZY' ! i] Z' g' Z' X' V' c' VZ' c' d' h' j' g' e' a' h' d' g' h' ] d' g' [V' a' E' Z' c' h' d' c' X' d' c' i' g' V' Y' i' 'd' c' h' i' d' i] g' M' Z' h' V' g' Z' h' Z' i' V' h' i] Z' h'X] Zb Z' V' X' j' Vg' h' i' d' b' Z' Z' i' ] Z' X' d' h' i' d' [e' Z' c' h' d' c' h' V' h' i] Z' h' V' X' g' Z' #

I ] Z' J c' kZ' g' h' n' Z' h' H' e' Z' g' V' c' j' M' 'd' c' h' X] Zb Z' ' l' H' H' ' h' i' V' YZ' x' cZY' VZ' cZ' x' i' h' X] Zb Z' l' ] 'X] ' h' X' d' c' i' g' V' Y' i' d' j' i' d' i] Z' H' M' Z' H' X' d' c' Y' EZch'dc' h' H' E' i' # ] Z' V' h' Z' i' h' d' i] Z' h'X] Zb Z' Vg' Z' ] Z' a' 'c' V' h' Z' e' Vg' M' Z' i' g' h' iZ' Z' W' b' 'c' h' i' Z' g' ZY' ' [j cY' # 7Z' X' M' h' Z' d' i] Z' b' j' i' j' V' a' c' M' j' g' Z' d' i] Z' h'X] Zb Z' l' i] Z' h'X] Zb Z' h' V' h' Z' i' h' Vg' Z' c' d' i' ] n' e' d' i] Z' X' M' ZY' i' d' 'c' Y' k' Y' ] V' a' 'c' h' i' h' j' i' 'd' c' h' V' c' Y' V' h' X] Zb Z' l' ' YZ' X' d' c' i' g' V' Y' i' 'd' c' h' i' d' i] g' M' Z' h' h' Z' i' # ] Z' 'c' h' i' h' j' i' 'd' c' h' i] Z' g' Z' [d' g' Z' ] Z' n' e' d' h' ZY' i' d' V' X' j' Vg' V' a' g' h' h' V' h' d' X' M' ZY' l' ↑ ] d' i] Z' g' Z' 'c' h' i' h' j' i' 'd' c' h' i' Zb' ead'nZ' h' V' c' Y' h' j' c' W' a' Z' i' d' ' YZ' c' i' n' ' h' h' share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the h'X] Zb Z' V' h' ' ↑ ] Z' g' Z' VYZ' x' cZY' X' d' c' i' g' V' Y' i' 'd' c' h' X] Zb Z' # 6' h' V' g' Z' h' a' i] Z' V' b' d' j' c' i' X] Vg' ZY' i' d' i] Z' 'c' X' d' b' Z' V' c' Y' Z' n' e' Z' c' Y' h' j' g' Z' V' X' d' j' c' i' g' Z' e' g' Z' h' Z' c' i' h' i] Z' X' d' c' i' g' V' Y' i' 'd' c' h' e' V' h' W' a' Z' i' d' i] Z' h'X] Zb Z' 'c' g' Z' h' e' X' i' d' i] Z' V' X' d' j' c' i' 'c' \ e' Z' g' V' Y' # ] Z' J c' kZ' g' h' n' ] V' h' V' a' W' a' t' n' 'c' g' Z' h' e' X' i' d' [↑ h' X' d' b' b' ↑ b' Z' c' i' d' i] Z' J H' H' YZ' x' t' g' Z' X' d' k' Z' g' n' e' a' c' ! h' ] d' l' c' 'c' c' d' i' Z' & # ] Z' 'c' X' g' h' d' c' d' [V' a' W' a' t' n' [d' g' i] h' YZ' x' t' h' V' g' Z' f' j' g' Z' b' Z' c' i' d' [H' D' G' E' " %&\* ! V' c' Y' i] Z' h' Z' Vg' Z' i] Z' g' Z' [d' g' Z' i] Z' x' g' h' i' h' Z' i' d' [V' X' d' j' c' i' h' i' d' 'c' X' g' YZ' i] h' i' a' W' a' t' n' # ] Z' g' Z' k' h' ZY' e' a' c' ! V' a' d' c' \ l' ↑ ] i] Z' X] V' c' \ Z' h' i' d' h' X] Zb Z' VZ' cZ' x' i' h' Vg' Z' n' e' Z' X' i' d' Z' a' b' 'c' V' Z' i] Z' YZ' x' t' V' h' " %& #

### Social inclusion

F j Z' Z' c' B' Vg' Vg' Z' i' J c' kZ' g' h' n' V' b' h' i' d' 'e' g' d' b' d' iZ' Z' c' i' g' n' i' d' ! V' c' Y' e' g' k' YZ' ZY' X' M' 'd' c' M' ! j cY' Z' g' V' g' M' j' VZ' V' c' Y' e' d' h' i' g' M' j' VZ' a' kZ' a' i' d' V' Y' kZ' g' Z' g' V' c' \ Z' d' [h' j' YZ' c' i' h' l' ] V' iZ' kZ' g' i] Z' g' V' W' X' \ g' d' j' cY' # e' V' h' Z' h' e' \ X' V' c' Y' M' Z' h' [d' g' W' b' h' h' d' c' i' d' i] Z' J c' kZ' g' h' n' l' Z' Vg' Z' d' b' b' h' i' ZY' i' d' i] Z' e' g' c' X' e' a' Z' h' d' [V' g' c' Z' h' i' g' V' c' h' e' Vg' Z' c' h' i' V' c' Y' l' ' YZ' c' \ e' V' g' X' e' M' 'd' c' # L' Z' d' [Z' g' V' g' V' c' \ Z' d' [g' Z' X' g' ↑ b' Z' c' i' d' j' i' g' Z' V] ! e' g' Z' V' c' Y' e' d' h' i' Z' c' i' g' n' V' i' k' t' Z' h' i' d' g' V' h' Z' V' r' e' g' M' 'd' c' ! Z' c' X' d' j' g' VZ' W' X' Z' h' V' c' Y' b' V' h' b' ' h' Z' g' Z' i' c' i' d' c' [g' d' b' j' cY' Z' g' Z' e' g' Z' h' Z' c' i' ZY' \ g' d' j' e' h' 'c' a' c' Z' l' ↑ ] d' j' g' H' j' YZ' c' i' : n' e' Z' g' Z' c' X' Z' h' g' M' Z' n' d' V' c' Y' j' cY' Z' g' e' c' c' ZY' V' h' i] Z' J c' kZ' g' h' n' h' D' j' i' X' d' b' Z' 6' \ g' Z' b' Z' c' i' l' ↑ ] i] Z' H' d' i' i' h' ] ; j cY' 'c' \ 8' d' j' cX' #

### Student satisfaction

D j g' C' H' g' Z' h' a' h' [d' g' ' %&+ X' d' c' x' g' b' V' X' a' V' g' j' e' l' Vg' i' g' Z' c' Y' 'c' V' a' Vg' Z' V' h' d' i] Z' C' M' 'd' c' V' a' H' j' YZ' c' i' h' j' g' kZ' n' d' kZ' g' i] Z' e' V' h' i' + n' Z' Vg' h' # B' J' l' h' d' kZ' g' V' a' h' M' h' V' i' 'd' c' ] V' h' 'c' X' g' Z' h' ZY' V' h' & ' i' d' g' Z' V' X] ' - + ! V' W' X' ' i' d' i] Z' h' b' Z' a' kZ' a' V' h' 'c' " %& ) ' V' c' Y' d' j' g' \ ] Z' h' 'c' X' Z' d' j' g' x' g' h' ' C' H' g' Z' h' a' h' 'c' " %& & # ] h' Z' n' X' ZY' h' d' j' g' VZ' c' X] b' Vg' 'd' [ - ) / ' h' Z' i' V' h' i' : : 8 : ' V' c' Y' b' M' X] Z' h' V' d' i] ' i] Z' H' d' i' i' h' ] V' c' Y' j' @ ' V' kZ' g' V' Z' h' # GZ' h' a' h' [d' g' V' h' Z' h' b' Z' c' i' V' c' Y' [Z' ZY' W' X' l' Z' g' Z' i] Z' b' d' h' i' b' e' g' d' kZ' Y' \ d' c' \ [g' d' b' + / ' i' d' , %' ' l' ] ' X] ' h' W' d' kZ' i] Z' H' d' i' i' h' ] V' kZ' g' V' Z' # D' j' g' \ ] ' g' Z' h' e' d' c' Z' g' M' Z' d' l' , / ' c' Y' X' M' Z' h' i] M' i] Z' h' Z' g' Z' h' a' h' Vg' Z' g' Z' e' g' Z' h' Z' c' i' M' kZ' d' i] Z' A' Z' kZ' a' ) Z' n' e' Z' g' Z' c' X' Z' #







## DIRECTORS' REPORT (continued)

### Membership Of The University Court

Name			
Keir Bloomer, FRSE L8] Vg	6eed'ciZY & 'B Vg] ' %% GZi gZY' &+ B Vg] ' %%+	( \$	; dgb Zg8] Z[: nZj i kZ! 8aX b VccVch] gZ' 8dj cX'a
9g; gkXZh9dl '87: ' L8] Vg	6eed'ciZY & 'B Vg] ' %%+	' \$	Former Vice Principal, University of Edinburgh
I ] Z = dcdj gWZ B Vg ' AVe\ kXZ"8] Vg	6eed'ciZY & D XidVZg' %% Retired 30 September 2016	* \$	8] Vg Vc! C VgchD VIX' ZhAb tZY
AeYVB XE] Zgdc' kXZ"8] Vg	6eed'ciZY & D XidVZg' %%	* \$	; dgb ZgHZc'dg'9 gZXdg''; ddY VcY'9gc' !I dj gtb 'fi' I Zmi'Z! Hkdi i t] : ci ZgegtZ
Carolyn Bell	6eed'ciZY & D XidVZg' %%+	%%	Solicitor
?b Zh7gWh] M	6eed'ciZY & B Vh' %%	) \$	; dgb Zg9Zej i nK XZ"8] VcXZadgtGZhdj gZhf'7] hcZth

## DIRECTORS' REPORT (continued)

### Membership of University Court Committees during the year to 31 July 2016

#### Audit and Risk Committee

Name		
B 7g B XAZVc	Convener	)\$
9g6ci] dcn; V&dcZg		(\$
Robert Rae		(\$
Judith Sischy		(\$

#### Finance & Estates Committee

Name		
7b Zh7gWh] M	Convener	+\$
Ian Calder		*\$
Eg]Zhdg6&c < 7adgVc		+\$
8nci] V< j i] gZ	6eed'ciZY'' 9ZXZb VZg' %&*	' \$
7gVc' AZ\\M	Retired 30 September 2015	%&
A'cYVB XE] Zgdrc		+\$
Eg]ZhdgEZigML ZcY		+\$

#### Nominations Committee

Name		
Keir Bloomer	8dckZcZg'GZi 'gZY' &+ 'B VgX] ' %&+	(\$
9g; gVcXZh9dl	8dckZcZg'6eed'ciZY & 'B VgX] ' %&+	' \$
Craig Cathcart		)\$
Eg]ZhdgGdVZg] 8dgb VX		)\$
9g6ci] dcn; V&dcZg	6eed'ciZY' + '6eg&' %&+	&&
B Vg] 'AV'c\		*\$
7Xfj Z&cZ' B VXYdcV&		)\$
=ZY'K' h' hZc		*\$
Eg]ZhdgEZigML ZcY		)\$

#### Senior Management Remuneration Committee

Name		
B Vg] 'AV'c\	Convener	&&
Keir Bloomer		&&
7b Zh7gWh] M		&&
9g; gVcXZh9dl		%&
7gVc' AZ\\M	Retired 30 September 2015	%&
7Xfj Z&cZ' B VXYdcV&		%&

#### Disclosure of information to auditors

I ] Z' b Zb VZgh'd[i] Z'J c'kZgh'n'8dj g' l ] d' ] Z&' d[ XZ' M' i] Z'YMZ' d[ 'VeegdkV&d[i] ZhZ' xcVcX'V&h' M' Zb Zci h' Xdcxgb' i] M' !hd' [Vg' Vh' i] Zn' VgZ' ZVX] 'M' VgZ' !i] ZgZ' h' cd' gZ&ZkVci' Vj Y' t' c[ dgb' M' t' c' d[ l ] X] ' i] Z' J c'kZgh'n' h' Vj Y' t' dgh' VgZ' j' cM' VgZ' VcY' ZVX] ' b Zb VZgd' [i] Z' J c'kZgh'n' 8dj g' ] Vh' i] V Zc' V&ai] Z' h' Zehi] M' ] Z\$] Z' dj \] i' gZV' dcW&h' id' ] V&Z' i' V Zc' Vh' VB Zb VZgd' [8dj g' i' d' b V Z' ] b hZ&] ZghZ&] M' VgZ' d[ 'Vcn' gZ&ZkVci' Vj Y' t' c[ dgb' M' t' c' d' VcY' id' Zh' W&h' ] i] M' i] Z' J c'kZgh'n' h' Vj Y' t' dgh' VgZ' M' VgZ' d[ i] M' ' c[ dgb' M' t' c' #

#### On behalf of the University Court

9g; gVcXZh9dl !87:  
Chair  
7 December 2016

## CORPORATE GOVERNANCE STATEMENT

### Summary of the University's Structure of Corporate Governance

I ] Z J c k Z g h n ' h X d b b h i Z Y ' i d ' V Z h ' e g M i ' X Z ' c ' V a i V r e Z X i h d [ X d g e d g M Z ' d k Z g c V c X Z # ] h i j b b V g n Y Z h X g V Z h i ] Z ' b V c c Z g ' c '

## CORPORATE GOVERNANCE STATEMENT (continued)

I d Vrh' b Zb VZgh' e' i] Z' eZgdgb VcX' d[i] Z' gYj i ZH' b Zb VZgh' d[i] Z' J c' kZgh' n' 8dj g' l Zg' d[[ZgZY' VcY' Mi ZcYZY' hZkZgVá  
i gV' e' \ VcY' YZkZaleb Zci' deedgj c' f' Zh' Yj g' e' \ ' %&\* "&+# ] Zh' ' eXá YZY' ZniZgcVá i gV' e' \ hZhdch' Y' h' gZi Z' YZkZaleb Zci' VcY'  
eácc' e' \ M' Vh' YVh' Vh' l' ZaiVh' egZh' Zci' M' d' ch' d' c' h' i gM' Z' \ X' i] Zb Zh' gZá kVci' i' d' i] Z' l' dg' ' d' i] Z' J c' kZgh' n' M' ZVX' ' 8dj g' ' b Zzi' e' \ #  
l gV' e' \ VcY' YZkZaleb Zci' deedgj c' f' Zh' d[[ZgZY' i' d' 8dj g' ' b Zb VZgh' ' e' ' %&\* \$&+ ' eXá YZY/

- " 7Z' e' \ Vc: [[Z' X' kZ' < dkZgcdgtAZWZgh] ' e; dj cYM' d' c' [dg= ^] Zg: Yj XM' d' c' D X' dVZg' ' %&\* f
- " 7Z' e' \ Vc: [[Z' X' kZ' H' j YZci' < dkZgcdgtAZWZgh] ' e; dj cYM' d' c' [dg= ^] Zg: Yj XM' d' c' H' Zei Zb VZg' ' %&\* f
- " 8dj g' ' 6l Vh' 9 Vh' b' ' VcY' \*; ZVg' Vgn' ' %&+ f

C Zl' ' b Zb VZgh' Vá d' g' XZ' kZY' V' [dgb Vá' e' Yj X' i' d' c' hZhdch' h' j eedgZY' Vh' i] Z' 8dj g' ' B Zb VZgh' = VcYVá d' ' e' j Vá h] ZY' D X' dVZg'  
' %&) VcY' gZk' hZY' kZgh' d' c' e' j Vá h] ZY' D X' dVZg' ' %&+ f

J cYZg' i] Z'; e' VcX' Vá B Zb dgVcYj b' l' f' i] Z' H' d' i' h' ; j cY' e' \ 8dj cX' á H' 8 f' i] Z' J c' kZgh' n' 8dj g' ' h' g' Zhdch' Vá Z' [dg' hZi' i' e' \

## CORPORATE GOVERNANCE STATEMENT (continued)

### Review of Effectiveness

I ] Z' J c k Z g h n' 8 d j g ' ] V h Z h W h ] Z Y' V h V @ Z n' E Z g d g V c X Z' e Y X M d g d [ i ] Z' Z [ Z X k Z c Z h d [ ' t h e Z g d g V c X Z' V c Y' d [ ' t h





# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY COURT OF QUEEN MARGARET UNIVERSITY, EDINBURGH (continued)

## Opinion on other matter prescribed by the Companies Act 2006

- The directors have prepared the financial statements in accordance with the Companies Act 2006 and the Companies (Accounts) Regulations 2008.

## Opinion on other matters prescribed by applicable regulations

The directors have prepared the financial statements in accordance with the Companies Act 2006 and the Companies (Accounts) Regulations 2008.

- The directors have prepared the financial statements in accordance with the Companies Act 2006 and the Companies (Accounts) Regulations 2008.



## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES



## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

### Leases and hire purchase contracts

GZci Vhij cYZgdeZgM ē\ āVhZh VgZ Xj Vg\ZY id i] Z' ēXdb Z' VcY' ZneZcy↑j gZ' VXdj ci' dc' V h i g\^] i"acZ' W h h' dkZg i] Z' āVhZ i Zgb #bcn āVhZ' egZb ↑ b h dg' ēXZci kZh VgZ' hegZ' W' dkZg i] Z' b' ēb \ cchVXh





## STATEMENTS OF CHANGES IN RESERVES



## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2016	2015
<b>Cash inflow from operating activities</b>			
Høj gej h \$LYZ×XN [dgi] Z'nZVg		£8,1	£1+ &
<b>Adjustments for non-cash items</b>			
Depreciation	12	4,787	4,685
Debt eVgb Zci Wj Hib Zci		"	*!+, .
Deferred capital grants released	16	£* -†	£* . *†
Deferred income released		"	£!) *%&
Pension costs less contributions payable		1,135	. *%&
Debt eVgb Zci Wj Hib Zci		*	' &
Debt eVgb Zci Wj Hib Zci		£&(, (†	£' %&
Debt eVgb Zci Wj Hib Zci		£& *†	& '
<b>Adjustments for investing or financing activities</b>			
Investment income and interest receivable		£), †	£*% †
Interest payable		1,215	2,253
<b>Net cash inflow / (outflow) from operating activities</b>		(! . +	)!% %
<b>Cash flows from investing activities</b>			
EgglXZZYh [gdb hVz' d[ ZcYdl b Zci VthZih		64	34
Investment income		28	73
EVnb Zcihb WZ'id Vxfj gZ' xnzY VthZih		£&- (†	£ +!, (&
EVnb Zcihb WZ'id Vxfj gZ' ZcYdl b Zci VthZih		£* *†	£(, †
F B HIXVh] eVY'id AahnYhdc Zci Zg'e\ Wb e'rigM d'c		"	£!' . (†
		£&, . , †	£ -!. *†
<b>Cash flows from financing activities</b>			
Interest paid		£&' &*†	£&- &†
CZI hZj gZY adVch		"	"



## NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	£m	£m
Scottish higher education students	5,085	5,450

## NOTES TO THE FINANCIAL STATEMENTS (continued)

)#

	Consolidated		University	
	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%
Residences, catering and conferences	)!+%	4,538	4,335	4,448
D i j Zg hZgk XZhigZcYZgZY	1,024	8% %	877	8% %
Sports centre income	236	224	236	224
GZaVhZY [gdb ŸZ[ZggZY XVeŸVa\gMcihŸcdiZŸ&+Ÿ	72	76	72	76
Exceptional release from deferred income	"	2,450	"	2,450
D i j Zg ŸcXdb Z	652	340	652	340
	<b>6,593</b>	<b>8,718</b>	<b>6,172</b>	<b>8,628</b>

\*#

	Consolidated		University	
	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%
ækZhib Zci ŸcXdb Z dc ZcYdl b Zci h	1	"	"	"
D i j Zg ŸkZhib Zci ŸcXdb Z	28	.	28	51
Net return on pension scheme	"	"	"	"

+#

ŸdchdaŸMZY VcY j cŸkZghŸnl

	Consolidated	
	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%
CZI ŸcYdl b Zci h	"	"
Unrestricted donations	188	263

, #

	Consolidated		University	
	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%
Staff costs				
ŸŸL VZhVcY hŸAgZh	&+! . %	& !* . ,	16,814	& !) . *
Social security costs	1,450	1,280	1,450	1,280
ŸŸB dkZb Zci Ÿdc J HŸegkŸŸdc	5	171	5	171
ŸŸD i j ZgŸeZchŸdc Xdlh h	(!* (.	3,540	(!* (.	3,540
	<b>21,884</b>	<b>22,588</b>	<b>21,808</b>	<b>22,486</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Emoluments of the Principal and Vice-Chancellor

Table 1: Emoluments of the Principal and Vice-Chancellor

	2016	2015
Salary	202	185
Pension contributions	34	31
Other emoluments	2	2

Information regarding the University's financial position and performance is available on the University's website at [www.utoronto.ca/finance](http://www.utoronto.ca/finance).

	'08-'09	'09-'10
	Number	Number
<b>Senior postholders</b>		
Y&#x2013;id Y&#x2013;	"	"
Y&#x2013;id Y&#x2013;	"	"
Y&#x2013;id Y&#x2013;	1	1
Y&#x2013;id Y&#x2013;	"	1
Y&#x2013;id Y&#x2013;	1	"
	'08-'09	'09-'10
<b>Compensation for loss of office</b>		
Compensation payable in respect of senior postholders	"	"

	'08-'09	'09-'10
	; I : 'cj b VZg	; I : 'cj b VZg
6kZgVZ'j ai b Z'Zfj kVZci 'hV[ 'cj b VZghVh' b Vdgj XmZ\ dgrVExchdaVIZY'VcYj c'kZgh'rl		
'08-'09 X'hX] ddh	& %	& *
'08-'09 X'hZg'XZh	50	57
Research grants & contracts	31	30
Residences, catering & conferences	'	23
Premises	24	22
'09-'10 'h'gM 'dc'fi 'XZcigV'hZgk'XZh	111	115
	_____	_____
	_____	_____

-#

	<b>Consolidated</b>		<b>University</b>	
	'08-'09	'09-'10	'08-'09	'09-'10
	Y%	Y%	Y%	Y%
AdVc' 'ciZg'hi	1,215	&- %	1,215	. *)
Finance lease interest	"	3	"	3



## NOTES TO THE FINANCIAL STATEMENTS (continued)

& #

### Consolidated and University

	Freehold land & buildings	; ħij gŕH' xii ĉ\hfi' Zfj' ĉb Zci		
	DI cZY	DI cZY	= Zà'j cYZg' xcvCZ' zVhzh	Y%0%
	Y%0%	Y%0%	Y%0%	Y%0%
<b>Cost or valuation:</b>				
6i' &6j' yj h' ' %*	. )!% (	7,817	1,166	103,056
Disposals at cost	"	"	"	"
6YY†ĉchV' Xdhi	2,216	+	105	'!(. %
6i' (&ŕ an' %*	. +!'-	7,886	1,271	105,446
<b>Depreciation:</b>				
6i' &6j' yj h' ' %*	5,742	7,581	1,166	&!) -.
L' gŕi Zc'd[[dc YĥedhVh	.....	"	"	"
Provided during the year	4,605	156	26	4,787
6i' (&ŕ an' %*	10,347	7,737	&&'	&'! , +
<b>Net book amount at 31 July 2016</b>	<b>85,942</b>			<b>86,170</b>
C Zi' Vŕd' Vb dj ci' V' &6j' yj h' ' %*	88,331	236	"	88,567
<b>Analysis of net book amount at 31</b>				
Financed by capital grant	.!,. &	"	"	.!,. &
Di] Zg	76,151	&).	,.	, +!(,.
- *!)'		&).	,.	86,170

I ] Z' kVj M' ĉc' d[i] Z' 8g/\ Vŕi Xb ej h' l' Vh' XggyZ' dj i' V' (&ŕ an' %\* Vŕi < ZgVŕ' : kZ! 8] Vg' ZgZ' H' gkZndgh# ] Z' Vŕh' d[i] Z' kVj M' ĉc' ! I ] X] 'l' Vh' XggyZ' dj i' ĉ' VXdgyVcZ' l' ŕ] 'j' YZacZh' ħj ZY' Vŕi ] Z' GdnVŕ' xci ħj i' ĉc' d[ 8] Vg' ZgZ' H' gkZndgh' ħ' YZegZXMY' g' eà\Zb Zci' Xdhi #

I ] Z' J' c' kZgh'n] Vh' Vb dYZh' XdazX' ĉc' d[ l' dg' hid[ Vg' VcY'di ] Zg' ŕZb hid[ ] ħi dg' Vŕi' c' i Zg' h' # C d' kVj Z' ħ' ĉXj' YZY' l' ŕ] ĉ' xnzY' VŕZih' ĉ' g' zheZX' d[ i ] ħ' XdazX' ĉc' #

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### Subsidiary Undertaking

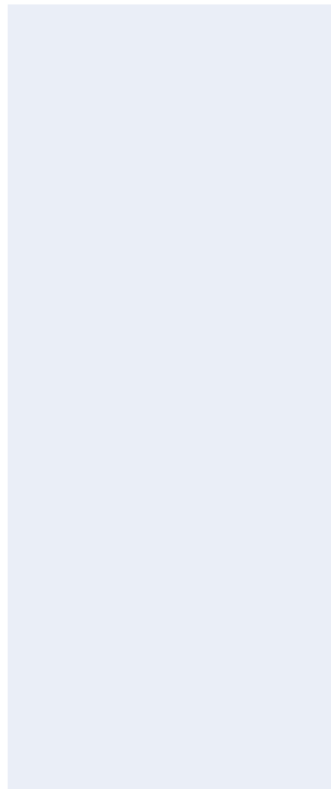
Name of undertaking	incorporation and registration	Description of	Proportion of nominal	1 August 2015
---------------------	--------------------------------	----------------	-----------------------	---------------

&#

	Consolidated		University	
	2016 ¥%%	2015 ¥%%	2016 ¥%%	2015 ¥%%
Secured loan	33,562	35,054	33,562	35,054
Deferred capital grants	. !, . &	&A( &	. !, . &	&A( &
	<b>43,353</b>	<b>45,373</b>	<b>43,353</b>	<b>45,373</b>
6cVanhhd[hZj gZY adVch'				
9j Z VZil ZZc' dcZ VcY il d'nZVgh	&).'	&).'	&).'	&).'
9j Z VZil ZZc' il d'VeY' xkZ'nZVgh	4,475	4,475	4,475	4,475
9j Z' c' xkZ'nZVgh dg b dgZ	' , !* . *	' . !% ,	' , !* . *	' . !% ,
I di VaYj Z V[i Zgb dgZ i] Vc' dcZ'nZVg	33,562	35,054	33,562	35,054
9j Z I 1] c' dcZ'nZVg tcdi Z' &* I	&).'	&).'	&).'	&).'
I di VahZj gZY adVch	35,054	36,546	35,054	36,546

I ] Z hZj gZY adVch' i Zgb [W' ai n i 1] ' 7Vg' ah' 7Vc' ' ea' h' Y' (\* #b adcl' VcY' ] VhV' xcvab Vj g'n' YmZ' d[ & ' 9 ZXZb VZg' % ) #  
 I ] Z' adVc' h' hZj gZY dkZgi ] Z' Xb ej h' h' Z' M' B j h' Z' a' y' g' ] # ] Z' J' c' k' Z' g' h' n' ] VhZci ZgZY' c' id' V' x' n' Z' Y' g' M' Z' V' g' g' Vc' \ Zb Zci ' c'  
 dgY Zgi d' egdi Z' i' h' Z' a' V' V' ch' V' cn' h' c' x' X' ci' Q' X' j' M' d' ch' c' ' c' i' Z' g' h' ' g' M' Z' h' ] Z' i' Z' g' b' h' d' [ i ] h' V' g' g' Vc' \ Zb Zci ' V' g' Z' X' db' b' Z' g' V' an'  
 Xdc' x' Y' Zci ' V' #

**Analysis of deferred capital grants**





## NOTES TO THE FINANCIAL STATEMENTS (continued)

### PROVISIONS FOR LIABILITIES

Consolidated and University Pensions	DVA M' d' c' i' d' j' c' Y' Z' x' X' t' d' c' USS Pension	Pension enhancements	9 Z' x' c' Z' Y' 7 Z' c' Z' x' i' DVA M' d' c' h A' < E' H	I d' i' V' a' Pensions Provisions
Y' % % %	Y' % % %	Y' % % %	Y' % % %	
6i' & 6j' \j' h' i' " % & *	363	3,522	10,821	<b>14,706</b>
Utilised in year	£ & - £	£ )' £	.....	<b>(360)</b>
I g' v' c' h' Z' g' [ g' d' b' ' c' X' d' b' Z' f' i' Z' n' e' Z' c' Y' t' j' g' Z' W' x' d' j' c' i	123	115	2,607	<b>2,845</b>
6i' ( & j' a' n' " % & +		<b>3,395</b>	<b>13,428</b>	<b>17,191</b>

I ] Z' J' c' k' Z' g' h' n' ] V' n' V' a' W' e' r' n' [ d' g' e' Z' c' h' d' c' Z' c' ] V' c' X' Z' b' Z' c' i' h' e' V' n' W' e' r' n' i' d' [ d' g' o' Z' g' b' Z' b' V' Z' g' i' d' [ h' i' V' [ ] d' ] V' K' i' v' Z' c' Z' V' g' a' n' g' i' g' Z' b' Z' c' i' c' e' g' d' g' n' Z' V' g' h' c' V' i' j' V' g' V' a' k' V' j' M' d' c' i' d' [ i' ] Z' V' o' d' j' c' i' d' [ i' ] h' a' W' e' r' n' i' g' o' Z' g' b' Z' b' V' Z' b' Z' W' V' A' n' i' n



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

I ] Z`Vhj bei dchj hZY`Wii]Z`Wij Vgn`Vg`i]Z`WZhi`Zhi`b`VZh`X] dhZc`[g]b`V`gk`Z`d[edh`WZ`Wij Vg`V`Vhj bei dchI ] X]!

**Analysis of movement in the market value of the scheme assets**

<b>Opening fair value of employer assets</b>	<b>40,901</b>	<b>36,535</b>
Expected return on assets	7,680	2,328
Contributions by members	420	428
Contributions by employer	81	1,174
8dcigW/i dch'c'gZheZX id[j c] cYZY'WZcXi h	51	54
6Xj VgVatdhZH\$V'ch	1,483	1,472
J c] cYZY'WZcXi h'eVY	£*8	£*)†
7ZcXi h'eVY	£888 †	£894 †
<b>Closing fair value of employer assets</b>	<b>50,644</b>	<b>40,901</b>

**B ) Scottish Teachers' Superannuation Scheme (STSS)**

l ] Z è è biiè i'c1 E % è d\$ f%

## NOTES TO THE FINANCIAL STATEMENTS (continued)

9 ZxcZY WZcZxi 'cj b VZgh [dgi] Z'hX] Zb Z'] WK'WZc'egdyj XZYj h'e\i] Z [daull 'e\ Vhtj b ei 'dchV

Discount rate	(#/'	(#/'
EZch'cWZ' hV\gn\gdI i] #	C \$	(#/' 'e'i] Z' xg'i nZVg' VcY) #/ i] ZgV[i Zg
EgXZ' 'eM 'dc tBE†'	' #/'	' #/'

I ] Z' b V'e YZb d\ge] X'Vhtj b ei 'dcj hZY'gZM Zhi d i] Z' b dg Vain' Vhtj b ei 'dchV B dg Vain' 'e'gi 'gZb Zci 'h Vhtj b ZY' id VZ' 'e'acZ' I '†] i] Z' 8dci 'ej dj hB dg Vain' 'ekZhi 'M 'dch tEB †' H&C 6 i' WZ'h Vh [daull hV

B VZ' b Zb VZgh' b dg Vain' . . . . . - / d[H&C 6 'Ea] i] Rnd7 i' WZ'h E'cd VZ' gM 'e\ ; Zb VZ' b Zb VZgh' b dg Vain' . . . . . - / d[H&C 6 'Ea] i] Rnd7 i' WZ'h E'gMZY Ydl c' &nZVg

J hZ' d[i] ZhZ' b dg Vain' i' WZ'h gZVdc Wht' gZOXi hi] Z' Vxj Vaj HZneZgZcXZ# d' Vaull ' [dg [j g] Zg' 'b egdkZb Zci h' 'e' b dg Vain' gM Zhi] Z' 8B >' %& ' egd ZX' 'dchl '†] V&#/' 'eVad' c\ i Zgb 'gM Z' ZgZ' Vhd' Wdei ZY# ] Z' Xj gZci 'a [Z' ZneZXi VcXZhd' c'gi 'gZb Zci ' V' VZ'+\* 'VgZ/

B VZ'hXj gZcian' VZY'+* 'tnZVgt	' )#	' )#
; Zb VZ'hXj gZcian' VZY'+* 'tnZVgt	' +#	' +#
B VZ'hXj gZcian' VZY') * 'tnZVgt	' +#	' +#
; Zb VZ'hXj gZcian' VZY') * 'tnZVgt	' -#	' -#

**Existing benef ts**

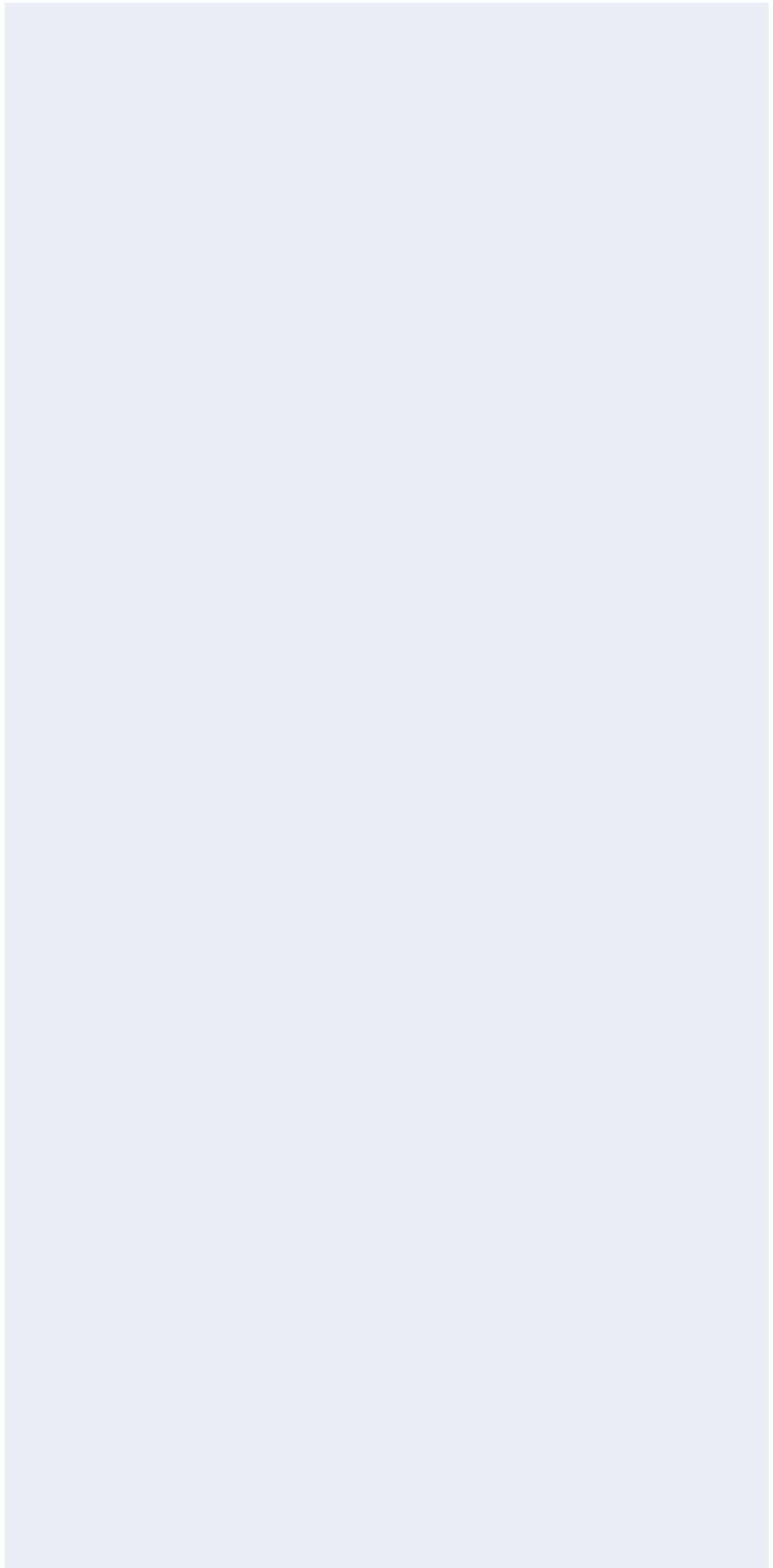
**Statement of financial position**

Y%88h

	1 August 2014			
	Consolidated	University	Consolidated	University
	<b>30,389</b>	<b>39,185</b>	<b>42,516</b>	<b>42,516</b>
	<hr/>	<hr/>	<hr/>	<hr/>
GZāVhZ'd[cdc"dk" k dk				

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Consolidated balance sheet



**Notes to the Consolidated and University balance sheet transition statement**

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**Notes to Consolidated and University statement of comprehensive income & expenditure statement**

&# 6h'dj i&cZY 'c' cdiZ' & d[i] Z' C di Zhid' i] Z' XdchdaYMZY' VcY' J c'kZgh'n' W&cXZ' h] ZZi' igVch' dcl' i] Z' gzk' h'dchid' j hZ] j a economic lives of elements of the main campus and student accommodation buildings has resulted in the application of Vc' c'XgZ' hZY YZegZXM' d'c' X] Vg\Z# < dkZgcb Zci' \gVci' h'egZk' d'j h' an' egk' YZY' id' l] j cY' X'Ve' t'Val' dg' h'VgZ' g'z' hZY' 'c' acZ' l' t] ' i] Z' YZegZXM' d'c' edaXn' VeeazY# ] h' W' j' h' b' Zci' g'z' X' h' i] Z' g'z' MZY' WY' t' d'c' Vag' z' h' Z' g'z' f] j' g'z' Y' j' cY' Zg; GH&% #Y' - . !%%% h'h] dl' c' j' cY' Zg' H' 8' c' Xdb' Z' !' VcY' Y' (!%%% h'h] dl' c' j' cY' Zg' di] Zg' c' Xdb' Z#

' # J cY' Zg' HD' GE' ' %% !i] Z' Vee' g' ZXM' d'c' d[ ' ZcY' dl' b' Zci' ' Vt' Zi' ' c' k' Zi' b' Zci' h' d[ ' Y' & !%%% l' Vh' c' X' g' YZY' ' c' i] Z' h' M' Zb' Zci' d[ ' i' di' Va



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### University statement of comprehensive income and expenditure

Year	Notes	HD GE 2007	H G< A' items	I g< h' t' c' to FRS 102	FRS 102
£8DB:					
Scottish Funding Council grants	1	12,580	"	"	12,580
Research grants and contracts	1	14,885	"	"	15,174
Investment income	2	8,625	"	3	8,628
Other income	3	331	£ - %	"	51
Other income	3	"	263	"	263
		<u>38,323</u>	<u>£ &amp; t</u>	<u>' . '</u>	<u>(- !* . -</u>
Staff costs	4	22,486	151	206	22,486
Depreciation	5	4,685	"	2,353	4,685
Other income		588	437	5	588
		<u>( ) !* (</u>	<u>588</u>	<u>2,564</u>	<u>38,105</u>
Surplus for the year		<u>3,370</u>	<u>£ + % t</u>	<u>£ ! ' , ' t</u>	<u>) . (</u>
Other income		"	"	"	"
Surplus for the year		<u>3,370</u>	<u>£ + % t</u>	<u>£ ! ' , ' t</u>	<u>) . (</u>
Other income	2	"	- +.	"	- +.
<b>Total comprehensive income for the year</b>		<b><u>3,370</u></b>		<b><u>(2,272)</u></b>	<b><u>1,362</u></b>

I g< h' t' c' C di Zh Vg' YZi V' ZY' dc' eVZ' )'

## NOTES TO THE FINANCIAL STATEMENTS (continued)

22

tj cYZgWj MZ VcY edh\gWj MZl		
7VAcXZ M' &6j \j hi	"	"
6b dj ci hgZXkZY [gdb 'Hj YZci '6l VgYh6\ZcXn [dgHkdi a/cY	236	218
6b dj ci 'kqZY tidf [gdb '8] 'XVZ'; j cY	£-f	52
	228	270
Disbursed to students	£ ' ' f	£ , %
GZlj cYZY id'Hj YZci '6l VgYh6\ZcXn [dgHkdi a/cY	£-f	"
Balance unspent at 31 July	"	"
7VAcXZ M' &6j \j hi	0	0
6b dj ci hgZXkZY [gdb 'Hj YZci '6l VgYh6\ZcXn [dgHkdi a/cY	123	121
	123	121
Disbursed to students	£& , f	£ ' f
6b dj ci 'kqZY tidf [gdb '= VgYh] 'e'; j cY	8	£). f
6Yb 'e'ngM 'dc Xdih	£)f	"
GZlj cYZY id'Hj YZci '6l VgYh6\ZcXn [dgHkdi a/cY	"	"
Balance unspent at 31 July	"	"

6b dj ci hgZXkZY [gdb 'i] Z'Hj YZci '6l VgYh6\ZcXn [dgHkdi a/cY VgZ' Vkv'WAZ hdaZan [dghj YZci h0] Z'J c'kZgh'n WX hdcan VheVh'e' VZci # ] Z'gVci hVcY' gZMZY Y'ny ghZb Zci hVgZ'i] ZgZ [dgZ' ZnXj YZY [gdb 'i] Z' 'eXdb Z'VcY: neZcY'fj gZ'6X'dj ci #



EDINBURGH

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