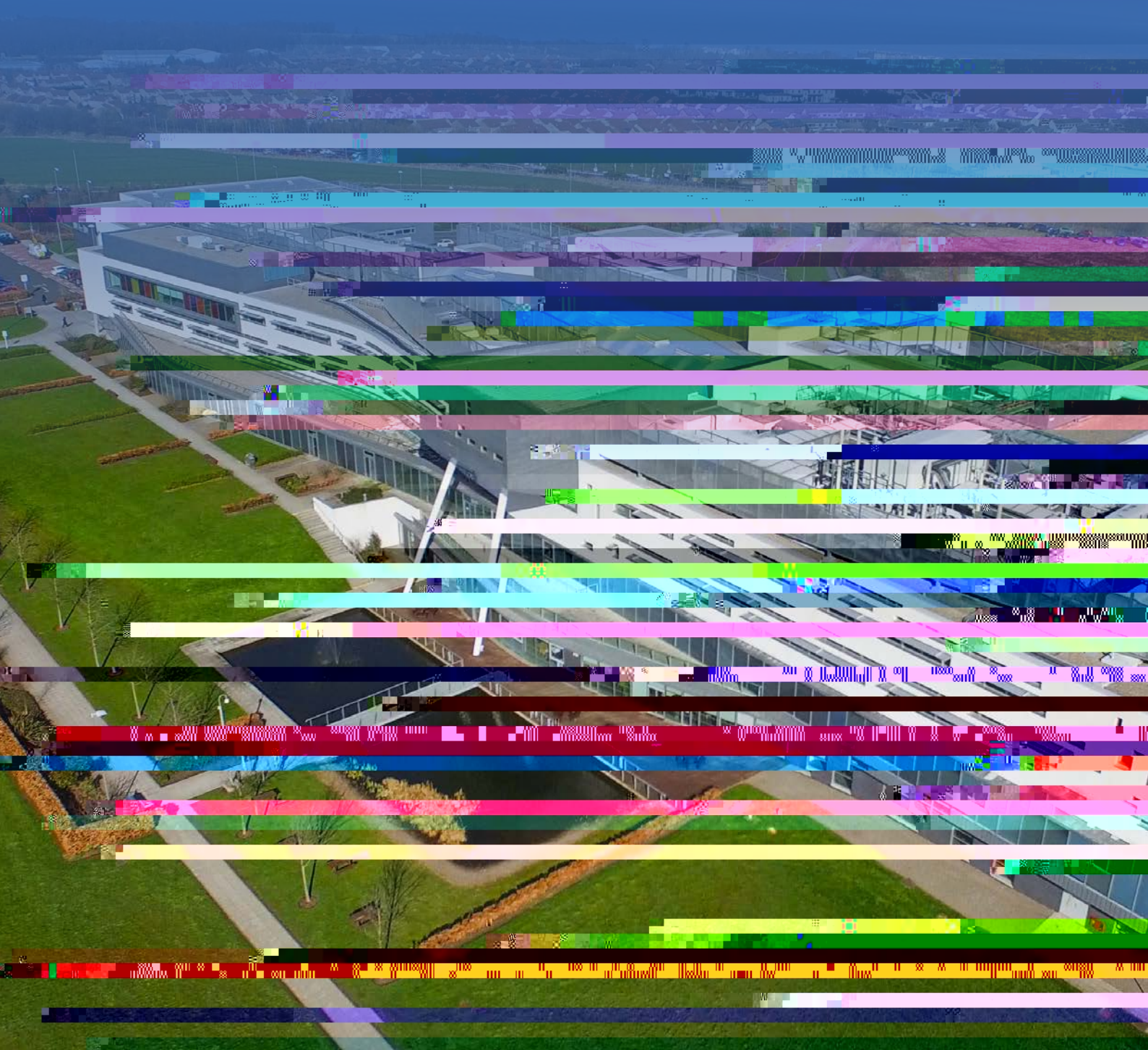




# Strategic Report and Financial Statements



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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 VhV Xdb eVcniab iZY Vh Vj Vg/ci ZZ#higZ\ h ZgZY d[xZ' hF] 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 hZci hZY! e VXdgVcXZ 1 h] hZl dc' & (L& d[i] Z 8] VgfnZhVcYl g hZZ' xkZhib Zci hHdii a/cYl '6X' '%&! id g[Zgid' hZq' VhV'8] VgfnGZ\ h ZgZY' e Hdii a/cY#

## Scope of the financial statements

I ] Z' xVcXVah iVZb Zci h egZhZciZY' 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 ZgeghZhAb iZY#F B J : ci ZgeghZhAb iZY j cYZgV ZhXdb b ZgXVaXdcj aVcXh l dg ] j i h h e\ i] Z ZneZg hZ' d[i] Z J cKZghn h VhVZb XVcY iZ] cXVah iV[! VcY Vhd YZVah l h] kVXl dc' aZi e\ d[i] Z J cKZghn h h j YZci VXd b dVM dc#

I ] Z' xVcXVah iVZb Zci h] VZ' VZZc' egZeVgZY' dc' V\dc' XdcZg: Vh h' e' VXdgVcXZ 1 h] ; eVcXVaGZedj e\ H VcVgY' %& ' e GH&% ' VcY i] Z HViZb Zci d[i] GZdb b ZcYZY' E d' XZ' E' 6Xdj ci e\ [dg; j g] ZgVcY = ^] Zg: Vj Xl dc' '%&' H-DGE' '%&' H! l 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[i] HDGE' '%&' gZj gZY i] Z J cKZghn id gZ h iZ' h Xdb eVgKZ' e [dgb V' dc' [gdb i] Z ig' ch' dc' Y iZ d[i] & G' j h' '%&)' # ] Z' xVcXVa b eVh' d[i] Z

## Development of strategic plan

x' 9 ZXZb VZg' '%&' [daul e\ V l 'YZ' Xdch aM' dc' egiXZ h i] Z J cKZghn 8dj g' VeegdkZY i] Z cZl 'higM Z\ X' eac' l ] X] ] W' VZZc' YZkZaleZY' e' VXdgVcXZ 1 h] i] Z F B & '% h i g M Z n' Y Z i V h d [ l ] X] ' V g Z' V X Z h V Z' dc' i] Z J cKZghn h l Z V h Z # ] Z' F B & '% h i g M Z n' h V h Z Y' V g j c Y i] Z J cKZghn h k h' dc' id' VZ' V J cKZghn d[ ' Y Z h V c Y' e Q' Z c Z # ] Z' h i g M Z n' h Z i h d j i i] Z

**STRATEGIC REPORT (continued)**

## STRATEGIC REPORT (continued)

### Borrowings

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

### Pension arrangements

I ] Z'J c'kZgh'n' h'ckd'kZY'c'i] g'Z'eZch'dc'hX] Zb'Z'h'Vh'da'dl' h'

I ] Z'Adi] 'Nc'EZch'dc'; j'cY'I ] 'X] 'h'eVg] 'd[i] Z'Ad'XW'a<dkZ'gcb'Zci'EZch'dc'HX] Zb'Z'tA<EH! 'h'Vb'j'á'Zb'ead'nZg'YZ'x'cZY'VW'cZ'x'i' hX] Zb'Z'h' ] Z'hX] Zb'Z' ] W'VYZ'x't'V' (&? an' %&+# ] Z'; j'cY'ig'h'Zzh] 'WZ!'c'g'Z'X'ci'n'Z'Vg'h'VeaaZY'c'X'g'V'h'Z'h'id'i] Z'á'kZad[ Zb'ead'nZg'h'VeY'Zb'ead'nZ'h'Xdcig'V'Y'i'd'ch'id'i] Z'hX] Zb'Z'c'dg'Y'Z'g'id'g'Z'X'k'Z'g'i] 'h'YZ'x't'ed'h't'dc' # ] Z'J c'kZgh'n'h'h] Vg'Z'd[i] Z' j'cY'YZ'x't'V'h'V'X'g'á'Z'Y'V'h'i] Z'hX] Zb'Z'V'X'j'V'g'h' ] V'h'V'Z'c'h] dl'c'V'h'Va'W'á'n'M' (&? an' %&+#

I ] Z'b'dh' g'Z'X'ci'V'X'j'V'g'V'á'g'Z'k'Z'l' 'd[i] Z'H'dii'h] I'Z'W] Z'g'h'j' eZ'g'V'ccj' M' 'dc'hX] Zb'Z'h' H'H' ] V'h'j'cY'Z'g'V'Z'c'V'h'M' (&B'V'gX] " %& # 6'h'V'g'h'j'á' 'd[i] 'h'g'Z'k'Z'l' 'i] Z'á'kZad[ Zb'ead'nZg'h'Xdcig'V'Y'i'd'c'id'i] 'h'hX] Zb'Z'l' V'h'h'Z'i'V' & # / 'l' ↑] Z'[Z'X] 'g'g'b' & 'H'Z'e'Z'b'V'Z'g' ' %&\* #6'h'i] Z'hX] Zb'Z'h'j'c'j' cY'Z'Y'i] Z'g'Z'X'c'V'Z'cd'h'j' g'á'hd'g'h] dg] [V'a'á'EZch'dc'Xdcig'V'Y'i'd'c'id'i] g'm'Z'h'V'g'Z'h'Z'i'V'h'i] Z'hX] Zb'Z'V'X'j'V'g'h' id'b'Z'Z'i] Z'X'dh' d[eZ'ch'dc'h'V'h'i] Z'h'V'X'g'Z' #

I ] Z'J c'kZgh'n'h'h] eZ'g'V'ccj' M' 'dc'hX] Zb'Z' 'H' H'H' 'h'V'YZ'x'cZY'VW'cZ'x'i' hX] Zb'Z'l' ] 'X] 'h'Xdcig'V'Y'Z'j' 'd[i] Z' 'H'M'Z' 'H'X'c'Y' 'E'Z'c'h'dc' 'H' 'E' # ] Z'V'h'Z'i'h'd[i] Z'hX] Zb'Z'V'g'Z' ] Z'á'c'V'h'Z'e'V'g'M'Z'ig'h'Z'Z'W'b'c'h'Z'g'Z'Y'ij' cY'#7'Z'X'j' h'Z'd[i] Z'b'j'ij'V'á'c'V'j'g'Z'd[i] Z'hX] Zb'Z'l' ] Z'hX] Zb'Z'h'V'h'Z'h'V'g'Z'c'di' ] nedi' ] Z'X'M'Z'Y'id' 'c'Y'k'Y'j'V'á'c'h'j'j' 'd'ch'VeY'V'hX] Zb'Z'l' 'YZ'Xdcig'V'Y'i'd'c'id'i] g'M'Z' 'h'h'Z'i' # ] Z' 'c'h'j'j' 'd'c' 'h'i] Z'g'Z'd'g'Z'Z'ne'd'h'Z'Y'id'V'X'j'V'g'V'á'g'h' h'V'h'd'X'M'Z'Y'l' ↑] 'd[i] Z'g'c'h'j'j' 'd'c'h'Z'b'ead'nZ'h'VeY' 'h'j'c'W'á'Z'id' 'YZ'ci'fn'fh' share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the hX] Zb'Z'V'h' ↑] ↑] Z'g'Z'V'YZ'x'cZY'Xdcig'V'Y'i'd'c'id'i] Z'hX] Zb'Z' #6'h'V'g'h'j'á' ] Z'V'b'dj'ci'X] V'g'Z'Y'id'i] Z'c'X'db'Z'VeY'Z'ne'Z'c'Y'j'g'Z'V'X'dj'ci' g'Z'eg'h'Z'c'i'h'i] Z'Xdcig'V'Y'i'd'c'h'e'h'W'á'Z'id'i] Z'hX] Zb'Z'c'g'Z'h'e'Z'X'i' d[i] Z'V'X'dj'ci'c'e'Z'g'á'Y' # ] Z'J c'kZgh'n' ] V'h'Va'W'á'n'c'g'Z'h'e'Z'X'i' d[↑h'X'db'b'↑b'Z'ci'id'i] Z'J 'H'YZ'x't'g'Z'X'k'Z'g'ne'á'c'h] dl'c'c'c'di'Z' & # ] Z'c'X'g'h'd'c'd[V'a'W'á'n'd'g'i] 'h'YZ'x't' 'h'V'g'Z'f'j'g'Z'b'Z'ci' d[↑H'GE' " %&\*!V'c'Y'i] Z'h'Z'V'g'Z'i] Z'g'Z'd'g'Z'i] Z'x'g'h' h'Z'i'd[V'X'dj'ci'h'id'c'X'g'Y'Z'i] 'h'a'W'á'n' # ] Z'g'Z'k'Z'Y' e'á'c'V'á'c'V'l' ↑] 'i] Z'X] V'c'Z'h'id'hX] Zb'Z'V'W'cZ'x'i'h'V'g'Z'Z'ne'Z'X'Y'id'Z'ab'c'V'Z'i] Z'YZ'x't'V'h' " %& #

### Social inclusion

F ] Z'Z'c' 'B'V'g'V'g'Z'i' ] c'kZgh'n'V'b'h'id'eg'g'b'di'Z'Z'ci'g'n'id'VeY'eg'k'Y'Z'Y'X'M' 'dc'V'l'j'cY'Z'g'V'g'W'j'V'Z'VeY'ed'h'g'W'j'V'Z'á'kZ'á'id'V'Y'k'Z'g'Z'g'V'c'Z'd[h'j'YZ'c'i'h'l' ] V'k'Z'g'i] Z'g'V'W'X' \gdj'cY'#ε'V'h'Z'h'e'X'V'c'Y'Y'M'Z'h'd'g'W'b'↑h'd'c'id'i] Z'J c'kZgh'n'l' Z'V'g'Z'd'b'b'↑i'Z'Y'id'i] Z'eg'c'X'e'á'Z'id[V'g'c'Z'h'i'g'V'c'h'e'V'g'Z'c'X'i'VeY'l' 'YZ'c'e'Ve'g'X'e'M' 'dc' #L' d[d'Z'g'V'g'V'c'Z'd[g'Z'X'g'↑b'Z'ci'd'j'ig'Z'V]!eg'Z'VeY'ed'h'Z'ci'g'n'V'á'k'↑Z'h'id'g'V'h'Z'V're'g'M' 'dc'Z'c'X'dj'g'á'Z'V'X'Z'h'VeY'b'V'm'b'↑Z'g'Z'ci' 'dc' [g'g'b'j'cY'Z'g'Z'eg'Z'h'Z'c'Y' \gdj'eh'c'á'c'Z'l' ↑] 'd'j'g'H'j'YZ'ci' : ne'Z'g'Z'c'Z'h'g'M'Z'á'V'VeY'j'cY'Z'g'e'c'c'Z'Y'V'h'i] Z'J c'kZgh'n'h'h] D'j'X'db'Z'6'á'g'Z'b'Z'ci'l' ↑] 'i] Z'H'dii'h] ; j'cY'e'á'8'dj'c'X' #

### Student satisfaction

D'j'g'c'H'g'h'j'á'h'd'g' %&+ Xdc'x'g'b'V'X'á'V'g'j'el'V'g'j'ig'Z'c'Y'c'Ve'V'g'Z'V'h'd[i] Z'c'M' 'dc'V'á'h'j'YZ'ci'h'g'k'Z'n'd'k'Z'g'i] Z'e'V'h'i' +n'Z'V'g'h' # B'J' l'h' d'k'Z'g'V'á'h'M' h'V'á' 'dc' ] V'h'c'X'g'Z'h'Z'Y'V'h' & 'id'g'Z'V'X] '-+ / !V'W'X' 'id'i] Z'h'b'Z'á'k'Z'á'V'h'c' " %& ) 'VeY'd'j'g' \] Z'h' 'h'e'X'Z'd'j'g'x'g'h' 'c'HH' g'Z'h'á'h'c' " %&& # ] h'Z'n'X'Z'Z'Y'h'd'j'g'V'Z'c'X] b'V'g' 'd[-) / 'h'Z'i'V'h':: : 8: 'VeY'b'V'X] Z'h'V'di] 'i] Z'H'dii'h] 'VeY'j' @'V'k'Z'g'á'Z'h' #G'Z'h'á'h' [d'g'V'h'Z'h'b'Z'ci'VeY' [Z'Z'Y'W'X' 'l' Z'g'Z'i] Z'b'dh' 'b'eg'k'Z'Y'á'd'e' \g'g'b' '+ / 'id' , %' 'l' ] 'X] 'h'W'á'k'Z'i] Z'H'dii'h] 'V'k'Z'g'á'Z' #D'j'g' \] 'g'Z'h'e'd'c'h'g'M'Z'd' / 'c'Y'X'M'Z'h'i] M' i] Z'h'Z'g'Z'h'á'h'V'g'Z'g'Z'eg'Z'h'Z'c'i' M'k'Z'd[i] Z'á'Z'k'Z'a' ] Z'ne'Z'g'Z'c'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 ' AVc\ kXZ"8] Vg	6eed'ciZY & D XidVZg' %% Retired 30 September 2016	* \$	8] Vg Vc! C VgchD VIXV ZhAb tZY
AcYVB 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 Zh 7gWh] M	Convener	+\$
Ian Calder		*\$
Eg]Zhdg6&c < 7adgVc		+\$
8nci] V < j i] gZ	6eed'ciZY'' 9ZXZb VZg' %&*	' \$
7gVc' AZ\VM	Retired 30 September 2015	%&
A'cYVB XE] Zgdrc		+\$
Eg]ZhdgEZigVL 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]ZhdgEZigVL ZcY		)\$

#### Senior Management Remuneration Committee

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

#### Disclosure of information to auditors

I ] Z' b Zb VZgd[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! h' d' [Vg' Vh' i] Zn' VgZ' ZVX] 'M VgZ' i] ZgZ' h' cd' gZ&kVci' Vj Y' t' c[ dgb' M' d' 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' d' c' W&h' id' ] V&Z' i' V Zc' Vh' VB Zb VZgd[ '8dj g' i' d' b V Z' ] b hZ&] ZgZ&] V VgZ' d[ 'Vcn' gZ&kVci' Vj Y' t' c[ dgb' M' d' c' 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' d' 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 Vrhñi b Zb VZgh' e[i] Z' eZgdgb VcX' d[i] Z'g Yj i ZH' b Zb VZgh' d[i] Z' J c'kZghñ' 8dj g' l Zg' d[[ZgZY' VcY' Mi ZcYZY' hZkZgVá  
i gV' e' VcY' YZkZaleb Zci' deedgj c' Z' h' Yj g' e' ' %&\* "&+# ] ZhZ' e' Xj YZY' ZniZgc' Vá i gV' e' e' hZ' h' d' ch' Y' h' g' Zi Z' YZkZaleb Zci' VcY'  
eá' cc' e' V' Vh' Y' Vh' Vh' l Zai' Vh' eg' ZhZci' M' d' ch' d' c' h' i' g' M' Z' X' i' ] Zb Zh' g' Z' k' Vci' i' d' i' ] Z' l' dg' ' d' i' ] Z' J c' k' Z' ghñ' M' Z' V' X' ] 8dj g' ' b' Z' Zi' e' #  
l gV' e' e' VcY' YZkZaleb Zci' deedgj c' Z' h' d' [[ZgZY' i' d' 8dj g' ' b' Zb VZgh' e' ' %&\* \$&+ ' e' Xj YZY/

- " 7Z' e' Vc: [[Z' X' k' Z' < dkZgc' dg' t' AZWZgh' ] e; dj c' Y' M' e' c' [dg= ^] Zg: Yj X' M' e' c' l' D' X' d' VZg' ' %&\* t
- " 7Z' e' Vc: [[Z' X' k' Z' H' j' YZci' < dkZgc' dg' t' AZWZgh' ] e; dj c' Y' M' e' c' [dg= ^] Zg: Yj X' M' e' c' l' H' Z' e' i' Z' b' VZg' ' %&\* t
- " 8dj g' ' 6l Vh' 9' Vh' e' ) VcY' \* ; ZV' g' Vgn' ' %&+ t

C Zl ' b Zb VZgh' Vá' d' g' Z' k' ZY' V' [dgb Vá' e' Yj X' i' e' c' h' Z' h' e' c' h' j' eedg' ZY' Vh' i' ] Z' 8dj g' ' B' Zb VZgh' = VcY' Vá' d' ' e' j' Vá' h' ] ZY' D' X' d' VZg'  
' %& ) VcY' g' k' h' ZY' k' Zgh' e' c' e' j' Vá' h' ] ZY' D' X' d' VZg' ' %&+ t

J c' YZg' i' ] Z' ; e' VcX' Vá' B' Zb dg' VcY' b' l' t' i' ] Z' H' k' d' i' i' h' ] ; j' c' Y' e' ' 8dj c' X' á' H' 8' t' i' ] Z' J c' k' Z' ghñ' 8dj g' ' h' g' Z' h' e' d' ch' Vá' ] [dg' h' Zi' 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 [ [ 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 e\ aVhZh VgZ Xj Vg\ZY id i] Z' eXdb Z' VcY' ZneZcy1j gZ' WXdj ci' dc' V h i g\ \] i" acZ' W h h' dkZg i] Z' aVhZ i Zgb #bcn aVhZ' egZb j b h dg' eXZci kZh VgZ' hegZ' W' dkZg i] Z' b' e' b' \ cchVXh



## STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	¥%%%	¥%%%	¥%%%	¥%%%
£8DB:		Consolidated	University	Consolidated	University
1] ↑'c [ZZhVcY'ZY] XM 'dc' XdcigWih	1	12,738	12,738	12,580	12,580
Scottish Funding Council grants	2	15,313	15,313	15,174	15,174
Research grants and contracts	3	&, *	1,735	2,081	&. %
D i] Zg'cXdb Z	4	+!*. (	6,172	8,718	8,628
Investment income	5	' .	28	. '	51
9 dcM 'dchVcY'ZcYdl b Zci h'	6	188	188	263	263
		<u>36,620</u>	<u>36,174</u>	<u>(-! . %</u>	<u>(-!*. -</u>
ME: C 9 J G:					
Staff costs	7	21,884	21,808	22,588	22,486
D i] Zg'deZgM 'c\ ZneZchZh	11	10,158	. !, --	. !(' (	. !*( *
Depreciation	12	4,787	4,787	4,685	4,685
b eV'gb Zci 'd[ 'xnZY'VhZi		"	"	*!+, .	"
ci ZgZhi 'VcY'di] Zg'xcVcXZ' Xdhi h	8	1,618	1,618	2,254	&(. .
		<u>38,447</u>	<u>38,001</u>	<u>)!*. .</u>	<u>38,105</u>
E9Z>Xh' \$hj gəj hVZ[dgZ' h] VgZ'd[deZgM 'c\ hj gəj hd[ 'd'ci 'kZcij gZ'		£&- ' , †	£&- ' , †	£*!+ ' &	). (
H] VgZ'd[deZgM 'c\ hj gəj h'c' d'ci 'kZcij gZ'		"	"	4,076	"
E9Z>Xh' \$hj gəj hVZ[dgZ' i Vm		£&- ' , †	£&- ' , †	£&*) *†	). (
I VhM 'dc	10	"	"	"	"
<b>(Deficit) / surplus for the year</b>		<b>(1,827)</b>	<b>(1,827)</b>	<b>(1,545)</b>	
6Xj Vg'Vat'alt' \$V'c'c' gZheXZ' d[ 'eZchdc' schemes		£&), +†	£&), +†	- +.	- +.
<b>Total comprehensive income for the</b>		<b>(3,303)</b>	<b>(3,303)</b>	<b>(676)</b>	<b>1,362</b>

cYdl b Zci 'Xdb egZ] Zch'kZ' 'cXdb Z [dgi] Z'nZVg	&	&	130	130
Unrestricted comprehensive income for the year	£(!&- +†	£(!&- +†	£+, %	1,368
Revaluation reserve comprehensive income for the year	£&( +†	£&( +†	£&( +†	£&( +†
	<u>(3,303)</u>	<u>(3,303)</u>	<u>(676)</u>	<u>1,362</u>

6ai'Zb hd[ 'cXdb Z 'VcY'ZneZcY'†j gZ'gZM Z'id' Xdci 'c] 'c\ Xi k'†Zh#

## 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		£&' &*†	£&- &†
C ZI hZj gZY adVch		"	"



## NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	£ million	£ million
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	"	"	"	"

+#

	ExdchdaVMZY VcY j cŸkZghŸnl	
	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%
CZl ŸcYdl b Zci h	"	"
Unrestricted donations	188	263

, #

	Consolidated		University	
	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%	' %&* \$&+ Ÿ%00%	' %&) \$&* Ÿ%00%
Staff costs				
ŸŸL VZhVcY hVAgZh	&+! . %	& !* . ,	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 ZgeZchŸdc 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	198
Pension contributions	34	34
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&#x27;id Y&#x27;	"	"
Y&#x27;id Y&#x27;	"	"
Y&#x27;id Y&#x27;	1	1
Y&#x27;id Y&#x27;	"	1
Y&#x27;id Y&#x27;	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\ dgnVExchdaMZY'VcYj c'kZgh'rl		
'08-'09 X'hX] dda	& %	& *
'08-'09 X'hZgkXZh	50	57
Research grants & contracts	31	30
Residences, catering & conferences	"	23
Premises	24	22
'09-'10 'h'gM 'dc'fi'XZcigV'hZgkXZh	111	115
	_____	_____
	_____	_____

-#

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



## NOTES TO THE FINANCIAL STATEMENTS (continued)

& #

### Consolidated and University

	Freehold land & buildings	; ħġj għ' xi iċċħfi' Zfj' ħb Zci		
	DI cZY	DI cZY	= Zà'j cYZg' xcvcXZ' àVhZh	
	Y%0%	Y%0%	Y%0%	Y%0%
<b>Cost or valuation:</b>				
6i' & 6j' y h' ' %&*	. )!% (	7,817	1,166	103,056
Disposals at cost	"	"	"	"
6YY' ùċhV' Xdh	2,216	+	105	' ! ( . %
6i' ( & 3' an' %&+	. +! - .	7,886	1,271	105,446
<b>Depreciation:</b>				
6i' & 6j' y h' ' %&*	5,742	7,581	1,166	& )! - .
L' għi Zc' d[[dc' Y' ħedhVh	"	"	"	"
Provided during the year	4,605	156	26	4,787
6i' ( & 3' an' %&+	10,347	7,737	& & ' .	& !' , +
<b>Net book amount at 31 July 2016</b>	<b>85,942</b>			<b>86,170</b>
C Zi' Vùd' ' Vb dj ci' V' & 6j' y 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' kvà M' ùc' d[ i ] Z' 8gV\ Vài Xb ej h' l' Vh' XggZY' dj i' V' ( & 3' an' %& ( Vh' < ZgV' : kZ! 8 ] Vg' ZgZY' H' gkZndgh# ] Z' Vh' h' d[ i ] Z' kvà M' ùc' ! I ] X' l' Vh' XggZY' dj i' ' c' VXdgVcXZ' l' ù' ' j' YZacZh' ħj ZY' Vh' i ] Z' GdnVà' xh' ħj i' ùc' d[ 8 ] Vg' ZgZY' H' gkZndgh' ħ' YZegXMY' g' eàVZb Zci' Xdh#

I ] Z' J' c' kZgh'n' Vh' Vb dYZh' XdaZi' ùc' d[ l' dg' h' d[ Vg' VcY' di ] Zg' ùZb h' d[ ] ħ' dg' Vh' c' i' Zg' h' # C' d' kvà Z' ħ' c' Xà YZY' l' ù' c' xnzY' Vh' Zih' c' g' h' eZi' d[ i ] ħ' XdaZi' ùc' #

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### Subsidiary Undertaking

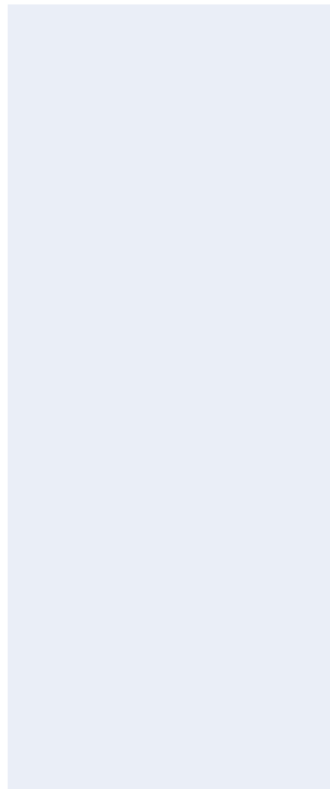
Name of undertaking	incorporation and registration	Description of	Proportion of nominal	1 August 2015
---------------------	--------------------------------	----------------	-----------------------	---------------

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	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' 'eak' 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' 'cid' V' x' n' Z' Y' g' M' Z' V' g' g' Vc' \ Zb Zci 'c'  
 dgY Zgi d' egdi ZXi '1 hZa' V' V' ch' V' cn' h' c' x' X' ci 0 Xj M' d' ch' c' 'ci Zg' h' g' M' Z' h' ] Z' i Zgb hd[ i ] h' V' g' g' Vc' \ Zb Zci 'VgZ' Xdb b Zg' 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 'dc' id' j c'Y'YZ'x'X' dc' USS Pension	Pension enhancements	9 Z'xcZY' 7ZcZ'xi' DVA M 'dch A<EH	I di Va Pensions Provisions
Y'00%	Y'00%	Y'00%	Y'00%	
6i' &6j \j hi' " %&*	363	3,522	10,821	<b>14,706</b>
Utilised in year	£&&-t	£)' t	.....	<b>(360)</b>
I g'vch'Zg' [gdb' 'c'Xdb Z'fi' ZneZcY'fj gZ' WXdj ci	123	115	2,607	<b>2,845</b>
6i' (&'j an' %&+		<b>3,395</b>	<b>13,428</b>	<b>17,191</b>

I ] Z'J c'kZgn'n] VnVaW'n [dgeZch'dc Zc] VcXZb ZciheVnWZ'id [dgb Zgb Zb VZgid[h'V[ ] d] VZ'iv Zc'ZVgn'Zi'gZb Zci' c'eg'dgn'ZVh'6c' V'j VgVakVj M'dc' d[i] Z'Vo dj ci' d[i] h'aW'n'igo Zgb Zb VZB ZW V An '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[edhWZ`Wij VgV`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
Transfer to other schemes	51	54
Transfer from other schemes	1,483	1,472
Transfer to other funds	1,483	1,472
Transfer from other funds	1,483	1,472
<b>Closing fair value of employer assets</b>	<b>50,644</b>	<b>40,901</b>

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

£
%
£
%

## NOTES TO THE FINANCIAL STATEMENTS (continued)

9 ZxcZY WZcxi '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 Vc' YZb d\g'e] X'Vhtj b ei 'dcj hZY' gZM Zhi d i] Z' b dg Vain' Vhtj b ei 'dchV B dg Vain' 'e' gZi' gZb Zci 'h Vhtj b ZY' id VZ' 'e' acZ' I ' ] Z' '8dci 'ej dj hB dg Vain' 'ekZhi 'M 'dch tEB 'H&C 6 i' WZ'hVh [daull hV

B VZ' b Zb VZgh' b dg Vain' . . . . . - / d[H&C 6 'Ea] i] RNd7 i' WZ'hE' cd VZ' gM 'e\ ; Zb VZ' b Zb VZgh' b dg Vain' . . . . . - / d[H&C 6 'Ea] i] RNd7 i' WZ'hE' 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 >' %& ' egl ZX' 'dchI ' ] V&#/' 'eVad' c\ i Zgb' gMZI ZgZ' Vhd' Wdei ZY# ] Z' Xj gZci' a[Z' ZneZXi VcXZhd' c' gZi' gZb Zci' V' WZ' +\* 'VgZ/

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

### Existing benef ts

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**Statement of financial position**

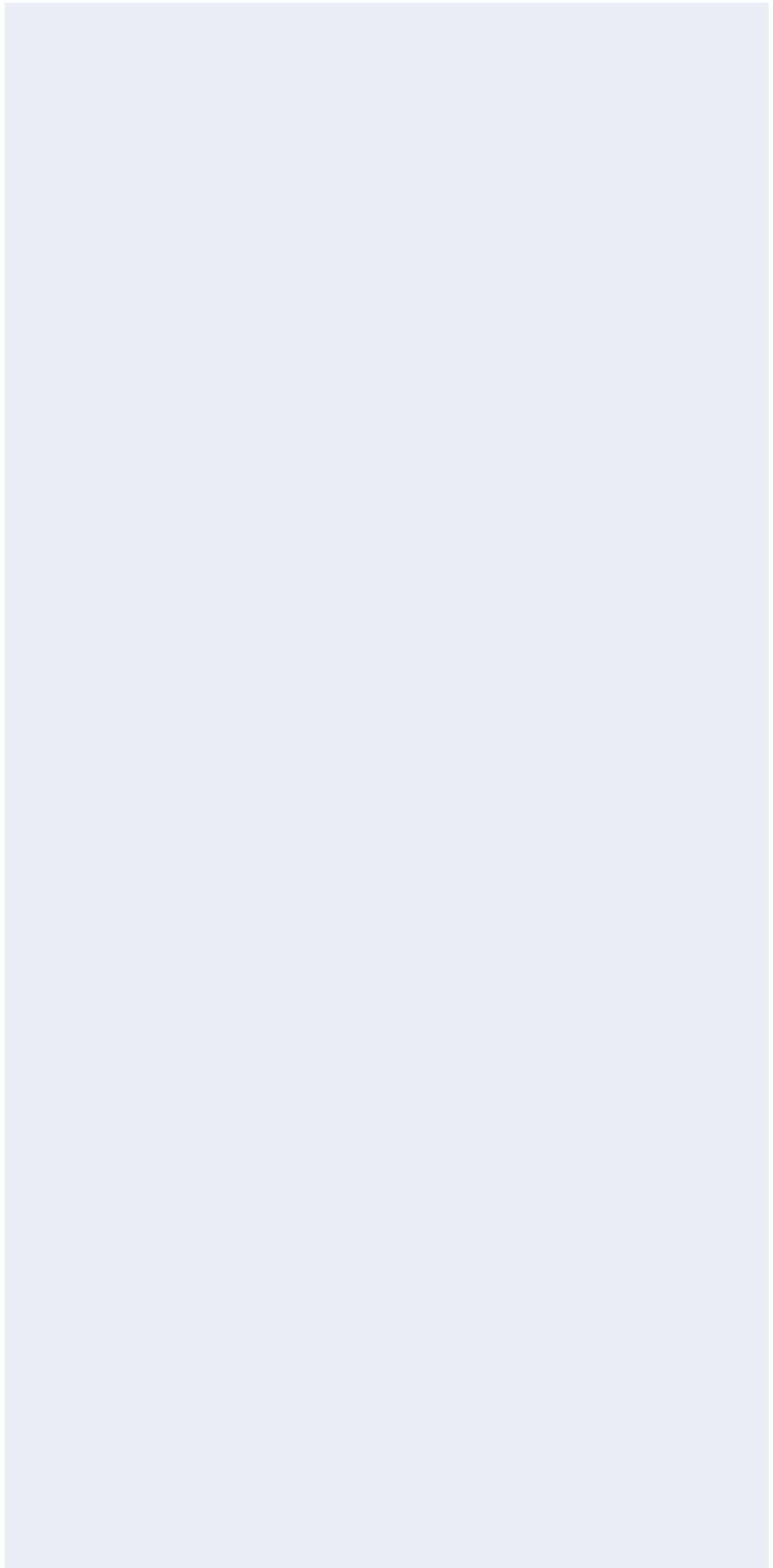
Y%88h

1 August 2014			
Consolidated	University	Consolidated	University
30,389	39,185	42,516	42,516
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

GZãVhZ'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 Zhi d' i] Z' XdchdaYMZY' VcY' J c'kZgh'n' W&cXZ' h] ZZi' i'gVch'&dc! i] Z' gzk'&rdchi d' j hZ] j a economic lives of elements of the main campus and student accommodation buildings has resulted in the application of Vc' c'XgZVhZY YZegZXM' &dc X] Vg\Z#< dkZgcb Zci' \gVci h'egZk'&dj h&negk'YZY id' l] j cY' XVe'&V&l dg hVgZ' gZ&VhZY' c' &acZl' &↑' i] Z' YZegZXM' &dc' edaXn' VeeaZY# ] h'W' j' h' b Zci' gZ&ZXi h' i] Z' gZ&MZY' WY'&↑' &dc' V&gZ&VhZ' gZ' f] j' gZ' Y' j' cY' Zg; GH&#% #' - . !%#% h'h] dl' c' j' cY' ZgH 8' c' Xdb Z! VcY' Y' (!%#% h'h] dl' c' j' cY' Zgdi] Zg' c' Xdb Z#

' # J cY' ZgHD GE' ' %&! i] Z' VeeZXM' &dc' d[ ZcYdl' b Zci' V'hZi' c' kZhib Zci h d[ Y& !%#% l' Vh' c' Xg' YZY' c' i] Z' h' MZb Zci' d[ i di V&



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### University statement of comprehensive income and expenditure

Y%88h	Notes	HD GE 2007	H G< A' items	I gMh' d'c' to FRS 102	FRS 102
€ 8DB:					
1 j ↑ d'c' [Zzh' VcY' ZY] XM' d'c' XdcigM'h		12,580	"	"	12,580
Scottish Funding Council grants	1	14,885	"	"	15,174
Research grants and contracts		8. %	"	"	8. %
1 "Di] Zg' c'Xdb Z	1	8,625	"	3	8,628
Investment income	2	331	£ - %	"	51
9 dcM' d'ch' VcY' ZcYdl b Zcih'	3	"	263	"	263
1 di Vá' c'Xdb Z		<u>38,323</u>	<u>£ &amp; †</u>	<u>' . '</u>	<u>(- ! * . -</u>
ME: C 9 † J G:					
Staff costs	4	' ' ! & .	151	206	22,486
1 "Di] Zg' de ZgM' c' \ Zne ZchZh		. ! * ( *	"	"	. ! * ( *
Depreciation	5	2,332	"	2,353	4,685
1 "ci Zg' h' VcY' di] Zg' x' c' VcXZ' Xdri h		. *,	437	5	& ( . .
1 di Vá Zne ZcY' † j g'z		<u>( ) ! . * (</u>	<u>588</u>	<u>2,564</u>	<u>38,105</u>
H g' e' j' h' \$ EYZ' x' XH' VZ' [dg' z' i Vm		3,370	£ + % †	£ ! ' , ' †	) . (
1 Vm' d'c'		"	"	"	
Surplus for the year		<u>3,370</u>	<u>£ + % †</u>	<u>£ ! ' , ' †</u>	<u>) . (</u>
6 Xj Vg' Vá d' h' \$ Vc' c' g' zhe ZX' d' [e Zchdc' hX] Zb Zh	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 gMh' d'c' C di Zh Vg' YZi V' ZY' dc' eVZ' )'

## NOTES TO THE FINANCIAL STATEMENTS (continued)

22

tj cYZgWj MZ\cY'edh\gWj MZl		
7V\cXZ'M'&6j\j hi	"	"
6b dj ci hgZkZY' [gdb 'Hj YZci '6l VgYh6\ZcXn' [dgHkdi\cY	236	218
6b dj ci 'kZY' tidf [gdb '8] 'XVZ'; j cY	£-f	52
	228	270
Disbursed to students	£ ' ' f	£ , %
GZlj cYZY' id 'Hj YZci '6l VgYh6\ZcXn' [dgHkdi\cY	£-f	"
Balance unspent at 31 July	"	"
7V\cXZ'M'&6j\j hi	0	0
6b dj ci hgZkZY' [gdb 'Hj YZci '6l VgYh6\ZcXn' [dgHkdi\cY	123	121
	123	121
Disbursed to students	£& , f	£ ' f
6b dj ci 'kZY' tidf [gdb '= VgYh' e'; j cY	8	£). f
6Yb e' h' gM' d' c' Xd' h' h	£) f	"
GZlj cYZY' id 'Hj YZci '6l VgYh6\ZcXn' [dgHkdi\cY	"	"
Balance unspent at 31 July	"	"

6b dj ci hgZkZY' [gdb 'i] Z' Hj YZci '6l VgYh6\ZcXn' [dgHkdi\cY VgZ' Vkv' a' WZ' h' d' a' n' [dgHj YZci '0] Z' J' c' kZ' g' h' n' W' h' d' c' a' n' V' h' e' V' h' c' \ VZci # ] Z' \ g' c' i' h' V' c' Y' g' a' m' Z' Y' h' y' g' h' z' b' Z' c' i' h' V' g' z' 'i] Z' g' [dgZ' Z' n' k' j' YZ' [gdb 'i] Z' ' e' X' d' b' Z' ' V' c' Y' : n' e' Z' c' Y' f' j' g' z' '6' X' d' j' c' i' #



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