



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 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 iZY! e VXdgVcXZ 1 h] hZl dc' & (t& d[i] Z 8] VgfnZhVcYl g hZZ' xkZhib Zci hHdii a/cYl ' 6X' '%! id g[Zgid' hZj VhV' 8] Vgfn gZ\ 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 XdchdYViZY' 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 Zh Xdb b ZgXVaXdcj aVcXh l dg] j i h h e\ i] Z ZneZg hZ' d[i] Z J cKZghn h VhVZb X VcY i Z X] c X Vah V [[i VcY Vah d YZ Vah l h] ' kVXl dc' aZi e\ d[i] Z J cKZghn h h j YZci VXd b b dYl dc#

I] Z' xVcXVah iVZb Zci h] VZ' VZZc' egZeVgZY' dc' V\ d e\ XdcZg: Vh h h e\ VXdgVcXZ 1 h] ; eVcXVaGZedj e\ H VcVgY' %& ' t 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' '%*! 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\ Yab ' 8db eVc Zh6Xh # b eZb Zci V' dc' d[' HDGE' '%* ' gZj gZY' i] Z J cKZghn id gZ h VZ' h h Xdb eVg h KZ' e [dg b V' dc' [g b i] Z ig' ch' dc' YViZ d[' & G j h i' '%&) #] Z' xVcXVa b eVh' d[i] Z

Development of strategic plan

x' 9 Z XZb VZg' '%*! [daul e\ V l ' YZ' Xdcj aM' dc' egiXZ h i] Z J cKZghn 8dj g ' VeegdkZY' i] Z cZl ' h i g M Z\ X' eac' l] X]] W' VZZc' YZkZaleZY' e' VXdgVcXZ 1 h] ' i] Z F B & * % h i g M Z\ n' YZi V h d[l] X] ' VgZ' V XZ 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' Vg j c Y i] Z J cKZghn h k h' dc' id' VZ' V J cKZghn d[' YZ h VcY' e Q ZcZ #] Z h i g M Z\ n' h Z h d j i i] Z

STRATEGIC REPORT (continued)

STRATEGIC REPORT (continued)

Borrowings

7dggdl 'c' h' m' (& ? an' %&+ Vb dj ci ZY id 'Y (*& b 'addc! t (& ? an' %&*! Y (+# 'b 'addc! gZa! 'c' Zci gZan id VhZx) gZY adVc [VX' an' l '↑] '7Vg' ah' h' 7Vc' 'e' a' i' V' Zc' d' j' i' d' 'l' j' c' y' i'] Z' X' Mb' e' j' h' YZ' k' Z' a' e' b' Z' c' i' 'M' 'B' j' h' Z' a' y' g'] #

Pension arrangements

l] Z' J' c' k' Z' g' h' n' 'h' 'c' k' d' a' k' Z' Y' 'c' i'] g' Z' 'e' Z' c' h' d' c' 'h' k'] Z' b' Z' h' 'h' [d' a' d' l' 'h' ']

l] Z' 'A' d' i'] 'N' c' 'E' Z' c' h' d' c' ; j' c' y' ! l] 'X'] 'h' e' V' g' i' d' [i'] Z' 'A' d' X' a' < d' k' Z' g' b' Z' c' i' 'E' Z' c' h' d' c' 'H' k'] Z' b' Z' 't' a' < 'E' H' ! 'h' V' b' j' a' " Z' b' e' a' d' n' Z' g' Y' Z' x' c' Z' Y' V' W' c' Z' x' i' 'h' k'] Z' b' Z' #] Z' 'h' k'] Z' b' Z'] 'W' 'V' Y' Z' x' t' 'M' ' (& ? an' ' %&+ #] Z' ; j' c' y' i' g' h' i' Z' Z' h'] 'W' k' Z' ! 'c' 'g' Z' X' c' i' 'n' Z' V' g' h' 'V' e' e' a' Z' Y' 'c' 'X' g' V' h' Z' h' i' d' i'] Z' 'a' k' Z' a' d' [Z' b' e' a' d' n' Z' g' h' 'V' c' Y' Z' b' e' a' d' n' Z' Z' h' 'X' d' c' i' g' V' Y' i' 'd' c' h' i' d' i'] Z' 'h' k'] Z' b' Z' 'c' 'd' g' Y' Z' g' i' d' 'g' Z' X' d' k' Z' g' i'] 'h' Y' Z' x' t' 'e' d' h' t' 'd' c' #] Z' J' c' k' Z' g' h' n' i' h'] 'V' g' Z' d' [i'] Z' [j' c' y' Z' x' t' 'h' V' h' V' a' g' a' m' Z' Y' 'W' h' i'] Z' 'h' k'] Z' b' Z' 'V' i' j' 'V' g' h' i'] 'h' V' V' Z' c' 'h'] d' l' c' 'h' V' a' W' a' W' a' t' n' 'M' ' (& ? an' ' %&+ #

l] Z' b' d' h' i' 'g' Z' X' c' i' 'W' i' j' 'V' g' V' a' g' Z' k' Z' l' 'd' [i'] Z' 'H' d' i' i' 'h'] l] Z' W' k'] Z' g' h' i' 'h' 'e' Z' g' V' c' j' 'M' 'd' c' 'H' k'] Z' b' Z' 'h' 'H' l' 'h' j' c' y' Z' g' V' Z' c' 'h' V' h' ' (& B' V' g' k'] ' %& # 6' h' V' g' Z' h' a' 'd' [i'] 'h' g' Z' k' Z' l' 'i'] Z' 'a' k' Z' a' d' [Z' b' e' a' d' n' Z' g' h' 'X' d' c' i' g' V' Y' i' 'd' c' i' d' i'] 'h' 'h' k'] Z' b' Z' l' 'h' h' Z' i' 'M' ' & # / ' l' '↑] Z' [Z' X' i'] 'g' d' b' ' & ' H' Z' e' i' Z' b' V' W' g' ' %&* # 6' h' i'] Z' 'h' k'] Z' b' Z' 'h' j' c' l' j' c' y' Z' Y' ! i'] Z' g' Z' 'X' V' c' 'V' Z' c' d' 'h' j' g' e' a' j' h' d' g' h'] d' g' i' [V' a' e' 'E' Z' c' h' d' c' 'X' d' c' i' g' V' Y' i' 'd' c' g' M' Z' h' V' g' Z' h' Z' i' 'W' h' i'] Z' 'h' k'] Z' b' Z' 'V' i' j' 'V' g' 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' W' g' Z' #

l] Z' J' c' k' Z' g' h' n' 'h' 'h' 'e' Z' g' V' c' j' 'M' 'd' c' 'H' k'] Z' b' Z' 'l' 'H' H' 'h' i' V' Y' Z' x' c' Z' Y' 'V' W' c' Z' x' i' 'h' k'] Z' b' 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' 'E' Z' c' h' d' c' 'h' 'E' i' #] Z' 'h' h' Z' i' h' d' [i'] Z' 'h' k'] Z' b' Z' 'V' g' Z'] Z' a' 'c' 'V' h' Z' e' V' g' M' Z' i' g' h' i' Z' Z' 'W' b' 'c' 'h' i' Z' g' Z' Y' [j' c' y' # 7' Z' X' i'] h' Z' d' [i'] Z' b' j' i' j' 'V' a' c' M' j' g' Z' d' [i'] Z' 'h' k'] Z' b' Z' l' i'] Z' 'h' k'] Z' b' Z' h' 'h' Z' i' h' V' g' Z' 'c' d' i'] 'n' e' d' i'] Z' X' M' Z' Y' i' d' 'c' Y' k' Y'] 'V' a' 'c' h' i' 'h' j' i' 'd' c' h' 'V' c' Y' 'V' 'h' k'] Z' b' Z' l' 'Y' Z' 'X' d' c' i' g' V' Y' i' 'd' c' g' M' Z' 'h' h' Z' i' #] Z' 'c' h' i' j' i' 'd' c' 'h' i'] Z' g' Z' [d' g' Z'] 'Z' n' e' d' h' Z' Y' i' d' 'W' i' j' 'V' g' V' a' g' h' 'h' V' h' d' X' M' Z' Y' l' '↑] 'd' i'] Z' g' 'c' h' i' j' i' 'd' c' h' i' Z' b' e' a' d' n' Z' Z' h' 'V' c' Y' 'h' j' c' W' W' Z' i' d' 'Y' Z' c' i' 'h' '↑' 'h' share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the h' k'] Z' b' Z' 'h' '↑' '↑] Z' g' Z' 'V' Y' Z' x' c' Z' Y' 'X' d' c' i' g' V' Y' i' 'd' c' 'h' k'] Z' b' Z' # 6' h' V' g' Z' h' a' i'] Z' 'V' b' d' j' c' i' 'X'] 'V' g' Z' Y' i' d' i'] Z' 'c' X' d' b' Z' 'V' c' Y' 'Z' n' e' Z' c' Y' 'j' g' Z' 'V' W' g' Z' c' i' 'g' 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' k'] Z' b' Z' 'c' 'g' Z' h' e' Z' X' i' d' [i'] Z' 'V' W' X' d' j' c' i' 'c' 'e' Z' g' V' Y' #] Z' J' c' k' Z' g' h' n'] 'h' V' a' W' a' W' a' t' n' 'c' 'g' Z' h' e' Z' X' i' d' ['↑' h' X' d' b' b' '↑' b' Z' c' i' d' i'] Z' J' 'H' Y' Z' 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' i' h' d' c' d' ['V' a' W' a' W' a' t' n'] [d' g' i'] 'h' Y' Z' 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' 'V' g' Z' i'] Z' g' Z' [d' g' Z' i'] Z' x' g' h' i' Z' i' d' ['V' W' X' d' j' c' i' h' i' d' 'c' X' g' Y' Z' i'] 'h' a' W' a' W' a' t' n' #] Z' g' Z' k' h' Z' Y' e' a' c' ! 'V' a' d' c' 'l' '↑] 'i'] Z' 'X'] 'V' c' X' h' i' d' 'h' k'] Z' b' Z' 'V' W' c' Z' x' i' h' V' g' Z' 'Z' n' e' Z' X' i' Z' Y' i' d' 'Z' a' b' 'c' V' Z' i'] Z' 'Y' Z' x' t' 'W' h' " %& #

Social inclusion

F j Z' Z' c' 'B' V' g' V' g' Z' i'] J' c' k' Z' g' h' n' 'V' b' h' i' d' 'e' g' d' b' d' i' Z' 'C' i' g' n' i' d' ! 'V' c' Y' 'e' g' k' Y' Z' Y'] X' M' 'd' c' 'M' ! j' c' y' Z' g' V' g' W' j' 'V' Z' 'V' c' Y' 'e' d' h' i' g' W' j' 'V' Z' 'a' k' Z' a' i' d' 'V' 'Y' k' Z' g' Z' g' V' c' Z' d' [h' j' 'Y' Z' c' i' h' l'] 'V' i' Z' k' Z' g' i'] Z' g' V' W' X' 'g' d' j' c' y' # 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' k' Z' g' h' n' l'] Z' 'V' g' Z' X' d' b' b' 'h' i' Z' Y' i' d' i'] Z' 'e' g' c' X' e' a' Z' h' d' ['V' g' c' Z' h' i' g' V' c' h' e' V' g' Z' c' h' i' V' c' Y' l' 'Y' Z' c' 'c' 'e' V' g' 'X' e' M' 'd' c' # L' d' [d' g' V' g' V' c' Z' d' [g' Z' X' g' '↑' b' Z' c' i' d' j' i' g' Z' V' g'] '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' a' Z' 'V' W' X' Z' h' 'V' c' Y' b' 'V' r' b' 'h' Z' 'g' Z' i' c' i' d' c' [g' d' b'] c' y' Z' g' g' e' g' Z' h' Z' c' i' Z' Y' 'g' d' j' e' h' 'c' 'a' c' Z' l' '↑] 'd' j' g' H' j' 'Y' Z' c' i' : 'n' e' Z' g' Z' c' X' Z' 'h' g' M' Z' a' n' 'V' c' Y' j' c' y' Z' g' e' c' c' Z' Y' 'W' h' i'] Z' J' c' k' Z' g' h' n' i' h'] D' j' i' X' d' b' Z' '6' 'g' Z' b' Z' c' i' l' '↑] 'i'] Z' 'H' d' i' i' 'h'] ; j' c' y' 'c' e' '8' d' j' c' X' #

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' 'V' g' i' g' Z' c' Y' 'c' 'V' a' V' g' Z' V' h' d' [i'] Z' 'C' M' 'd' c' V' a' H' j' 'Y' Z' c' i' 'h' j' g' k' Z' n' d' k' Z' g' i'] Z' e' V' h' i' 'h' n' Z' V' g' h' # 'B' J' l' h' d' k' Z' g' V' a' h' M' 'h' V' i' 'd' c'] 'h' i' 'c' X' g' Z' h' Z' Y' 'V' h' & ' i' d' 'g' Z' V' X'] '- + / ! 'V' W' X' ' i' d' i'] Z' 'h' b' Z' 'a' k' Z' a' V' h' 'c' " %&) 'V' c' Y' 'd' j' g' ' \] Z' h' i' 'h' e' X' Z' 'd' j' g' x' g' h' i' 'C' H' g' Z' h' a' h' 'c' " %& & #] 'h' Z' n' X' Z' Z' Y' h' d' j' g' V' W' c' X'] b' V' g' 'd' [-) / ' h' Z' i' 'W' 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' k' Z' g' a' Z' h' # G' Z' h' a' h' [d' g' V' h' Z' h' b' Z' c' i' 'V' c' Y' [Z' Z' Y' W' X' ' l' Z' g' Z' i'] Z' b' d' h' i' 'b' e' g' k' Z' Y' 'd' c' \ [g' d' b' '+ / ' i' d' , %' ' l'] 'X'] 'h' 'W' d' k' Z' i'] Z' 'H' d' i' i' 'h'] 'V' k' Z' g' a' Z' # D' j' g' ' \] 'g' Z' h' e' d' c' h' Z' g' M' Z' d' [, / 'c' Y' X' M' Z' h' i'] M' i'] Z' h' Z' 'g' Z' h' a' h' V' g' Z' 'g' e' g' Z' h' Z' c' i' M' k' Z' d' [i'] Z' 'A' Z' k' Z' a') 'Z' n' e' Z' g' Z' c' X' Z' #

DIRECTORS' REPORT (continued)

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

Audit and Risk Committee

Name		
Bazg BAZVc	Convener)\$
9g6ci] dcn; V&dcZg		(\$
Robert Rae		(\$
Judith Sischy		(\$

Finance & Estates Committee

Name		
Ab Zh7gWh] M	Convener	+\$
Ian Calder		*\$
Eg[ZHdg6&c < adgVc		+\$
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\		*\$
Wfj Z&cZ' B VYdcV&)\$
=ZY'K'fi' hZc		*\$
Eg[ZHdgEZigVL ZcY)\$

Senior Management Remuneration Committee

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

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'Xdc>gb' i] M'!hd' [Vg'Vh'i] Zn'VgZ' ZVX] 'M' VgZ'i] ZgZ' 'h'cd' gZ&ZkVci' Vj Y'&' c[dgb' M' &c' d[l] X] 'i] Z'J c'kZgh'n'h' Vj Y'&gh' VgZ' j cM' VgZOVcY' 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' gZVhdcW&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'&' c[dgb' M' &c' d[VcY' id' Zh' W&h'] i] M' i] Z'J c'kZgh'n'h' Vj Y'&gh' VgZ' M' VgZ' d[i] M' c[dgb' M' &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 VcXZ' d[i] Z'gYj i ZH' b Zb VZgh' d[i] Z' J c'kZghñ' 8dj g' l ZgZ' d[[ZgZY' VcY' Mi ZcYZY' hZkZgVá
i gV' e' VcY' YZkZaleb Zci' deedgj c' Z' h' Yj g' e' ' %&* "&+##] ZhZ' e' Xj YZY' ZniZgcVá 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' 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' 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' H' Z' e' i' Z' b' VZg' %&* t
- " 8dj g' ' 6' l' 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' VcYj b' l' t' i'] Z' H' k' d' 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' Z' [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 [' h e Z g d g V c X Z' V c Y' d [' h i

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 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	"	"	"	"
(Deficit) / surplus for the year		(1,827)	(1,827)	(1,545)	
6Xj Vg'Vat'altH \$V'c'c' gZheXZ' d['eZchdc' schemes		£&), +†	£&), +†	- +.	- +.
Total comprehensive income for the		(3,303)	(3,303)	(676)	1,362

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
Cash inflow from operating activities			
Operating profit		£1,101,101	£1,101,101
Adjustments for non-cash items			
Depreciation	12	4,787	4,685
Amortisation of intangible assets		"	1,101,101
Deferred capital grants released	16	£1,101,101	£1,101,101
Deferred income released		"	1,101,101
Pension costs less contributions payable		1,135	1,135
Change in provisions		1,135	1,135
Change in provisions		1,135	1,135
Change in provisions		1,135	1,135
Adjustments for investing or financing activities			
Investment income and interest receivable		1,135	1,135
Interest payable		1,215	2,253
Net cash inflow / (outflow) from operating activities		(1,101,101)	(1,101,101)
Cash flows from investing activities			
Proceeds from disposal of non-current assets		64	34
Investment income		28	73
Proceeds from disposal of non-current assets		£1,101,101	£1,101,101
Proceeds from disposal of non-current assets		£1,101,101	£1,101,101
Proceeds from disposal of non-current assets		"	£1,101,101
Cash flows from financing activities			
Interest paid		£1,101,101	£1,101,101
Change in provisions		"	£1,101,101

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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	Consolidated		University	
	' %&* \$&+ Y%00%	' %&) \$&* Y%00%	' %&* \$&+ Y%00%	' %&) \$&* Y%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 YZ[ZggZY XVe↑Va\gMcih'cdiZ' &+]	72	76	72	76
Exceptional release from deferred income	"	2,450	"	2,450
D i j Zg 'cXdb Z	652	340	652	340
	6,593	8,718	6,172	8,628

*#

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

+#

lXdchdaVMZY VcY j c'kZgh'nl

	Consolidated	
	' %&* \$&+ Y%00%	' %&) \$&* Y%00%
C Zl 'ZcYdl b Zci h	"	"
Unrestricted donations	188	263

, #

	Consolidated		University	
	' %&* \$&+ Y%00%	' %&) \$&* Y%00%	' %&* \$&+ Y%00%	' %&) \$&* Y%00%
Staff costs				
''L VZhVcY hVAgZh	&+! . %	& !* . ,	16,814	& !) . *
Social security costs	1,450	1,280	1,450	1,280
''B dkZb Zci 'dc J H'egk'h'cd'	5	171	5	171
''D i j ZgjeZch'cd' Xdlh h	(!* (.	3,540	(!* (.	3,540
	21,884	22,588	21,808	22,486

Information regarding the University's financial position and performance is available on the University's website at www.utoronto.ca/finance.

	'08-'09	'09-'10
	Number	Number
Senior postholders		
Full professors	"	"
Associate professors	"	"
Senior research associates	1	1
Senior research fellows	"	1
Senior research associates	1	"
	'08-'09	'09-'10
Compensation for loss of office		
Compensation payable in respect of senior postholders	"	"

Information regarding the University's financial position and performance is available on the University's website at www.utoronto.ca/finance.

Research grants & contracts

Residences, catering & conferences

Premises

Research grants & contracts

	'08-'09	'09-'10
	\$ million	\$ million
Research grants & contracts	50	57
Residences, catering & conferences	31	30
Premises	24	22
Research grants & contracts	111	115
	_____	_____
	_____	_____

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Finance lease interest

Finance lease interest

	Consolidated		University	
	'08-'09	'09-'10	'08-'09	'09-'10
	\$ million	\$ million	\$ million	\$ million
Finance lease interest	1,215	1,215	1,215	1,215
	"	3	"	3

NOTES TO THE FINANCIAL STATEMENTS (continued)

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Subsidiary Undertaking

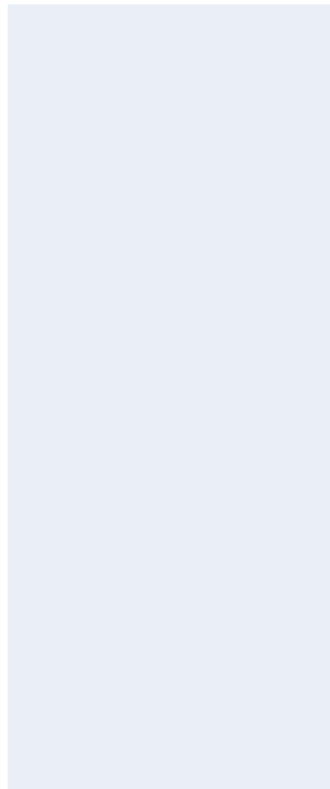
Name of undertaking	incorporation and registration	Description of	Proportion of nominal	1 August 2015
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	Consolidated		University	
	2016 ¥%%	2015 ¥%%	2016 ¥%%	2015 ¥%%
Secured loan	33,562	35,054	33,562	35,054
Deferred capital grants	. !, . &	&A(&	. !, . &	&A(&
	43,353	45,373	43,353	45,373
6cVarhhd[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	US\$ million	Pension enhancements	US\$ million	US\$ million
6i' & 6j \j hi'' %&*	363	3,522	10,821	14,706
Utilised in year	£&-†	£)' †	(360)
I g\chZg\gdb' cXdb Z'fi' ZneZcY†j gZ' WXdj ci	123	115	2,607	2,845
6i' (&† an'' %&+		3,395	13,428	17,191

I] Z' J c k Zgn n] Vn Va Wn [d ge Zch d c Zc] Vc XZb Zci he Vn WZ' id [d g b Zg b Zb VZgid [h V [] d] VZ' i V Zc' ZVgn gZi gZb Zci' c' eg d g n ZVh # c' Vj Vg V k Vj M' d c' d [i] Z' V o d j c i' d [i] h a Wn i g b Zg b Zb VZB ZW V An in

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

Opening fair value of employer assets	40,901	36,535
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
Closing fair value of employer assets	50,644	40,901

B) Scottish Teachers' Superannuation Scheme (STSS)

£
%
£
%

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 ZxcZY WZcZi'cj b VZgh [dgi] Z'hX] Zb Z'] WK'WZc'egdyj XZYj h'e\i] Z [daul' e\ Vhtj b ei' dch'

Discount rate	(#/'	(#/'
EZch'cWZ' hV\gn\gdI i] #	C \$	(#/' e'i] Z' x'gh i'nZVg' VcY) #/ i] Z'gV[i Z'g
EgXZ' eOM' d'c tBE'†	' #/'	' #/'

I] Z' b V'e YZb d\g'e] X'Vhtj b ei' d'c j hZY' gZM' Zhi d' i] Z' b dg' Vahn' Vhtj b ei' d'ch' B dg' Vahn' e' gZi' gZb Zci' h' Vhtj b ZY' id' VZ' e' ac' Z'
I' ↑] i] Z' 8dci' e' j h' B dg' Vahn' e' kZhi' V' M' d' ch' tBE' † H&C 6 i' WZ' h' Vh' [daul' h'

B VZ' b Zb VZgh' b dg' Vahn' : : : : . - / d[H&C 6' FEA] i] RNd7' i' WZ' h' E' cd' VZ' gM' e\
; Zb VZ' b Zb VZgh' b dg' Vahn' : : : : . - / d[H&C 6' FEA] i] RNd7' i' WZ' h' E' gM' ZY' Ydl' c' & nZVg

J hZ' d[i] ZhZ' b dg' Vahn' i' WZ' h' gZ' Vdc' W' h' gZ' X' h' i] Z' Vx' j VáJ HZ' neZg' Zc' XZ' # d' Vaul' [dg' j' g] Zg' b' egdkZb Zci' h' e' b dg' Vahn'
gM' Zhi] Z' 8B >' %& ' egl' Z' X' d' ch' i' ↑] V&#/' e' V' ad' c' i' Z' gb' gM' Z' i' Zg' V' h' d' W' dei' ZY' #] Z' X' gZ' c' i' a[Z' Z' neZ' X' Vc' X' Zh' dc' gZi' gZb Zci'
V' VZ' +* VgZ/

B VZ' h' X' gZ' c' i' an' VZ' Y' +* t'nZVgh	') #	') #
; Zb VZ' h' X' gZ' c' i' an' VZ' Y' +* t'nZVgh	' + #	' + #
B VZ' h' X' gZ' c' i' an' VZ' Y') * t'nZVgh	' + #	' + #
; Zb VZ' h' X' gZ' c' i' an' VZ' Y') * t'nZVgh	' - #	' - #

Existing benef ts

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Statement of financial position

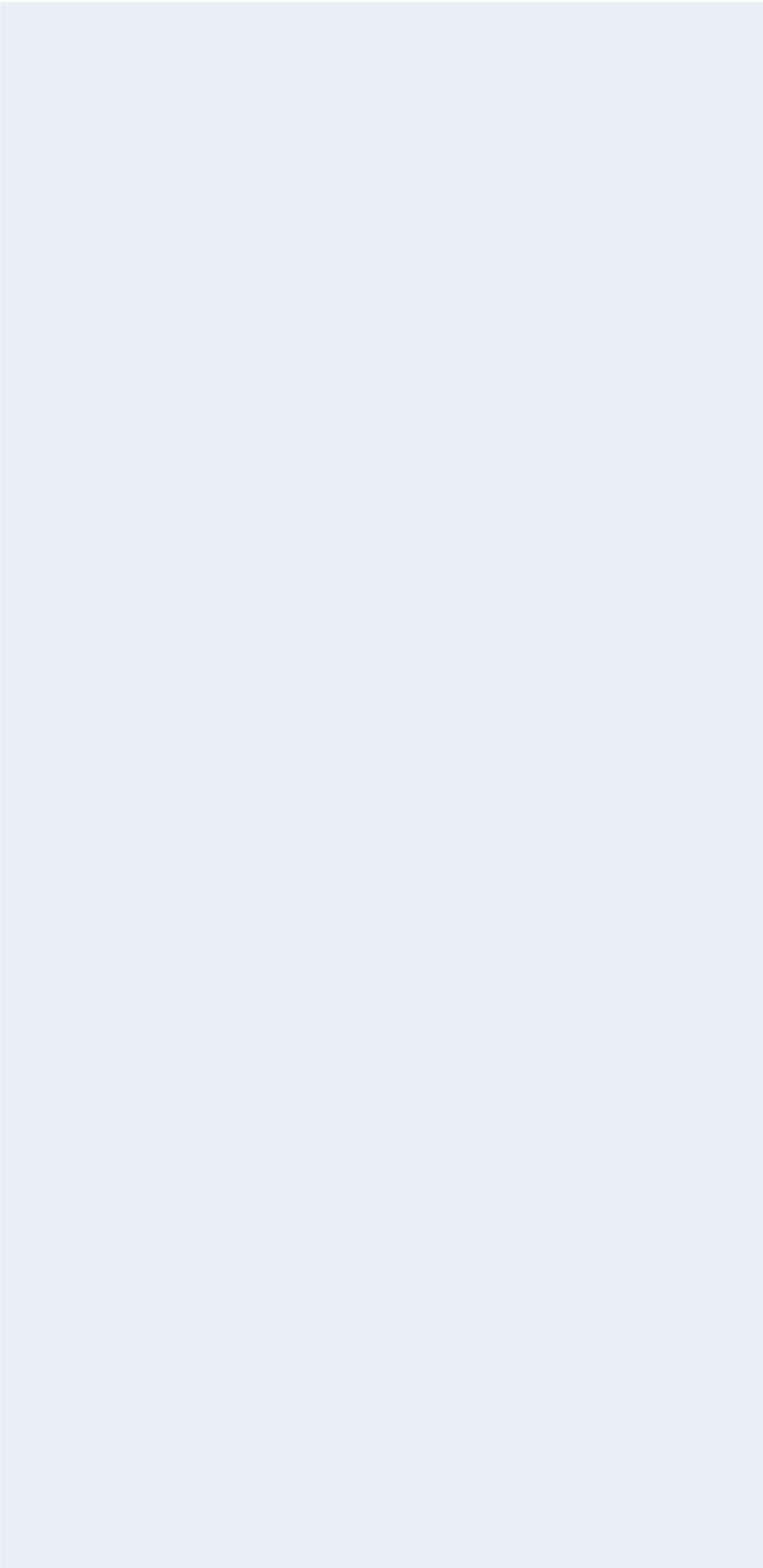
Y%88h

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' &cZl' &↑' i] Z' YZegZXM' &dc' edaXn' VeeaZY#] h'Wj' h'ib Zci' gZ&ZXi hi] Z' gZ&MZY' WY↑&dcV&gZ&VhZ' gZfj' gZY' j cYZg; GH&% #Y' - .!%%& h'h] dl' c' j cYZgH 8' &cXdb Z!' VcY' Y'(!%%& h'h] dl' c' j cYZgdi] Zg' &cXdb Z#

' # J cYZgHD GE' ' %% !i] Z' VeeZXM' &dc' d[ZcYdl' b Zci' VhZi' ' &ckZhib Zci h d[Y& !%%& l' Vh' &cXg' 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>£ & †</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' g' 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>
1 "6 Xj Vg' Vá d' h' \$ Vc' c' g' zhe ZX' d' [e Zchdc' hX] Zb Zh	2	"	- +.	"	- +.
Total comprehensive income for the year		<u>3,370</u>		<u>(2,272)</u>	<u>1,362</u>

I gMh' d'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'WZ hdaZan [dghj YZci h0] Z'J c'kZgh'n'Wihdcan'VheVh'e' VZci#] Z'gVcih'VcY'gZMZY Y'ny'ghZb Zcih'VgZ'i] ZgZ [dgZ' ZnXj YZY [gdb 'i] Z'æXdb Z'VcY: neZcY'fj gZ'6X'dj ci#



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