


## STATEMENT OF RESPONSIBILITY

We are responsible for:

- the preparation of the annual financial statements and statement of service performance and the judgements used in them
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, the financial statements and statement of service performance for the financial year ended 31 December 2020 fairly reflect the financial position and operations of Victoria University of Wellington and the Group.



**Neil Paviour-Smith**

Chancellor  
1 April 2021



**Professor Grant Guilford**

Vice-Chancellor  
1 April 2021

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2020

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000
<b>Revenue</b>							
Government funding		158,346	160,800	155,092	158,346	160,800	155,092
Performance-Based Research Fund (PBRF) funding		35,236	35,300	35,472	35,236	35,300	35,472
Domestic tuition		95,466	98,100	94,304	95,466	98,100	94,304
Full-fee tuition		40,661	48,000	45,576	40,661	48,000	45,576
Research		76,719	72,100	64,546	42,346	32,400	31,393
Commercial		12,312	14,400	14,696	12,521	13,100	13,002
Other revenue	2	71,469	84,500	96,969	53,354	65,500	77,098
<b>Total operating revenue</b>	<b>2</b>	<b>490,209</b>	<b>513,200</b>	<b>506,655</b>	<b>437,930</b>	<b>453,200</b>	<b>451,937</b>
<b>Expenses</b>							
People	3	270,353	265,600	266,437	253,396	248,600	251,353
Operating	4	125,553	136,400	139,014	104,521	94,100	103,211
Occupancy	4	45,062	40,700	40,296	43,690	39,400	38,662
Finance costs	5	2,265	2,100	3,637	2,794	3,100	4,258
Depreciation & amortisation	11,13	56,848	55,700	51,663	56,236	55,600	50,794
<b>Total operating expenses</b>		<b>500,081</b>	<b>500,500</b>	<b>501,047</b>	<b>460,637</b>	<b>440,800</b>	<b>448,278</b>
<b>University surplus/(deficit)</b>		<b>(9,872)</b>	<b>12,700</b>	<b>5,608</b>	<b>(22,707)</b>	<b>12,400</b>	<b>3,659</b>
<b>Victoria University of Wellington Foundation</b>							
Movement of net assets	6	6,605	2,700	11,331	–	–	–
<b>Surplus/(deficit) (including the Foundation)</b>		<b>(3,267)</b>	<b>15,400</b>	<b>16,939</b>	<b>(22,707)</b>	<b>12,400</b>	<b>3,659</b>
<b>Other comprehensive revenue and expense</b>							
Movements in revaluation reserve	11	(982)	–	72,224	(982)	–	68,499
Movements in cash flow hedge reserve		(411)	–	(231)	(411)	–	(231)
<b>Total other comprehensive income</b>		<b>(1,393)</b>	<b>–</b>	<b>71,993</b>	<b>(1,393)</b>	<b>–</b>	<b>68,268</b>
<b>Total comprehensive income</b>		<b>(4,660)</b>	<b>15,400</b>	<b>88,932</b>	<b>(24,100)</b>	<b>12,400</b>	<b>71,927</b>

The accompanying notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000
<b>Current assets</b>							
Cash & cash equivalents	8	64,116	64,200	75,790	21,009	30,000	27,809
Investments & other financial assets	9	70,180	45,400	45,671	7,714	–	(1,875)
Accounts receivable & accruals	10	10,676	23,100	23,637	15,118	20,400	32,834
Pre-paid expenses		15,930	13,000	16,952	13,998	10,000	14,078
Other current assets		4,436	4,200	4,421	96	100	110
Loans to related parties		–	–	–	4,510	4,300	6,310
Non-current assets held for sale	12	–	–	2,388	–	–	2,388
<b>Total current assets</b>		<b>165,338</b>	<b>149,900</b>	<b>168,859</b>	<b>62,445</b>	<b>64,800</b>	<b>81,654</b>
<b>Non-current assets</b>							
Property, plant, & equipment	11	959,019	1,024,100	974,782	936,458	1,018,400	952,235
Intangibles	13	6,210	14,400	7,476	6,210	14,400	7,476
Investments in related parties	9,14	3,140	6,300	6,810	5,261	3,500	5,261
<b>Total non-current assets</b>		<b>968,369</b>	<b>1,044,800</b>	<b>989,068</b>	<b>947,929</b>	<b>1,036,300</b>	<b>964,972</b>
<b>Total assets</b>		<b>1,133,707</b>	<b>1,194,700</b>	<b>1,157,927</b>	<b>1,010,374</b>	<b>1,101,100</b>	<b>1,046,626</b>
<b>Current liabilities</b>							
Accounts payable & accruals	15	74,780	64,800	80,500	67,433	58,700	73,498
Revenue in advance	16	63,444	57,900	59,967	24,274	30,000	31,059
Related party borrowings	20	–	–	–	54,000	36,000	36,000
Employee entitlements	17	18,042	19,200	19,475	17,731	18,800	19,149
Deferred revenue—contractual obligation	18	–	–	3,944	–	–	3,944
Bank borrowings	19	–	–	46,000	–	–	46,000
Other current liabilities		110	2,000	110	110	100	110
<b>Total current liabilities</b>		<b>156,376</b>	<b>143,900</b>	<b>209,996</b>	<b>163,548</b>	<b>143,600</b>	<b>209,760</b>
<b>Non-current liabilities</b>							
Employee entitlements	17	24,110	22,200	24,940	24,110	22,200	24,940
Bank borrowings	19	61,000	100,000	26,000	61,000	100,000	26,000
Other non-current liabilities		83	400	193	83	400	193
<b>Total non-current liabilities</b>		<b>85,193</b>	<b>122,600</b>	<b>51,133</b>	<b>85,193</b>	<b>122,600</b>	<b>51,133</b>
<b>Total liabilities</b>		<b>241,569</b>	<b>266,500</b>	<b>261,129</b>	<b>248,741</b>	<b>266,200</b>	<b>260,893</b>
<b>Net assets</b>		<b>892,138</b>	<b>928,200</b>	<b>896,798</b>	<b>761,633</b>	<b>834,900</b>	<b>785,733</b>
<b>Community equity</b>							
Accumulated surplus		445,815	447,400	446,082	318,979	354,100	338,686
Other reserves		446,379	480,800	450,772	442,654	480,800	447,047
Non-controlling interest		(56)	–	(56)	–	–	–
<b>Total community equity</b>		<b>892,138</b>	<b>928,200</b>	<b>896,798</b>	<b>761,633</b>	<b>834,900</b>	<b>785,733</b>

The accompanying notes form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000
<b>Community equity at 1 January</b>		<b>896,798</b>	<b>912,800</b>	<b>807,866</b>	<b>785,733</b>	<b>822,500</b>	<b>713,806</b>
Surplus/(deficit) for the year		(3,267)	15,400	16,939	(22,707)	12,400	3,659
<b>Other comprehensive revenue and expense</b>							
Increase/(decrease) in asset revaluation reserve	11	(982)	–	72,224	(982)	–	68,499
Decrease in cash flow hedge reserve		(411)	–	(231)	(411)	–	(231)
<b>Community equity at 31 December</b>	22	<b>892,138</b>	<b>928,200</b>	<b>896,798</b>	<b>761,633</b>	<b>834,900</b>	<b>785,733</b>
<b>Community equity represented by:</b>							
<b>Accumulated surplus</b>							
Opening balance		446,082	432,000	429,143	338,686	341,700	335,027
Surplus/(deficit) for the year		(3,267)	15,400	16,939	(22,707)	12,400	3,659
Transfer from revaluation reserve		3,000	–	–	3,000	–	–
<b>Closing balance</b>		<b>445,815</b>	<b>447,400</b>	<b>446,082</b>	<b>318,979</b>	<b>354,100</b>	<b>338,686</b>
<b>Non-controlling interest</b>							
Opening balance		(56)	–	(56)	–	–	–
<b>Closing balance</b>		<b>(56)</b>	<b>–</b>	<b>(56)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Asset revaluation reserve</b>							
Opening balance		452,648	480,800	380,424	448,923	480,800	380,424
Increase/(decrease) in revaluation reserve	11	(982)	–	72,224	(982)	–	68,499
Transfer to accumulated surplus		(3,000)	–	–	(3,000)	–	–
<b>Closing balance</b>		<b>448,666</b>	<b>480,800</b>	<b>452,648</b>	<b>444,941</b>	<b>480,800</b>	<b>448,923</b>
<b>Cash flow hedge reserve</b>							
Opening balance		(1,876)	–	(1,645)	(1,876)	–	(1,645)
Decrease in cash flow hedge reserve		(411)	–	(231)	(411)	–	(231)
<b>Closing balance</b>		<b>(2,287)</b>	<b>–</b>	<b>(1,876)</b>	<b>(2,287)</b>	<b>–</b>	<b>(1,876)</b>
<b>Community equity at 31 December</b>		<b>892,138</b>	<b>928,200</b>	<b>896,798</b>	<b>761,633</b>	<b>834,900</b>	<b>785,733</b>

The accompanying notes form part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000
<b>Cash flows from/(to) operating activities</b>							
Government funding		156,385	160,800	155,552	157,347	160,800	155,552
PBRF revenue		35,236	35,300	35,472	35,236	35,300	35,472
Tuition fees		132,329	146,200	144,727	132,330	146,200	144,748
Research, commercial, & other revenue		163,488	163,700	173,618	108,109	108,700	104,672
Interest received		1,426	1,000	2,022	1,119	800	1,459
Dividends received		4	–	707	–	–	1
Cash donations		9,021	6,400	7,732	5,862	1,400	3,398
GST (net)		(2,161)	–	2,979	(1,522)	–	2,318
Payments to employees		(272,921)	(264,400)	(262,886)	(256,039)	(247,600)	(247,821)
Payments to suppliers		(160,627)	(176,700)	(174,924)	(139,825)	(132,500)	(140,744)
Interest paid		(2,265)	(2,100)	(3,637)	(2,794)	(3,100)	(4,258)
<b>Net cash flow from operating activities</b>		<b>59,915</b>	<b>70,200</b>	<b>81,362</b>	<b>39,823</b>	<b>70,000</b>	<b>54,797</b>
<b>Cash flows from/(to) investing activities</b>							
Receipts from sale of property, plant, equipment, & intangibles		727	1,100	1,625	727	–	1,707
Purchase of property, plant, equipment, & intangibles		(46,693)	(80,100)	(60,284)	(46,040)	(80,000)	(48,663)
Payments for investments		(14,523)	–	(803)	(10,000)	–	(1,812)
<b>Net cash flow from/(to) investing activities</b>		<b>(60,489)</b>	<b>(79,000)</b>	<b>(59,462)</b>	<b>(55,313)</b>	<b>(80,000)</b>	<b>(48,768)</b>
<b>Cash flows from/(to) financing activities</b>							
Proceeds from borrowings		35,000	45,000	–	61,000	45,000	9,000
Repayment of borrowings		(46,100)	(25,000)	(25,120)	(72,110)	(25,000)	(25,120)
Proceeds from related party borrowings		–	–	–	19,800	–	–
<b>Net cash flow (to)/from financing activities</b>		<b>(11,100)</b>	<b>20,000</b>	<b>(25,120)</b>	<b>8,690</b>	<b>20,000</b>	<b>(16,120)</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>		<b>(11,674)</b>	<b>11,200</b>	<b>(3,220)</b>	<b>(6,800)</b>	<b>10,000</b>	<b>(10,091)</b>
Cash & cash equivalents at the beginning of the year		75,790	53,000	79,010	27,809	20,000	37,900
<b>Cash &amp; cash equivalents at the end of the year</b>	8	<b>64,116</b>	<b>64,200</b>	<b>75,790</b>	<b>21,009</b>	<b>30,000</b>	<b>27,809</b>

The accompanying notes form part of these financial statements.

# RECONCILIATION OF SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

For the year ended 31 December 2020

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
<b>Surplus/(deficit)</b>	<b>(3,267)</b>	<b>16,939</b>	<b>(22,707)</b>	<b>3,659</b>
<b>Add/(less) non-cash items</b>				
Depreciation & amortisation	56,848	51,663	56,236	50,794
Other non-cash items	(3,073)	5,717	–	6,802
<b>Total non-cash items</b>	<b>53,775</b>	<b>57,380</b>	<b>56,236</b>	<b>57,596</b>
<b>Add/(less) items classified as investing or financing activities</b>				
Losses/(gains) on disposal of property, plant, & equipment	5,246	181	5,227	181
(Gains)/losses on investments held at fair value	(3,640)	(9,260)	–	–
<b>Add/(less) changes in working capital items</b>				
(Increase)/decrease in receivables	12,965	(7,158)	17,743	(19,179)
(Increase)/decrease in deferred revenue	(3,519)	352	(3,519)	352
(Increase)/decrease in prepayments	1,022	(3,589)	80	(3,728)
(Increase)/decrease in other current assets	(15)	(188)	14	(3)
Increase/(decrease) in accounts payable	(3,849)	13,187	(4,218)	8,030
Increase/(decrease) in employment provisions	(2,264)	5,814	(2,248)	5,859
Increase/(decrease) in revenue received in advance	3,461	7,704	(6,785)	2,030
<b>Net cash inflow/(outflow) from operating activities</b>	<b>59,915</b>	<b>81,362</b>	<b>39,823</b>	<b>54,797</b>

The accompanying notes form part of these financial statements.