



FINANCIAL OVERVIEW

The operating deficit for the consolidated Group (excluding the University Foundation) was \$9.9m, which is -2.0 percent of revenue. The consolidated Group operating deficit (including all entities) was \$3.3m, equating to -0.7 percent of revenue.

The decrease in revenue compared to 2019, and the resulting deficit, was primarily due to the impacts of the COVID-19 pandemic, particularly on revenue from international students and from student accommodation. The closure of New Zealand borders early in 2020 prevented a number of international students from being able to enter the country.

This resulted in the number of international full-fee equivalent full-time students (EFTS) reducing by 11 percent on 2019 with a corresponding reduction in revenue. Student accommodation revenue was reduced due to the nationwide lockdowns as the majority of domestic students living in halls of residence returned home for this period, and their accommodation fees were waived.

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Financial performance					
Total operating revenue ¹⁴	490,209	506,655	490,381	448,094	415,214
University surplus/(deficit) for the year	(9,872)	5,608	15,869	6,447	9,897
EBITDA	49,241	60,908	68,046	66,414	51,417
Surplus/(deficit) (including the Foundation)	(3,267)	16,939	14,985	13,450	14,098
Financial position					
Total current assets	165,338	168,859	148,396	146,103	102,239
Total non-current assets	968,369	989,068	912,449	904,731	829,788
Total assets	1,133,707	1,157,927	1,060,845	1,050,834	932,027
Total current liabilities	156,376	209,996	137,867	191,616	107,117
Total non-current liabilities	85,193	51,133	115,112	64,715	123,333
Total liabilities	241,569	261,129	252,979	256,331	230,450
Total community equity	892,138	896,798	807,866	794,503	701,577
Statistics					
University surplus/(deficit) to total revenue	(2.0%)	1.1%	3.2%	1.4%	2.4%
University surplus/(deficit) to total assets	(0.9%)	0.5%	1.5%	0.6%	1.1%
Current assets to current liabilities	106%	80%	109%	76%	98%
Assets to equity	127%	129%	131%	132%	133%

The Victoria University of Wellington Foundation (the fundraising arm of the University) earned \$13.5m from donations and investment returns. Funds raised through the generous engagement of alumni and civic supporters of the University are critical to help us invest in key initiatives and scholarships that support the realisation of the Strategic Plan. Total Foundation funds increased to \$80.6m at year end.

Net cash flow from operations at \$59.9m decreased by \$21.4m from 2019 mainly due the impact of the pandemic on full-fee tuition and accommodation revenue. The COVID-19 pandemic also had an impact

on the University's ability to complete its planned capital programme of works for 2020 resulting in capital expenditure for the year of \$46.7m, which is \$13.6m lower than 2019. Key projects that were progressed during 2020 include the ongoing refurbishment of Rutherford House and the completion of the Hunter building atrium replacement.

With the border restrictions continuing into 2021, the University will face ongoing financial challenges from a further reduction in international tuition revenue as current students complete their studies and are not replaced by as many new students.

¹⁴ These numbers are University Group (excluding the Foundation).