



# TE TAUĀKI PŪTEA FINANCIAL STATEMENTS

For the year ended 31 December 2022

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# STATEMENT OF RESPONSIBILITY

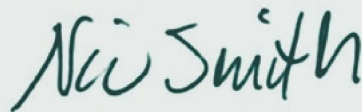
We are responsible for:

- ▶ 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 2022 fairly reflect the financial position and operations of Victoria University of Wellington and the Group.



**John Allen**  
Chancellor  
27 March 2023



**Professor Nic Smith**  
Vice-Chancellor  
27 March 2023

# TE TAUĀKI WHIWHINGA, WHAKAPAUNGA WHĀNUI

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2022

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
<b>Revenue</b>							
Government funding		164,293	171,055	173,857	164,293	171,055	173,857
Performance-Based Research Fund (PBRF)		35,959	34,888	35,101	35,959	34,888	35,101
Domestic tuition		97,677	104,105	104,256	97,677	104,105	104,256
Full-fee tuition		27,756	29,161	31,817	27,756	29,161	31,817
Research		82,631	76,403	79,791	36,876	36,553	37,381
Commercial		13,925	21,875	12,581	7,884	11,371	9,638
Other revenue	2	71,884	69,024	80,871	66,759	66,571	68,440
<b>Total operating revenue</b>	<b>2</b>	<b>494,125</b>	<b>506,511</b>	<b>518,274</b>	<b>437,204</b>	<b>453,704</b>	<b>460,490</b>
<b>Expenses</b>							
People	3	283,916	280,490	268,330	260,535	260,306	247,177
Operating	4	133,481	132,228	138,134	100,017	100,601	103,625
Occupancy	4	42,442	41,571	41,253	41,457	42,242	39,633
Finance costs	5	2,191	1,800	1,795	3,829	3,000	2,219
Depreciation & amortisation	12,13	48,363	48,870	46,847	47,704	48,716	46,191
<b>Total operating expenses</b>		<b>510,393</b>	<b>504,959</b>	<b>496,359</b>	<b>453,542</b>	<b>454,865</b>	<b>438,845</b>
<b>University surplus/(deficit)</b>		<b>(16,268)</b>	<b>1,552</b>	<b>21,915</b>	<b>(16,338)</b>	<b>(1,161)</b>	<b>21,645</b>
<b>Victoria University of Wellington Foundation:</b>							
Movement of net assets	6	(8,956)	3,500	9,740	-	-	-
<b>Surplus/(deficit) (including the Foundation)</b>		<b>(25,224)</b>	<b>5,052</b>	<b>31,655</b>	<b>(16,338)</b>	<b>(1,161)</b>	<b>21,645</b>
<b>Other comprehensive revenue and expense</b>							
Movements in revaluation reserve	12	168,004	-	88,079	171,921	-	99,608
Net movement in cash flow hedges		<b>2,747</b>	-	2,591	2,747	-	2,591
<b>Total other comprehensive income</b>		<b>170,751</b>	<b>-</b>	<b>90,670</b>	<b>174,668</b>	<b>-</b>	<b>102,199</b>
<b>Total comprehensive income</b>		<b>145,527</b>	<b>5,052</b>	<b>122,325</b>	<b>158,330</b>	<b>(1,161)</b>	<b>123,844</b>

The accompanying notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
<b>Current assets</b>							
Cash & cash equivalents	8	48,449	78,657	49,675	14,482	40,000	12,893
Investments & other financial assets	9	86,786	57,466	99,501	14,681	–	24,405
Accounts receivable & accruals	10	16,754	19,822	7,020	26,794	20,000	9,054
Pre-paid expenses	11	20,800	15,795	19,489	17,677	14,000	16,253
Other current assets		9,539	4,500	6,517	441	100	97
Loans to related parties		–	–	–	6,760	4,000	6,010
<b>Total current assets</b>		<b>182,328</b>	<b>176,240</b>	<b>182,202</b>	<b>80,835</b>	<b>78,100</b>	<b>68,712</b>
<b>Non-current assets</b>							
Property, plant, & equipment	12	1,249,045	1,015,962	1,052,611	1,241,799	993,278	1,041,129
Intangibles	13	4,294	7,866	4,383	4,185	7,786	4,383
Investments in related parties	9,14	4,745	3,000	3,469	3,251	5,261	5,261
<b>Total non-current assets</b>		<b>1,258,084</b>	<b>1,026,828</b>	<b>1,060,463</b>	<b>1,249,235</b>	<b>1,006,325</b>	<b>1,050,773</b>
<b>Total assets</b>		<b>1,440,412</b>	<b>1,203,068</b>	<b>1,242,665</b>	<b>1,330,070</b>	<b>1,084,425</b>	<b>1,119,485</b>
<b>Current liabilities</b>							
Accounts payable & accruals	15	70,470	79,488	63,630	60,213	71,238	53,929
Revenue in advance	16	88,310	69,490	63,203	29,795	30,000	16,159
Related party borrowings	19	–	–	–	75,000	73,000	63,000
Employee entitlements	17	19,127	16,215	17,929	18,771	15,800	17,480
Other current liabilities		–	1,500	–	–	–	–
<b>Total current liabilities</b>		<b>177,907</b>	<b>166,693</b>	<b>144,762</b>	<b>183,779</b>	<b>190,038</b>	<b>150,568</b>
<b>Non-current liabilities</b>							
Employee entitlements	17	19,515	28,200	22,440	19,484	28,200	22,440
Bank borrowings	18	83,000	85,000	61,000	83,000	85,000	61,000
<b>Total non-current liabilities</b>		<b>102,515</b>	<b>113,200</b>	<b>83,440</b>	<b>102,484</b>	<b>113,200</b>	<b>83,440</b>
<b>Total liabilities</b>		<b>280,422</b>	<b>279,893</b>	<b>228,202</b>	<b>286,263</b>	<b>303,238</b>	<b>234,008</b>
<b>Net assets</b>		<b>1,159,990</b>	<b>923,175</b>	<b>1,014,463</b>	<b>1,043,807</b>	<b>781,187</b>	<b>885,477</b>
<b>Community equity</b>							
Accumulated surplus		454,418	476,853	479,642	326,458	338,533	342,794
Other reserves		705,628	446,323	534,877	717,349	442,654	542,683
Non-controlling interest		(56)	–	(56)	–	–	–
<b>Total community equity</b>		<b>1,159,990</b>	<b>923,176</b>	<b>1,014,463</b>	<b>1,043,807</b>	<b>781,187</b>	<b>885,477</b>

The accompanying notes form part of these financial statements.

# TE TAUĀKI NEKENEKE TŪTANGA

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
<b>Community equity at 1 January</b>		<b>1,014,463</b>	<b>918,124</b>	<b>892,138</b>	<b>885,477</b>	<b>782,348</b>	<b>761,633</b>
(Deficit)/surplus for the year		(25,224)	5,052	31,655	(16,338)	(1,161)	21,645
<b>Other comprehensive revenue and expense</b>							
Increase in asset revaluation reserve	12	168,004	–	88,079	171,921	–	99,608
Increase in cash flow hedge reserve		2,747	–	2,591	2,747	–	2,591
<b>Community equity at 31 December</b>	21	<b>1,159,990</b>	<b>923,176</b>	<b>1,014,463</b>	<b>1,043,807</b>	<b>781,187</b>	<b>885,477</b>
<b>Community equity represented by:</b>							
<b>Accumulated surplus</b>							
Opening balance		479,642	471,800	445,815	342,796	339,694	318,979
(Deficit)/surplus for the year		(25,224)	5,052	31,655	(16,338)	(1,161)	21,645
Transfer from revaluation reserve		–	–	2,172	–	–	2,172
<b>Closing balance</b>		<b>454,418</b>	<b>476,852</b>	<b>479,642</b>	<b>326,458</b>	<b>338,533</b>	<b>342,796</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		534,573	446,323	448,666	542,377	442,654	444,941
Increase in revaluation reserve	12	168,004	–	88,079	171,921	–	99,608
Transfer to accumulated surplus		–	–	(2,172)	–	–	(2,172)
<b>Closing balance</b>		<b>702,577</b>	<b>446,323</b>	<b>534,573</b>	<b>714,298</b>	<b>442,654</b>	<b>542,377</b>
<b>Cash flow hedge Reserve</b>							
Opening balance		304	–	(2,287)	304	–	(2,287)
Increase in cash flow hedge reserve		2,747	–	2,591	2,747	–	2,591
<b>Closing balance</b>		<b>3,051</b>	<b>–</b>	<b>304</b>	<b>3,051</b>	<b>–</b>	<b>304</b>
<b>Community equity at 31 December</b>		<b>1,159,990</b>	<b>923,176</b>	<b>1,014,463</b>	<b>1,043,807</b>	<b>781,187</b>	<b>885,477</b>

The accompanying notes form part of these financial statements.

# TE TAUĀKI KAPEWHITI

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
Government funding		173,662	171,055	170,334	173,662	171,055	169,371
PBRF revenue		35,959	34,888	35,101	35,959	34,888	35,101
Tuition fees		138,034	133,266	134,718	138,034	133,266	134,715
Research, commercial, & other revenue		167,139	159,777	179,544	91,659	107,276	112,328
Interest received		1,643	6,340	328	1,383	3,294	377
Cash donations		6,930	8,925	5,497	3,274	3,925	2,912
GST (net)		(4,486)	–	(457)	(4,305)	–	(424)
Payments to employees		(285,055)	(276,711)	(272,072)	(261,791)	(257,506)	(251,013)
Payments to suppliers		(187,641)	(181,230)	(176,435)	(142,683)	(142,047)	(143,539)
Interest paid		(2,191)	(1,800)	(1,795)	(3,829)	(3,000)	(2,219)
<b>Net cash flow from operating activities</b>		<b>43,994</b>	<b>54,510</b>	<b>74,763</b>	<b>31,363</b>	<b>51,151</b>	<b>57,609</b>
<b>Cash flows from investing activities</b>							
Receipts from sale of property, plant, equipment & intangibles		3	(563)	8	3	–	–
Purchase of property, plant, equipment & intangibles		(76,350)	(90,395)	(63,479)	(75,497)	(90,161)	(58,932)
Receipts/(payments) for investments		9,127	–	(25,540)	11,720	–	(14,100)
<b>Net cash flow from investing activities</b>		<b>(67,220)</b>	<b>(90,958)</b>	<b>(89,011)</b>	<b>(63,774)</b>	<b>(90,161)</b>	<b>(73,032)</b>
<b>Cash flows from financing activities</b>							
Proceeds from borrowings		47,000	57,000	–	47,000	57,000	–
Repayment of borrowings		(25,000)	(30,000)	(193)	(25,000)	(30,000)	(193)
Proceeds of related party borrowings		–	–	–	12,000	12,010	7,500
<b>Net cash flow from financing activities</b>		<b>22,000</b>	<b>27,000</b>	<b>(193)</b>	<b>34,000</b>	<b>39,010</b>	<b>7,307</b>
<b>Net increase decrease in cash, cash equivalents, and bank overdrafts</b>		<b>(1,226)</b>	<b>(9,448)</b>	<b>(14,441)</b>	<b>1,589</b>	<b>–</b>	<b>(8,116)</b>
Cash and cash equivalents at the beginning of the year		49,675	88,105	64,116	12,893	40,000	21,009
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	8	<b>48,449</b>	<b>78,657</b>	<b>49,675</b>	<b>14,482</b>	<b>40,000</b>	<b>12,893</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 2022

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
<b>(Deficit)/surplus</b>	<b>(25,224)</b>	<b>31,655</b>	<b>(16,338)</b>	<b>21,645</b>
<b>Add/(less) non-cash items</b>				
Depreciation & amortisation	48,363	46,847	47,704	46,191
Other non-cash items	(2,008)	877	1,844	183
<b>Total non-cash items</b>	<b>46,355</b>	<b>47,724</b>	<b>49,648</b>	<b>46,374</b>
<b>Add/(less) items classified as investing activities</b>				
Losses on disposal of property, plant, & equipment	592	6,592	592	6,600
Losses/(gains) on investments held at fair value	7,600	(641)	–	–
<b>Total items classified as investing or financing activities</b>	<b>8,192</b>	<b>5,951</b>	<b>592</b>	<b>6,600</b>
<b>Add/(less) changes in working capital items</b>				
(Increase)/decrease in receivables	(11,079)	3,654	(19,020)	6,344
(Increase)/decrease in deferred revenue	(1,018)	593	(1,018)	593
(Increase)/decrease in prepayments	(1,311)	(3,559)	(1,425)	(2,255)
(Increase)/decrease in other current assets	(3,023)	(2,080)	(344)	(1)
Increase/(decrease) in accounts payable	8,162	(7,500)	7,091	(10,691)
Increase/(decrease) in employment provisions	(1,820)	(1,782)	(1,110)	(1,922)
Increase/(decrease) in revenue received in advance	24,760	106	13,288	(9,078)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>43,994</b>	<b>74,763</b>	<b>31,363</b>	<b>57,609</b>

The accompanying notes form part of these financial statements.

## Reconciliation of liabilities arising from financing activities

CONSOLIDATED	2021 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2022 \$'000
Bank borrowings	61,000	22,000	–	83,000
	<b>61,000</b>	<b>22,000</b>	<b>–</b>	<b>83,000</b>

CONSOLIDATED	2020 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2021 \$'000
Bank borrowings	61,000	–	–	61,000
Other current liabilities	110	(110)	–	–
Other non-current liabilities	83	(83)	–	–
	<b>61,193</b>	<b>(193)</b>	<b>–</b>	<b>61,000</b>

UNIVERSITY	2021 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2022 \$'000
Bank Borrowings	61,000	22,000	–	83,000
Related party borrowings	63,000	12,000	–	75,000
	<b>124,000</b>	<b>34,000</b>	<b>–</b>	<b>158,000</b>

UNIVERSITY	2020 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2021 \$'000
Bank borrowings	61,000	–	–	61,000
Related party borrowings	54,000	9,000	–	63,000
Other current liabilities	110	(110)	–	–
Other non-current liabilities	83	(83)	–	–
	<b>115,193</b>	<b>8,807</b>	<b>–</b>	<b>124,000</b>

The accompanying notes form part of these financial statements.