



# NGA KORERO WHAKAMARAMA MO NGA TAUĀKI PŪTEA NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1 STATEMENT OF ACCOUNTING POLICIES

### THE REPORTING ENTITY

Victoria University of Wellington (the University) is a Tertiary Education Institution domiciled in New Zealand, and is governed by the Crown Entities Act 2004 and the Education and Training Act 2020.

The primary purpose of the Consolidated Group (the Group) is to provide tertiary education services. This includes advancing knowledge by teaching and research, and offering courses leading to a range of degrees, diplomas, and certificates. It also makes research available to the wider community for mutual benefit, and provides research and scholarships for the purpose of informing the teaching of courses. These aspects are covered fully in the statement of service performance.

The University and the Group are designated as Public Benefit Entities (PBEs) for the purpose of complying with NZ GAAP.

The financial statements of the University and the Group for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the University Council) on 31 March 2025.

### BASIS OF PREPARATION

The accounting policies have been applied consistently to all periods presented. Significant accounting policies can be found in the specific notes to which they relate.

These financial statements are presented in accordance with Section 220 of the Education and Training Act 2020, the Crown Entities Act 2004, and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with PBE Accounting Standards.

The financial statements are presented in New Zealand dollars, which is the presentation currency and the functional currency of all entities within the Group. All values are rounded to the nearest thousand dollars (\$'000). The measurement base applied is historical cost except where specifically identified in their relevant notes.

All components in the financial statements are stated exclusive of GST, with the exception of receivables and payables, which include any GST invoiced. The University is exempt from income tax. However, there are some controlled entities within the Group, Victoria Link Limited, that are not exempt from income tax. Entities that aren't tax exempt did not make a taxable profit for the year ended 31 December 2024.

The Group financial statements are prepared on a consolidation basis, which involves adding together like-items of assets, liabilities, equity, revenue, expenses, and cash flows on a line-by-line basis. All significant intra-group balances, transactions, revenue, and expenses are eliminated on consolidation. The Group financial statements comprise the financial statements of the University, its controlled entities (including controlled trusts and subsidiary companies), and investments in joint ventures as at 31 December each year. Investments in joint ventures have been recognised at fair value through surplus or deficit.

The budget for 2024 was approved by the University Council on 4 December 2023.

### Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Group and the University are:

#### 2024 Omnibus Amendments to PBE Standards

2024 Omnibus Amendments to PBE Standards amend PBE IPSAS 1, Presentation of Financial Reports, to clarify the current/non-current distinction of liabilities as well as PBE IAS 12, Income Taxes, to provide temporary relief from accounting for deferred tax.

The amendments to PBE IPSAS 1 is mandatory for periods beginning on or after 1 January 2026. The Group will be considering these amendments and assessing the impact when preparing the 31 December 2025 financial statements. The amendments to PBE IAS 12 will likely have no impact to the Group.

#### Other amendments

While there are other amendments issued and not yet effective, the Group does not consider these to be relevant and therefore no information has been disclosed about these amendments.

## Changes in accounting policy

There have been no changes in the accounting policies of the Group and the University for the year ended 31 December 2024. All accounting policies and disclosures are consistent with those applied by the Group and the University in the previous financial year.

## SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In applying the Group's accounting policies, management continually evaluates judgements, estimates, and assumptions based on experience and other factors, including expectations of future events that may impact the Group. All judgements, estimates, and assumptions made are believed to be reasonable, based on the most current set of circumstances available to management. Significant judgements, estimates, and assumptions made by management in the preparation of these financial statements are outlined below.

Management relies on the services of an independent valuer to assess the recoverable value of land and building assets and the remaining useful lives on a regular basis (refer note 12).

Asset impairment judgements will be made when indicators suggest that the carrying value of the assets exceed their recoverable amount (refer notes 12 and 13).

Management relies on the services of an independent actuary to assess the carrying value of retirement and long service entitlements (refer note 17).

Management uses various inputs, models and other unobservable price data to value Level 3 investments (refer note 9).

Stage of completion of research projects is regularly assessed to determine the carrying value of deferred revenue recognised.

The Statement of Service Performance requires judgement from management. Refer to page 10 for further disclosure.

In 2024, the Group has updated its methodology to determine exchange and non-exchange transactions. Comparative numbers have been restated to reflect this change.

## Going concern

These financial statements are prepared on a going concern basis with the Group having adequate resources to continue normal business operations for the foreseeable future.

The University has traditionally been in a negative working capital position due to the impact of intercompany loans provided by the Group to support the liquidity needs of the University and tuition payments received in advance.

The University has \$150m in debt facilities across three banks, with \$75m of this maturing in January 2027 and \$75m in January 2029. As at 31 December 2024, the undrawn balance from these facilities is \$67m (2023: \$79m).

2023 was a transitional year for the University as the financial sustainability programme was implemented, with redundancies and cuts to operating expenditure and prioritisation of capital programme actioned to improve ongoing financial performance. Growth in student numbers and ongoing reduced expenditure are setting up the University for longer term sustainability. Improving student recruitment and retention continues to be a particular focus. Following 2024 student numbers being consistent with budget, early 2025 student levels are also materially in line with the 2025 budget.

The 2025 Budget is for modest surpluses in the University and Foundation. Key assumptions in the budget include expected student numbers, the largely regulated increases in student fees and government funding, including the additional government funding announced in June 2023, and the anticipated inflationary pressure on costs. There are no early signs that this budget will not be achievable. Surpluses are expected in future years, based on modest growth in domestic student numbers, the number of full-fee students recovering to pre-Covid levels and ongoing management of costs and the performance of academic offerings. These surpluses will be challenging to achieve if we experience growth in CPI, reduction in external research opportunities and/or a reduction in government funding.

## 2 REVENUE

Revenue is measured at fair value. The Group's significant revenue items are explained below.

**Government funding:** The University considers this funding to be non-exchange in nature. This funding is recognised as revenue as the courses to which the funding relates are taught, unless there is an obligation to return the funds if the conditions of the funding are not met. If there is such an obligation, the funding is initially recorded as a deferred revenue liability and then recognised as revenue when the conditions of the funding are satisfied.

**Performance-Based Research Fund (PBRF) funding:** This is non-exchange in nature, and is measured based on the estimated funding entitlement at the commencement of the year plus or minus adjustments from the previous year.

**Domestic Tuition:** Domestic student tuition fees are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when the student is no longer entitled to a refund. Domestic tuition revenue also includes fees-free funding received from the Tertiary Education Commission, which is also considered non-exchange in nature and recognised on the same basis as domestic student fees.

**Full-fee Tuition:** International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis.

**Pre-paid tuition:** Pre-paid tuition for future years is recognised as deferred income until the year of study.

**Research revenue:** For an exchange research contract, revenue is recognised on a percentage of completion basis. The percentage of completion is measured with reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred. For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there is a condition attached to the funding with performance and return obligations, the funds are recognised initially as a liability to the extent that the conditions remain unfulfilled. Revenue is then recognised when the conditions are satisfied.

**Commercial revenue:** This revenue includes rental income, contract services, Wellington Uni-Professional

courses, and commission from other education service providers. All commercial revenue is accounted for as exchange transactions and recognised when it is earned.

**Fees for accommodation and services provided to students:** This revenue is recognised as a component of Other Revenue and is accounted for as exchange transactions. Accommodation and other services are provided to students as and when they occupy the rooms throughout the academic year and revenue is recognised on this basis.

**Payments on insurance claims:** Proceeds from the payment of insurance claims are recognised as exchange and in the year in which the payment was received.

## Other Revenue

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Fees for accommodation and services provided to students	59,754	56,314	57,217	53,688
Revenue on insurance claims	5,271	40,784	5,271	40,784
Gain on disposal of fixed assets	12	3	–	3
Interest received	4,030	3,333	3,078	2,929
(Losses)/gains on investments	(559)	4,634	333	–
Donations received	3,022	731	3,022	731
Sundry Revenue	12,850	7,984	6,733	7,640
<b>Total other revenue</b>	<b>84,380</b>	<b>113,783</b>	<b>75,654</b>	<b>105,775</b>
Other revenue from exchange transactions	71,955	67,556	62,127	96,135
Other revenue from non-exchange transactions	12,425	46,227	13,527	9,640
<b>Total other revenue</b>	<b>84,380</b>	<b>113,783</b>	<b>75,654</b>	<b>105,775</b>
Revenue from exchange transactions	141,869	127,688	121,396	106,110
Revenue from non-exchange transactions	396,496	418,582	345,920	369,239
<b>Total revenue</b>	<b>538,365</b>	<b>546,270</b>	<b>467,316</b>	<b>475,349</b>

## 3 PEOPLE EXPENSES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Salaries	261,385	267,355	241,822	246,398
Contractors	7,900	6,692	5,772	4,298
Entitlements	12,526	12,357	12,404	12,169
Severance costs	–	8,994	–	8,846
<b>Total</b>	<b>281,811</b>	<b>295,398</b>	<b>259,998</b>	<b>271,711</b>

Entitlements and severance payments include contributions to KiwiSaver, UniSaver, and other defined contribution superannuation schemes, which are recognised as an expense when incurred.

## 4 OPERATING AND OCCUPANCY

	NOTE	CONSOLIDATED		UNIVERSITY	
		ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000

The following items are included within operating & occupancy expenses:

Fees to Ernst & Young for audit of financial statements		439	415	291	276
Fees to Ernst & Young for other assurance services		22	21	22	21
Property leases		21,571	18,573	21,315	18,289
Losses on disposal of property, plant, & equipment		1,003	691	1,003	688
Impairment of loan to related party	19	–	–	1,553	–
Information technology		16,470	14,453	16,035	14,112
Grants & scholarships		24,918	23,504	24,063	23,362
Insurance		13,035	12,414	12,663	12,127
Travel & accommodation		13,118	12,086	3,507	3,560

Operating lease payments (net of any operating lease incentive received) are recognised as an expense on a straight-line basis over the lease term. Operating lease incentives are recognised as a reduction in the lease expense over the term of the lease. Note 20 provides a summary of lease commitments.

The fees to the auditors for other services relate to professional services carried out to report on the University's Performance-Based Research Fund (PBRF) reporting.

## 5 FINANCE COSTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Interest on borrowings	2,407	3,248	6,583	7,369
Capitalised borrowing costs	(1,928)	(1,116)	(1,927)	(1,116)
<b>Total</b>	<b>479</b>	<b>2,132</b>	<b>4,656</b>	<b>6,253</b>

Borrowing costs are expensed when incurred. The portion of borrowing costs directly attributable to qualifying assets are capitalised up to the point the qualifying asset is commissioned for use.

## 6 VICTORIA UNIVERSITY OF WELLINGTON FOUNDATION

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Opening balance	97,107	74,616	–	–
Revenue	15,932	30,710	–	–
Expenses	(7,100)	(8,219)	–	–
<b>Closing balance as at 31 December</b>	<b>105,939</b>	<b>97,107</b>	<b>–</b>	<b>–</b>

The Victoria University of Wellington Foundation is a controlled subsidiary and included in the Consolidated Group financial statements. The Foundation revenue includes investment gains of \$9.9m (2023: gains of \$8.8m) and donation revenue of \$6.0m (2023: \$21.9m). Foundation expenses includes grants awarded of \$6.5m (2023: \$7.5m).

## 7 FINANCIAL INSTRUMENTS

	NOTE	CONSOLIDATED		UNIVERSITY	
		ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Financial Assets</b>					
<b>Derivatives designated as hedging instruments</b>					
Interest rate swaps		61	1,581	61	1,581
<b>Financial instruments at fair value through surplus or deficit</b>					
Investment in joint ventures	9	6,055	6,969	–	–
Other Investments		94,946	70,955	–	–
Foreign exchange forward contracts	9	–	826	–	–
<b>Total financial assets at fair value</b>		<b>101,062</b>	<b>80,331</b>	<b>61</b>	<b>1,581</b>
<b>Debt instruments at amortised cost (excluding cash – refer to Note 8)</b>					
Receivables from exchange transactions		13,890	30,233	28,865	23,487
Loans to related parties at amortised cost		–	–	2,297	6,110
Term deposits at amortised cost	9	16,010	15,899	510	10,594
<b>Total financial assets at amortised cost</b>		<b>29,900</b>	<b>46,132</b>	<b>31,672</b>	<b>40,191</b>
<b>Represented by:</b>					
Total current		123,410	117,615	31,733	41,772
Total non-current		7,552	8,848	–	–
<b>Total financial assets (excluding cash)</b>		<b>130,962</b>	<b>126,463</b>	<b>31,733</b>	<b>41,772</b>

Total non-current assets excludes long-term cash held in escrow.

### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive revenue and expense (FVOCRE) or fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCRE, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCRE are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group's financial assets include: cash and term deposits, receivables from exchange transactions, loans, investments in joint ventures and related parties, loans to related parties, unquoted financial instruments and derivative financial instruments. The Group does not have financial assets at FVOCRE.

For purposes of subsequent measurement, financial assets are classified into three categories:

- ▶ financial assets at amortised cost
- ▶ derivatives designated as hedging instruments
- ▶ financial assets at fair value through surplus or deficit.



Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables from exchange transactions, investments in related parties, receivables from non-exchange transactions, term deposits and loan to an associate included under other non-current financial assets.

### **Financial assets designated as hedging instruments**

Financial assets designated as hedging instruments relate to the Group's interest rate swaps classified as cash flow hedges for hedge accounting. Refer to disclosures on derivative financial instruments and hedge accounting below.

### **Financial assets at fair value through surplus or deficit**

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

This category includes derivative instruments, investments in related parties, investment in joint ventures, and other investments which are held for trading and which the Group had not irrevocably elected to classify at FVOCRE. Dividends on listed equity investments are recognised as revenue from exchange transactions in the statement of financial performance when the right of payment has been established.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- ▶ The rights to receive cash flows from the asset have expired; or
- ▶ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Impairment**

PBE IPSAS 41 requires the Group to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCRE. The Group recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables of exchange and non-exchange transactions are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on historical experience, informed credit assessments, and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- ▶ The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group; or
- ▶ The financial asset is more than 90 days old

The Group considers writing off a financial asset primarily when the debt is older than a year and there has been no response after six months of being sent to debt collectors, however this is treated on a case by case basis.

The Group considers fixed interest and term deposit financial instruments to have low credit risk when its credit rating is equivalent to a credit rating of A+ or higher.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to the credit risk.

Financial assets at fair value through surplus or deficit include investments in managed funds. Fair values of these units are determined by reference to published price quotations. Also included is investments in equity shares of unquoted companies, namely Liquium, Ferronova, and Medical Kiwi. The group holds non-controlling interests (between 0.2% and 15.8%) in these companies (2023: between 0.5% and 17.1%).

Debt instruments at amortised cost are held to maturity and may generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

	NOTE	CONSOLIDATED		UNIVERSITY	
		ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Financial Liabilities</b>					
<b>Financial Liabilities at amortised cost</b>					
Accounts payable	15	35,035	33,129	27,188	27,726
Bank borrowings		83,000	71,000	83,000	71,000
Related party borrowings		–	–	75,000	70,000
<b>Total financial liabilities</b>		<b>118,035</b>	<b>104,129</b>	<b>185,188</b>	<b>168,726</b>
Represented by:					
Total current		35,035	104,129	102,188	168,726
Total non-current		83,000	–	83,000	–
<b>Total financial liabilities</b>		<b>118,035</b>	<b>104,129</b>	<b>185,188</b>	<b>168,726</b>

### Initial recognition and measurement

Financial liabilities at amortised cost are classified, at initial recognition and include loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include payables under exchange transactions and loans and borrowings.

### Subsequent measurement

After initial recognition, interest-bearing loans and borrowings or payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

### Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward foreign exchange contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments

are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The Group's interest rate hedges are classified as cash flow hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- ▶ There is 'an economic relationship' between the hedged item and the hedging instrument
- ▶ The effect of credit risk does not 'dominate the value changes' that result from that economic relationship
- ▶ The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCRE in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of financial performance.

The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCRE must remain in accumulated OCRE if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to surplus or deficit as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCRE must be accounted for depending on the nature of the underlying transaction as described above.

Derivatives not designated as hedging instruments reflect the positive or negative change in fair value of those foreign exchange forward contracts which are not designated in hedge relationships, but are nevertheless intended to reduce the level of foreign currency risk for expected sales and purchases.

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposures of the underlying transactions, generally from one to 24 months.

### Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

### Market Risk

#### Currency Risk

Currency risk exposure arises on foreign exchange sales and purchases (typically library items and scientific equipment) denominated in a foreign currency. Wherever possible, the University transacts in the functional currency, including the setting of fees for international students. The Group's policies require that foreign currency forward purchase contracts are used to limit the Group's exposure to movements in exchange rates on foreign currency denominated liabilities and purchase commitments above \$100,000, where the committed

payment date is known and is within 12 months.

The University entered into multiple foreign exchange contracts during 2024 to mitigate any such risk, including USD\$2.1m (2023: USD\$2.3m) of forward exchange contracts held at 31 December 2024 with a fair value of \$322k (2023: (\$144k)) across all currencies. These contracts are held to offset exchange rate risk on expected purchases.

The Foundation holds \$64.1m of investments at fair value through surplus or deficit (2023: \$50.7m), which includes investments in a range of foreign denominations and are exposed to foreign exchange risk. From 2024, any foreign currency hedging is undertaken by the asset management organisation.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

#### Price Risk

Price risk arises as the fair value of units in managed funds will fluctuate as a result of changes in market prices. Market prices for a particular share may fluctuate due to factors specific to the individual share or its issuer, or factors affecting all shares traded in the market. This price risk is managed by diversification of the portfolio. A 10% movement in the market price of investments at fair value through surplus or deficit would give rise to a \$6.5m gain or loss that would equally impact equity (2023: \$4.7m).

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to fair value interest rate risk due to the exposure created by interest rate swaps.

The hedge ineffectiveness can arise from:

- ▶ differences in the timing of the cash flows of the hedged items and the hedging instruments
- ▶ changes to the forecasted amount of cash flows of hedged items and hedging instruments

The impact of hedging instruments on the statement of financial position of the Group and University was as follows:

	NOTIONAL AMOUNT \$'000	CARRYING AMOUNT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION	CHANGES IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD \$'000
<b>As at 31 December 2024</b>				
Interest Rate Swaps	60,000	61	Investments and other financial assets	(1,520)
	NOTIONAL AMOUNT \$'000	CARRYING AMOUNT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION	CHANGES IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD \$'000
<b>As at 31 December 2023</b>				
Interest Rate Swaps	70,000	1,581	Investments and other financial assets	(1,470)



The impact of hedged items on the statement of financial position of the Group and University was as follows:

	NOTIONAL AMOUNT \$'000	CARRYING AMOUNT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION	CHANGES IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD \$'000
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**As at 31 December 2024**

Bank Borrowings	83,000	83,000	Bank Borrowings	1,520
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	NOTIONAL AMOUNT \$'000	CARRYING AMOUNT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION	CHANGES IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD \$'000
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**As at 31 December 2023**

Bank Borrowings	71,000	71,000	Bank Borrowings	1,470
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The effect of the cash flow hedge in the statement of financial position and the statement of comprehensive revenue and expense of the Group and University was as follows:

	TOTAL HEDGING GAIN/(LOSS) RECOGNISED IN OCRE \$'000	INEFFECTIVE- NESS RECOGNISED IN SURPLUS OR DEFICIT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL PERFORMANCE \$'000	COST OF HEDGING RECOGNISED IN OCRE \$'000	AMOUNT RECLASSIFIED FROM OCRE TO SURPLUS OR DEFICIT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL PERFORMANCE
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**As at 31 December 2024**

Interest rate risk	(1,520)	–	Net movement in cash flow hedges	–	–	
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	TOTAL HEDGING GAIN/(LOSS) RECOGNISED IN OCRE \$'000	INEFFECTIVE- NESS RECOGNISED IN SURPLUS OR DEFICIT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL PERFORMANCE \$'000	COST OF HEDGING RECOGNISED IN OCRE \$'000	AMOUNT RECLASSIFIED FROM OCRE TO SURPLUS OR DEFICIT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL PERFORMANCE
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**As at 31 December 2023**

Interest rate risk	(1,470)	–	Net movement in cash flow hedges	–	–	
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**Impact of hedging on net assets/equity**

The information set out below is the reconciliation of each component of net assets/equity and the analysis of other comprehensive revenue and expense.

	2024 CASH FLOW HEDGE RESERVE \$'000
--	--

**As at 31 December 2023**

1,581

Effective portion of changes in fair value arising from:

Interest Rate Swaps	(1,520)
---------------------	---------

**As at 31 December 2024**

61

	2023 CASH FLOW HEDGE RESERVE \$'000
--	--

**As at 31 December 2022**

3,051

Effective portion of changes in fair value arising from:

Interest rate swaps	(1,470)
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**As at 31 December 2023**

1,581

### (a) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk.

#### Receivables from exchange transactions

The Group transacts with its students. These transactions do not create a significant credit risk, as students have no concentration of credit because of the relatively low value of individual student transactions. The Group also transacts with the Crown. These transactions do not create significant credit risk.

The provision rates are based on days past due. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The carrying amount of the asset is reduced through the use of the expected credit loss, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the expected credit loss account. Overdue

receivables that have been renegotiated are reclassified as current (i.e. not past due).

In the normal course of business, the Group is exposed to credit risk from cash and term deposits with banks, debtors, other receivables, loans to subsidiaries, and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by their carrying amount.

The Group limits the amount of credit exposure to any one financial institution for term deposits to no more than the greater of \$40.0m or 40% of total investment held. The Group invests funds only with registered banks with high credit ratings and for a period not exceeding 370 days.

Investments held at fair value through surplus or deficit are predominantly managed by an external fund manager in a range of securities to diversify the risk.

The Group holds no collateral or other enhancements for financial instruments that give rise to credit risk. The maximum exposure to credit risk as at the reporting date is the carrying value of each class of financial assets.

#### Receivables from exchange transactions

	DAYS PAST DUE					TOTAL \$'000
	CURRENT \$'000	< 30 DAYS \$'000	31-60 DAYS \$'000	61-90 DAYS \$'000	> 91 DAYS \$'000	
As at 31 December 2024						
Expected credit loss rate	0.8%	1.8%	4.0%	4.9%	65.2%	
Estimated total gross carrying amount at default	8,425	3,094	1,920	198	744	14,381
Expected credit loss	(67)	(56)	(77)	(10)	(485)	(695)
Estimated total gross carrying amount at default, net of allowance for expected credit loss	8,358	3,038	1,843	188	259	13,686

#### Receivables from exchange transactions

	DAYS PAST DUE					TOTAL \$'000
	CURRENT \$'000	< 30 DAYS \$'000	31-60 DAYS \$'000	61-90 DAYS \$'000	> 91 DAYS \$'000	
As at 31 December 2023						
Expected credit loss rate	0.4%	1.2%	4.3%	5.4%	5.8%	
Estimated total gross carrying amount at default	25,999	762	779	268	2,568	30,376
Expected credit loss	(91)	(9)	(34)	(15)	(148)	(297)
Estimated total gross carrying amount at default, net of allowance for expected credit loss	25,908	753	745	253	2,420	30,079

Movements in the allowance for credit losses are as follows:

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Balance at the beginning of financial year	297	285	187	179
Additional loss allowance made during the year	711	447	693	197
Loss allowance reversed during the year	(3)	–	–	–
Receivables written-off during the year	(310)	(435)	(203)	(189)
<b>Closing balance expected for the year</b>	<b>695</b>	<b>297</b>	<b>677</b>	<b>187</b>

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's policy. Investments of surplus funds are made only with approval in accordance with the treasury policy.

The Group invests only in quoted debt securities with very low credit risk.

The Group's maximum exposure to credit risk for the components of the statement of financial position as at 31 December 2024 is the carrying amount of \$196m (2023: \$180m) except for the derivative financial instruments.

	NOTE	CONSOLIDATED		UNIVERSITY	
		ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Cash & cash equivalents	8	64,996	54,772	28,553	19,947
Term deposits	9	16,010	15,899	510	10,594
Investments at fair value through surplus or deficit	9	94,946	71,781	–	–
Investments in joint ventures	9	6,055	6,969	–	–
Accounts receivable	10	13,890	30,233	28,865	23,487
Cash held in escrow	9	498	–	498	–
		<b>196,395</b>	<b>179,654</b>	<b>58,425</b>	<b>54,028</b>

### Financial risk management objectives

#### Interest Rate Risk

Cash flow interest rate risk exposure arises due to the exposure on bank borrowings issued at variable interest rates. Generally, the Group raises long term borrowings at floating rates and enters interest swaps to manage the cash flow interest rate risk. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed term contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts, and applies hedge accounting to ensure fair value fluctuations on the interest rate portfolio are taken to other comprehensive revenue or expense. The fair value of interest rate swaps totals \$61k (2023: \$1.6m). The fixed interest rates of interest rate swaps vary from 2.67% to 4.56% (2023: 0.5% to 4.6%).

#### Interest rate sensitivity

The following table demonstrates the potential effect of movements in interest rates on the University and Group's surplus or deficit and equity, if interest rates had been 1.5% higher or lower with all other variables held constant. The calculation effectively changes the actual average of the contracted borrowing rates for the year by 1.5%.

	CONSOLIDATED AND UNIVERSITY	
	2024	
	-150BPS \$'000	+150BPS \$'000
Potential effect of movement in interest rates	733	(733)

	CONSOLIDATED AND UNIVERSITY	
	2023	
	-150BPS \$'000	+150BPS \$'000
Potential effect of movement in interest rates	921	(921)

## (b) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting financial liabilities as they fall due. The Group monitors and manages this risk in accordance with its Treasury Statute.

The Group's objective is to ensure there is access to cash, treasury investments, and committed bank funding at a future time when funds are required. The maturity profile of the total committed funding in respect of all external debt should be spread where practicable to reduce the concentration risk of having all or most of the University's committed funding maturing at the same time and at least 50% of committed funding facilities must expire more than 2 years beyond the reporting date. Note 18 provides a summary of bank loan facilities that are available to the University. The amount and expiry date of all bank loans, committed bank facilities, and term debt will not exceed the maximum amount and term of the Ministerial Consent to Borrow.

The Group's assessment of risk with respect to refinancing its debt is low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is such that other than borrowings, all accounts payable are expected to be repaid within six months. No borrowings will mature within the 12 months and will need to be refinanced or repaid (2023: \$0m).

### Financial liabilities – contract maturities

	CONSOLIDATED 2024 \$'000						TOTAL
	NOTE	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	15	–	35,035	–	–	–	35,035
Bank borrowings	18	–	–	–	83,000	–	83,000
<b>Closing balance</b>		–	<b>35,035</b>	–	<b>83,000</b>	–	<b>118,035</b>

	CONSOLIDATED 2023 \$'000						TOTAL
	NOTE	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	15	–	33,129	–	–	–	33,129
Bank borrowings	18	–	–	–	71,000	–	71,000
<b>Closing balance</b>		–	<b>33,129</b>	–	<b>71,000</b>	–	<b>104,129</b>

	UNIVERSITY 2024 \$'000						TOTAL
	NOTE	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	15	–	27,188	–	–	–	27,188
Bank borrowings	18	–	–	–	83,000	–	83,000
Related party borrowings		–	75,000	–	–	–	75,000
<b>Closing balance</b>		–	<b>102,188</b>	–	<b>83,000</b>	–	<b>185,188</b>

	NOTE	ON DEMAND	UNIVERSITY 2023 \$'000				TOTAL
			LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	15	–	27,726	–	–	–	27,726
Bank borrowings	18	–	–	–	71,000	–	71,000
Related party borrowings		–	70,000	–	–	–	70,000
<b>Closing balance</b>		–	<b>97,726</b>	–	<b>71,000</b>	–	<b>168,726</b>

## 8 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Cash at bank	924	962	280	677
Bank on-call deposits	64,069	53,807	28,273	19,270
Short-term deposits	3	3	–	–
<b>Closing balance</b>	<b>64,996</b>	<b>54,772</b>	<b>28,553</b>	<b>19,947</b>
Including:				
Funds held by controlled trusts	33,966	32,706	–	–

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Funds held by controlled trusts may have donor restrictions and will be used for specified purposes. When donor restrictions exist, the funds are held in trust until the University fulfils the donor's request.

## 9 INVESTMENTS AND OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Current portion</b>				
Investments at FVTSD – other investments	93,449	69,076	–	–
Investments at FVTSD – foreign exchange forward contracts	–	826	–	–
Term deposits	16,010	15,899	510	10,594
Derivatives designated as hedging instruments – interest rate swaps	61	1,581	61	1,581
	<b>109,520</b>	<b>87,382</b>	<b>571</b>	<b>12,175</b>

	NOTE	CONSOLIDATED		UNIVERSITY	
		ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Non-current portion</b>					
Investments at FVTSD – other investments		1,497	1,879	–	–
Investments in joint ventures		6,055	6,969	–	–
Cash held in escrow		498	–	498	–
Investments in related parties	14	–	–	3,251	3,251
		<b>8,050</b>	<b>8,848</b>	<b>3,749</b>	<b>3,251</b>



Quantitative disclosure of fair value measurement hierarchy for investments:

	CONSOLIDATED			CONSOLIDATED		
	2024 \$'000 LEVEL 1	2024 \$'000 LEVEL 2	2024 \$'000 LEVEL 3	2023 \$'000 LEVEL 1	2023 \$'000 LEVEL 2	2023 \$'000 LEVEL 3
Investments at FVTSD – Other investments	–	93,449	1,497	–	69,076	1,879
Investments in joint ventures	–	–	6,055	–	–	6,969
Derivatives – Forward foreign exchange	–	–	–	–	826	–
Interest rate swaps	–	61	–	–	1,581	–
<b>Closing balance</b>	<b>–</b>	<b>93,510</b>	<b>7,552</b>	<b>–</b>	<b>71,483</b>	<b>8,848</b>

	UNIVERSITY			UNIVERSITY		
	2024 \$'000 LEVEL 1	2024 \$'000 LEVEL 2	2024 \$'000 LEVEL 3	2023 \$'000 LEVEL 1	2023 \$'000 LEVEL 2	2023 \$'000 LEVEL 3
Derivatives - Interest rate swaps	–	61	–	–	1,581	–
<b>Closing balance</b>	<b>–</b>	<b>61</b>	<b>–</b>	<b>–</b>	<b>1,581</b>	<b>–</b>

Due to the diverse nature of the Group's operations, the Group has a number of investments. Primarily, the Foundation holds investments in accordance with their Statement of Investment Policy (SIPO). Investments to commercialise research are typically in unlisted entities, whose trading activity may be limited.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

**Level 1:** Fair value of investments in listed shares and fixed interest instruments obtained using quoted bid price at balance date.

**Level 2:** Fair value of investments in managed funds, obtained using closing unit prices as at balance date, published by the respective fund managers. The fair

value of the forward foreign exchange contracts was determined by a present value model with reference to current forward exchange rates for contracts with similar maturity profiles at balance date. The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value.

**Level 3:** Fair value of investments in unlisted shares is derived by taking in to account significant milestones, progress towards milestones, any recent share valuations or share transactions, as well as unobservable price data and other relevant models used by market participants.

There have been no transfers between Level 1, Level 2 and Level 3 in 2024 and 2023.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value investments.

	CONSOLIDATED	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Opening balance	8,848	4,745
Sale of Investments	(404)	(519)
Purchases	375	58
(Losses)/gains recognised in other revenue	(1,267)	4,564
<b>Closing balance</b>	<b>7,552</b>	<b>8,848</b>

The table below provides a sensitivity analysis for level 3 fair value measurements.

	2024		2023	
	\$'000 +10%	\$'000 -10%	\$'000 +10%	\$'000 -10%
Investments – aggregate share price at year end	150	(150)	188	(188)
Joint Venture – aggregate share price at year end	605	(605)	697	(697)
<b>Change in fair value</b>	<b>755</b>	<b>(755)</b>	<b>885</b>	<b>(885)</b>

### Derivative financial instruments and hedge accounting

The Group does not hold or issue derivative financial instruments for trading purposes. The Group uses financial instruments to manage exposure to interest rate fluctuations and foreign exchange risks, and are stated at fair value. For the purposes of hedge accounting, hedges are classified as cash flow hedges where they hedge exposure to variability for a forecast transaction. Interest rate swaps that meet the conditions for hedge accounting as cash flow hedges can have the effective portion of the gain or loss on the hedging instrument recognised directly in other comprehensive revenue and expense and the ineffective portion recognised in the

net surplus/(deficit). Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in the hedging reserve is kept in the reserve until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive revenue and expense is transferred to the net surplus/(deficit) for the year. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken direct to the net surplus/(deficit) for the year.

## 10 ACCOUNTS RECEIVABLE AND ACCRUALS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Receivables & accruals	14,381	30,376	29,506	23,584
Less: allowance for expected credit losses	(695)	(297)	(677)	(187)
Other	204	154	36	90
<b>Closing balance</b>	<b>13,890</b>	<b>30,233</b>	<b>28,865</b>	<b>23,487</b>
<b>Total Receivables comprise:</b>				
Receivables from exchange transactions	13,890	30,233	28,865	23,487
	<b>13,890</b>	<b>30,233</b>	<b>28,865</b>	<b>23,487</b>
<b>Ageing of receivables and accruals</b>				
Not past due	8,425	25,999	26,176	21,664
Past due 1–30 days	3,094	762	1,594	442
Past due 31–60 days	1,920	779	1,059	399
Past due 61–90 days	198	268	–	145
Past due over 91 days not impaired	49	2,271	–	747
Past due over 91 days impaired	695	297	677	187
<b>Total gross trade receivables</b>	<b>14,381</b>	<b>30,376</b>	<b>29,506</b>	<b>23,584</b>

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective-interest-rate method, less any provision for impairment.

## 11 PRE-PAID EXPENSES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Pre-paid insurance	9,149	11,348	9,149	11,348
Pre-paid expenses	13,833	11,553	9,220	7,664
	<b>22,982</b>	<b>22,901</b>	<b>18,369</b>	<b>19,012</b>

## 12 PROPERTY, PLANT, AND EQUIPMENT

CONSOLIDATED	LAND \$'000	BUILDINGS & INFRASTRUCTURE \$'000	COMPUTERS & NETWORKS \$'000	PLANT & EQUIPMENT \$'000	ART COLLECTION, HERITAGE, & LIBRARY \$'000	CAPITAL WORK IN PROGRESS \$'000	TOTAL \$'000
<b>Cost and valuation</b>							
<b>Balance as at 1 January 2023</b>	<b>310,006</b>	<b>807,126</b>	<b>24,756</b>	<b>106,432</b>	<b>86,594</b>	<b>55,551</b>	<b>1,390,465</b>
Additions	1,125	–	584	6,933	6,724	36,571	51,937
Disposals & reclassifications	–	(559)	(27)	(2,443)	–	(11,803)	(14,832)
Transfers	–	10,664	1,154	3,556	–	(15,374)	–
Valuation movement	(42,766)	(1,744)	–	–	–	–	(44,510)
<b>Balance as at 31 December 2023</b>	<b>268,365</b>	<b>815,487</b>	<b>26,467</b>	<b>114,478</b>	<b>93,318</b>	<b>64,945</b>	<b>1,383,060</b>
Additions	–	–	418	3,609	7,256	47,934	59,217
Disposals	(6,513)	(3,378)	–	(64)	–	–	(9,955)
Transfers	–	70,905	1,004	8,245	350	(80,504)	–
Valuation movement	–	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	(1,879)	(1,879)
<b>Balance as at 31 December 2024</b>	<b>261,852</b>	<b>883,014</b>	<b>27,889</b>	<b>126,268</b>	<b>100,924</b>	<b>30,496</b>	<b>1,430,443</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 January 2023</b>	<b>–</b>	<b>5,147</b>	<b>16,214</b>	<b>63,515</b>	<b>56,544</b>	<b>–</b>	<b>141,420</b>
Depreciation charge	–	30,657	3,297	10,409	7,265	–	51,628
Disposals & reclassifications	–	(197)	(42)	(2,103)	–	–	(2,342)
Valuation movement	–	(207)	–	–	–	–	(207)
Transfers	–	–	–	–	–	–	–
<b>Balance as at 31 December 2023</b>	<b>–</b>	<b>35,400</b>	<b>19,469</b>	<b>71,821</b>	<b>63,809</b>	<b>–</b>	<b>190,499</b>
Depreciation charge	–	31,085	3,173	10,147	7,291	–	51,696
Disposals & reclassifications	–	(188)	–	(57)	–	–	(245)
Valuation Movement	–	–	–	–	–	–	–
Transfers	–	–	–	–	–	–	–
<b>Balance as at 31 December 2024</b>	<b>–</b>	<b>66,297</b>	<b>22,642</b>	<b>81,911</b>	<b>71,100</b>	<b>–</b>	<b>241,950</b>
<b>Net book value</b>							
<b>As at 1 January 2023</b>	<b>310,006</b>	<b>801,979</b>	<b>8,542</b>	<b>42,917</b>	<b>30,050</b>	<b>55,551</b>	<b>1,249,045</b>
<b>As at 31 December 2023</b>	<b>268,365</b>	<b>780,087</b>	<b>6,998</b>	<b>42,657</b>	<b>29,509</b>	<b>64,945</b>	<b>1,192,561</b>
<b>As at 31 December 2024</b>	<b>261,852</b>	<b>816,717</b>	<b>5,247</b>	<b>44,357</b>	<b>29,824</b>	<b>30,496</b>	<b>1,188,493</b>

UNIVERSITY	LAND \$'000	BUILDINGS & INFRASTRUCTURE \$'000	COMPUTERS & NETWORKS \$'000	PLANT & EQUIPMENT \$'000	ART COLLECTION, HERITAGE, & LIBRARY \$'000	CAPITAL WORK IN PROGRESS \$'000	TOTAL \$'000
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### Cost and valuation

<b>Balance as at 1 January 2023</b>	<b>308,227</b>	<b>802,711</b>	<b>24,487</b>	<b>101,942</b>	<b>86,584</b>	<b>55,274</b>	<b>1,379,225</b>
Additions	1,125	–	574	6,084	6,724	36,572	51,079
Disposals & reclassifications	–	(429)	(27)	(2,530)	–	(11,726)	(14,712)
Transfers	–	10,606	1,154	3,556	–	(15,316)	–
Valuation movement	(42,604)	(1,744)	–	–	–	–	(44,348)
<b>Balance as at 31 December 2023</b>	<b>266,748</b>	<b>811,144</b>	<b>26,188</b>	<b>109,052</b>	<b>93,308</b>	<b>64,804</b>	<b>1,371,244</b>
Additions	–	–	387	2,892	7,250	48,056	58,585
Disposals	(6,513)	(3,376)	–	(64)	–	–	(9,953)
Transfers	–	70,905	1,004	8,245	350	(80,504)	–
Valuation movement	–	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	(1,879)	(1,879)
<b>Balance as at 31 December 2024</b>	<b>260,235</b>	<b>878,673</b>	<b>27,579</b>	<b>120,125</b>	<b>100,908</b>	<b>30,477</b>	<b>1,417,997</b>

### Accumulated depreciation

Balance as at 1 January 2023	–	5,022	15,965	59,895	56,544	–	137,426
Depreciation charge	–	30,490	3,256	9,678	7,265	–	50,689
Disposals & reclassifications	–	(69)	(27)	(2,206)	–	–	(2,302)
Valuation movement	–	(207)	–	–	–	–	(207)
<b>Balance as at 31 December 2023</b>	<b>–</b>	<b>35,236</b>	<b>19,194</b>	<b>67,367</b>	<b>63,809</b>	<b>–</b>	<b>185,606</b>
Depreciation charge	–	30,948	3,154	9,269	7,291	–	50,662
Disposals	–	(188)	–	(57)	–	–	(245)
Valuation Movement	–	–	–	–	–	–	–
<b>Balance as at 31 December 2024</b>	<b>–</b>	<b>65,996</b>	<b>22,348</b>	<b>76,579</b>	<b>71,100</b>	<b>–</b>	<b>236,023</b>

### Net book value

<b>As at 1 January 2023</b>	<b>308,227</b>	<b>797,689</b>	<b>8,522</b>	<b>42,047</b>	<b>30,040</b>	<b>55,274</b>	<b>1,241,799</b>
<b>As at 31 December 2023</b>	<b>266,748</b>	<b>775,908</b>	<b>6,994</b>	<b>41,685</b>	<b>29,499</b>	<b>64,804</b>	<b>1,185,638</b>
<b>As at 31 December 2024</b>	<b>260,235</b>	<b>812,677</b>	<b>5,231</b>	<b>43,546</b>	<b>29,808</b>	<b>30,477</b>	<b>1,181,974</b>

**Capital work in progress:** This is valued on the basis of expenditure incurred and certified gross progress claim certificates up to balance date. Work in progress is not depreciated, and includes borrowing costs on qualifying assets. The total costs of the project are transferred to the relevant asset class on completion and then depreciated accordingly.

**Additions:** The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

**Measurement subsequent to initial recognition for non-revalued assets:** Computers and network assets, plant and equipment assets and library assets are measured after initial recognition at cost less accumulated depreciation and impairment. Art collections and heritage assets are measured after initial recognition at cost less accumulated impairment.

**Disposals:** Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in property revaluation reserves in respect of those assets are transferred to general funds within equity.

**Depreciation:** This is provided on a straight-line basis on all property, plant and equipment other than land and the art and heritage collections, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Art and heritage collections are not depreciated because they are maintained such that they have indefinite or sufficiently long useful lives that any depreciation is considered negligible.

**Impairment:** Property, plant, and equipment are reviewed for indicators of impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is considered to be impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of an impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

CLASS OF ASSET DEPRECIATED	ESTIMATED USEFUL LIFE	DEPRECIATION RATES
Buildings & infrastructure	17–100 years	Straight line
Computers & networks	3–10 years	Straight line
Plant & equipment	3–30 years	Straight line
Library	5–10 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### Asset revaluation reserve

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Land	239,290	242,493	247,923	251,127
Buildings & infrastructure	414,447	415,781	417,697	419,030
<b>Total revaluation reserve</b>	<b>653,737</b>	<b>658,274</b>	<b>665,620</b>	<b>670,157</b>

Land, buildings, and infrastructure are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. Independent registered valuers undertake such revaluations every three years, unless there is reason to suggest that the values have changed materially in the intervening years, in which case a revaluation may be undertaken outside the three-year cycle. Property, plant, and equipment revaluation movements are accounted for on a class-of-asset basis.

The last independent valuation of land assets was undertaken by Mr P. Todd, registered valuer with RS Valuation Limited and member of the New Zealand Institute of Valuers, as at 1 December 2023 and of buildings and infrastructures as at 1 December 2022. Management and independent valuer reviews of carrying values of land, building and infrastructure assets in 2024

indicated that value for land, buildings and infrastructure did not materially differ from carrying value.

Any net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised within the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

The valuation of land occupied by non-residential buildings (i.e. the campuses) takes into account various factors, including zoning, title implications, alternative uses,



subdivision, and development potential. Land is measured at fair value, which is determined by reference to its highest and best use if vacant, in line with market-based evidence.

Non-residential buildings are, for the purposes of the valuation, deemed to be 'specialised assets'. Specialised assets are valued using the optimised depreciated replacement cost methodology that is based on the current gross replacement cost of the building less allowances for physical deterioration (including planned future seismic and asbestos remediation), earthquake damage and optimisation for obsolescence and space efficiencies. Residential buildings and properties located in the Wellington CBD are valued based on the market value that is the estimated price for properties should an exchange occur between a willing buyer and willing seller in an arm's length transaction. As part of the revaluation process, the independent valuer provided the Group with estimates of remaining useful lives for buildings.

Under the Education and Training Act 2020, the University is required to obtain prior consent of the Ministry of Education to dispose of, or sell, assets where the value of those assets exceeds an amount determined by the Minister of Education.

The rate for capitalisation of borrowing costs was 5.1%.

**Kaikoura Earthquake:** The University's property, plant and equipment suffered damage as a result of a November 2016 earthquake and the settlement with insurers was achieved in late 2023. An ongoing structured work programme is supporting any required remediation works. The programme is supported by both external Consultant Engineers and Quantity Surveyors and is sequentially structured. The initial focus has been on damage identification to the overall property portfolio, which has now progressed to remediation scopes and associated costing for a sample of buildings. Required activity within the programme will take a number of years to complete.

Damage has been identified to both buildings and infrastructure, and plant and equipment fixed asset categories. We have addressed major structural damage to the Rankine Brown building.

As a result of the Kaikoura earthquake, the University has incorporated a fair value adjustment within the movement in revaluation reserve. The adjustment has been determined with reference to the damage identified to date, and associated reinstatement scopes. The settlement does not affect the level of fair value adjustment for the earthquake.

#### Non-current assets classified as held for sale

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Land and buildings held for sale	2,783	–	2,783	–

Land and buildings classified as non-current assets held for sale relate to property sales of surplus land going unconditional in 2024 or actively advertised on the market at December 2024.

## 13 INTANGIBLES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Cost and valuation</b>				
Opening balance	28,783	17,591	28,653	17,461
Additions	2,886	28	2,886	28
Disposals	–	–	–	–
Reclassifications	1,879	11,164	1,879	11,164
<b>Closing Balance</b>	<b>33,548</b>	<b>28,783</b>	<b>33,418</b>	<b>28,653</b>
<b>Accumulated amortisation</b>				
Opening balance	16,339	13,297	16,291	13,276
Amortisation charge	3,559	3,571	3,532	3,545
Disposals	–	(529)	–	(530)
<b>Closing Balance</b>	<b>19,898</b>	<b>16,339</b>	<b>19,823</b>	<b>16,291</b>
<b>Net Book Value</b>	<b>13,650</b>	<b>12,444</b>	<b>13,595</b>	<b>12,362</b>

Intangible assets represent the Group's major digital systems and supporting processes that have been purchased, developed, and implemented. These are capitalised at cost, but only if they meet the definition and recognition criteria specified in PBE IPSAS 31 Intangible Assets.

Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment. Amortisation for intangible assets is calculated using a straight-line basis and the amortisation periods are three to five years, with the expense recognised in the surplus or deficit.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Useful lives have been assessed as three to five years. Amortisation begins when the asset is available for use

and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expenses.

The amortisation period and amortisation method for each intangible asset are reviewed at each annual reporting date. If the expected useful life of the asset differs from previous estimates, then the amortisation period is amended accordingly. Also, the amortisation method will be amended if there are changes in the expected pattern of consumption of future economic benefits or service potential of the asset. Changes in the amortisation period or methodology are accounted for as changes in accounting estimates, in accordance with public benefit accounting standards.

## 14 INVESTMENTS IN RELATED PARTIES

NAME	PERCENTAGE CONTROLLED / OWNED		PRINCIPAL ACTIVITY
	2024	2023	
Controlled entities			
Controlled trusts			
Victoria University of Wellington Foundation	100%	100%	Manages funds raised for the University
Research Trust of Victoria University of Wellington	100%	100%	Conducts academic research
Victoria University of Wellington School of Government Trust	100%	100%	Manages funds raised for the University
Presbyterian Methodist Halls of Residence Trust	100%	100%	Provides student accommodation
Subsidiary companies			
Wellington Uni-Professional Limited	100%	100%	Provides non-degree teaching
Victoria Link Limited (trading as Wellington UniVentures)	100%	100%	Commercialises research
Wetox Limited	100%	100%	Develops wastewater treatment technology
Boutiq Science Limited	–	84%	Non-trading
New Zealand School of Music Limited	100%	100%	Non-trading
General Cable Superconductors Limited	100%	100%	Non-trading
All controlled entities have a 31 December balance date.			
Joint venture			
NZ Innovation Booster Limited Partnership	50%	50%	Commercialises research

All controlled entities have a 31 December balance date.

The Group recognises its share of the jointly controlled entity at fair value utilising the exemption for "Venture Capital Organisations" under paragraph 25 of PBE IPSAS 36 Investments in Associates and Joint Ventures. The Group's share in 2024 is \$6.7m (2023: \$7.0m).

During 2024, Boutiq Science Limited, a partly-owned subsidiary of Victoria Link Limited, was wound up and consequently deconsolidated from the Group. It has been non-trading for several years. As a result of deconsolidation, the carrying value of the non-controlling interest's share in the net equity amounting to \$56k has been derecognised.

## 15 ACCOUNTS PAYABLE AND ACCRUALS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Accounts payable	15,312	13,367	7,465	7,964
Contract retentions	278	1,279	278	1,279
Deposits held on behalf of students	19,445	18,483	19,445	18,483
Other accruals	27,875	35,673	23,907	30,167
Statutory payables	3,896	4,723	3,405	3,554
<b>Closing balance</b>	<b>66,806</b>	<b>73,525</b>	<b>54,500</b>	<b>61,447</b>
<b>Total payables comprise:</b>				
Payables from exchange transactions	61,167	67,765	49,520	56,961
Payables from non-exchange transactions	5,639	5,760	4,980	4,486
<b>Closing balance</b>	<b>66,806</b>	<b>73,525</b>	<b>54,500</b>	<b>61,447</b>

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective-interest-rate method. Accounts payable disclosed as financial liabilities (note 7) comprise accounts payable, contract retentions, and deposits held on behalf of students.

## 16 REVENUE IN ADVANCE

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Pre-paid tuition fees	26,723	24,103	25,971	23,423
Deferred revenue on research contracts	55,534	49,040	–	–
Other revenue in advance	3,896	13,718	3,896	13,168
<b>Closing balance</b>	<b>86,153</b>	<b>86,861</b>	<b>29,867</b>	<b>36,591</b>
<b>Total revenue in advance comprises:</b>				
Revenue in advance from exchange transactions	2,443	9,757	1,691	9,076
Revenue in advance from non-exchange transactions	83,710	77,104	28,176	27,515
<b>Total revenue in advance</b>	<b>86,153</b>	<b>86,861</b>	<b>29,867</b>	<b>36,591</b>

## 17 EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Current liabilities</b>				
Annual leave	16,774	15,302	16,525	15,121
Retirement leave	1,892	3,170	1,888	3,170
Long-service leave	1,036	917	1,023	904
<b>Closing balance</b>	<b>19,702</b>	<b>19,389</b>	<b>19,436</b>	<b>19,195</b>
<b>Non-current liabilities</b>				
Retirement leave	17,437	17,270	17,394	17,270
Long-service leave	2,111	2,072	2,079	2,032
<b>Closing balance</b>	<b>19,548</b>	<b>19,342</b>	<b>19,473</b>	<b>19,302</b>
<b>Total employee entitlements</b>	<b>39,250</b>	<b>38,731</b>	<b>38,909</b>	<b>38,497</b>

The retirement and long-service leave liabilities were independently assessed as at 31 December 2024 by Darren Fleming, an actuary with Deloitte and a Fellow of the New Zealand Society of Actuaries.

An actuarial valuation involves the projection, on a year-by-year basis, of the long-service leave and retirement leave benefit payment, based on accrued services in respect of current employees. These benefit payments are estimated in respect of their incidence according to assumed rates of death, disablement, resignation, and retirement, allowing for assumed rates of salary progression. Of these assumptions, the discount, salary progression, retirement age, and resignation rates are the most important. The projected cash flow is then discounted back to the valuation date at the valuation discounted rates. The present obligation appears on the statement of financial position and movements in those provisions are reflected in the statement of comprehensive revenue and expense.

The discount rate applied was a single rate of 4.63% (2023: 4.44%). The salary projections assume a 2.50% increase for 2026 onwards. Resignation rates vary with age and the length of service and are reflective of the

experience of company superannuation schemes of New Zealand. No explicit allowance has been made for redundancy.

Employee entitlements are recognised when the University has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Liabilities in respect of employee entitlements that are expected to be paid or settled within 12 months of balance date are accrued at nominal amounts calculated on the basis of current salary rates. Liabilities in respect of employee entitlements that are not expected to be paid or settled within that period are accrued at the present value of expected future payments, using discounted rates as advised by the actuary.

Annual leave for all staff is accrued based on employment contract/agreement entitlements using current rates of pay. Annual leave is classified as a current liability. Long service leave has been accrued for qualifying general staff.

## 18 BANK BORROWINGS

The University has the following loan facility agreements.

NAME OF BANK	FACILITY LIMIT	TERM
Bank of New Zealand	\$60.0m	Maturing January 2027 and January 2029
ASB Bank Limited	\$45.0m	Maturing January 2027 and January 2029
Industrial and Commercial Bank of China (New Zealand) Limited	\$45.0m	Maturing January 2027 and January 2029

These facilities were approved by the Secretary for Education for the purposes of funding the University's long-term capital development programme.

The facilities under the Loan Agreements are unsecured. The lending banks receive the benefit of financial and other covenants under a Negative Pledge Deed including debt/debt equity ratio, interest cover ratio and Guaranteeing Group/Total Group asset ratio.

As at 31 December 2024, \$83m (2023: \$71m) of the above facilities have been drawn down. Interest rates on borrowings are reset for a period not exceeding 180 days, and are based on standard bank indices (BKBM) (2023: (BKBM/OCR)) and at balance date range from 4.90% to 5.89% (2023: 6.22% to 6.68%) before hedging.

The consent to borrow issued by the TEC and the Ministry of Education includes a maximum borrowing limit. Both the banks and TEC have various covenants that must be complied with, all covenants were complied with as at 31 December 2024.

Borrowings are initially recognised at the amount borrowed. After initial recognition, all borrowings are measured at amortised cost using the effective-interest-rate method. Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Interest rate swaps with a total face value of \$40.0m are in place to hedge the \$83.0m of borrowings drawn at balance date with a fair value of \$176k (2023: \$40.0m face value of interest rate swaps to hedge \$71.0m of borrowings with a fair value of \$1.3m). Future dated interest rate swaps with a total face value of \$20.0m (fair value (\$114k)) are effective post balance date (2023: face value of \$30.0m (fair value \$252k)).

## 19 RELATED PARTIES

### a) Transactions with key management personnel

Key management personnel represent Council members and Te Hiwa (Senior Leadership Team).

Council remuneration includes meeting fees and honoraria paid to Council members, but excludes salaries paid to Council members who are also staff members of the University (including the Vice-Chancellor and two other staff members on Council). There are 12 members of Council.

	CONSOLIDATED/UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Council members (3 FTE)*	245	245
Te Hiwa (10 FTE) 2023 (11 FTE)	3,426	4,172
<b>Total remuneration</b>	<b>3,671</b>	<b>4,417</b>

\* Due to the difficulty in determining the full-time equivalent for Council Members, the full-time equivalent figure is taken as the total number of Council Members who received compensation in their capacity as employees of the University.

	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Directors' fees</b>		
Victoria Link Limited (trading as Wellington UniVentures)	37	77
Wellington Uni-Professional Limited	90	90
<b>Total fees</b>	<b>127</b>	<b>167</b>

### Loans to related parties

The University has loans with certain 100% controlled subsidiaries as well as accounts payable and accounts receivable.

The University has loans to Victoria Link Limited, 31 December 2024 balance \$1.8m (2023: \$3.3m) and Wellington Uni-Professional Limited, 31 December 2024 balance \$0.5m (2023: \$0.8m). The University has a loan from the Research Trust of Victoria University of Wellington, 31 December 2024 balance \$75.0m (2023: \$70.0m). The interest charged on the intercompany loans are at market rates and range from 4.9% to 5.9% (2023: 4.3% to 6.8%).



## 20 CONTINGENT LIABILITIES AND COMMITMENTS

### Contingent liabilities

#### Pay Parity

In September 2022, Victoria University of Wellington, jointly with the other seven New Zealand universities (universities) received two pay equity claims (claims) from the New Zealand Tertiary Education Union, New Zealand Public Service Association and Tertiary Institutes Allied Staff Association (unions) covering a wide range of roles across library, and clerical and administration functions. In July 2024, the universities and the unions entered an agreed process to resolve the claims. The claim investigation and assessment phase of the agreed process is ongoing and expected to take another 15 to 18 months to conclude. The analysis on the number and the roles of all affected employees of each university is not yet complete. As a result, as at 31 December 2024, the financial impact of any possible settlement is unable to be quantified.

### Commitments

#### Property, plant, and equipment

Projects for which firm commitments have been made are presented below. Commitments include planned maintenance costs and capital expenditure projects.

	CONSOLIDATED/UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
<b>Buildings</b>	<b>60,179</b>	<b>71,507</b>

#### Non-cancellable leases and other commitments—the Group as lessee

The University has entered into commercial leases on certain land and buildings (remaining terms of between one and 61 years) and equipment (average term of three years) with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases. Future minimum rentals payable under non-cancellable operating leases are as follows.

Due not later than 1 year	18,888	20,192
Due between 1–5 years	74,960	72,571
Due later than 5 years	172,607	184,407
<b>Total non-cancellable operating leases the Group as lessee</b>	<b>266,455</b>	<b>277,170</b>

#### Non-cancellable leases and other commitments—the Group as lessor

Property is leased under operating leases. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows.

	CONSOLIDATED/UNIVERSITY	
	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Due not later than 1 year	2,367	521
Due between 1–5 years	9,052	1,501
Due later than 5 years	7,878	1,902
<b>Total non-cancellable operating leases</b>	<b>19,297</b>	<b>3,924</b>

No contingent rents have been recognised during the current year or last year.

## 21 EQUITY AND CAPITAL MANAGEMENT

Equity is the community's interest in the Group, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

- ▶ accumulated surplus
- ▶ the cash flow hedging reserve, which reflects the revaluation of derivatives designated as cash flow hedges. It consists of the cumulative effective portion of net changes in the fair value of these derivatives
- ▶ the asset revaluation reserve, which reflects the revaluation of those property, plant and equipment items that are measured at fair value after initial recognition
- ▶ the non-controlling interest is the portion of subsidiaries not 100% owned

The Group's capital is its equity, which is represented by net assets. The Group is subject to the financial management and accountability provisions of the Education and Training Act 2020, which includes restrictions in relation to disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings and borrowing. The Group manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently, and in a manner that promotes the current and future interests of the community. The objective of managing the Group's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

## 22 EVENTS AFTER BALANCE DATE

The judgements and estimates made in preparing these financial statements were based on facts and circumstances as at 31 December 2024.

## 23 EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations against the 2024 budget are as follows.

### Statement of comprehensive revenue and expense

- ▶ Government funding and Tuition revenue was \$2.9m favourable to budget, due to higher government grants revenue and lower full fee tuition revenue.
- ▶ Research revenue was \$3.4m unfavourable to budget, due to lower research activity.
- ▶ Other revenue was \$6.3m favourable to budget, primarily due to higher insurance claim revenue.
- ▶ People costs were \$3.8m higher than expected, mainly due to higher contractor costs and higher annual leave expense.
- ▶ Operating and occupancy costs were \$3.2m lower than budgeted, mainly due to lower insurance premiums and research-related costs.
- ▶ The Foundation net surplus was \$6.6m favourable to budget, driven by higher investment gains.

### Statement of financial position

- ▶ Investments and financial assets were \$27.4m higher than budget, primarily due to a higher level of equity investment and a larger gain on the global equity investment portfolio as at 31 December 2024.
- ▶ Property, plant and equipment (PPE) were \$63.4m lower than budget, primarily due to a revaluation loss on land from the prior year i.e., the 2023 opening balance of PPE was lower.
- ▶ Revenue in advance was \$12.2m higher than budget, driven by the timing of receipts.
- ▶ Total bank borrowings were \$19.1m lower than budget, due to estimating a higher level of drawdowns.
- ▶ Accumulated surplus was \$32.1m higher than budget, driven by the higher surplus for the 2023 financial year, which was primarily due to the insurance claim revenue during that year.
- ▶ Other reserves were \$51.8m lower than budget, due to a revaluation loss on land from the prior year i.e. the 2023 opening balance of other reserves was lower.