

## Statement of Financial Performance

For year ended 31 December, 2000

(Note 19)

Notes	Dec-99 University & Group (in \$000's)	Dec-00 Budget (in \$000's)	Dec-00 University (in \$000's)	Dec-00 University & Group (in 000's)	(\$) Variance (in \$000's)	(%) Variance
<b>Operating Income</b>						
	Government grant	77,827	75,024	74,176	74,176	(849) -1%
	Student Fees-Domestic	28,504	36,995	34,757	34,757	(2,238) -6%
	Student Fees-International	5,054	5,601	5,493	5,493	(108) -2%
	Contract Teaching	0	0	0	0	0 -
	Total Student fees	33,558	42,596	40,250	40,250	(2,346) -6%
	Other Income					
	Sundry Income	16,677	15,655	20,761	20,953	5,106 33%
	Investment Income	1,668	1,586	2,206	2,215	620 39%
	Rentals-Accommodation	2,576	3,400	3,269	3,269	(130) -4%
	Research	8,160	5,986	8,815	8,815	2,829 47%
	Total Other Income	29,081	26,627	35,051	35,252	8,424 32%
	<b>TOTAL OPERATING INCOME</b>	<b>140,466</b>	<b>144,247</b>	<b>149,477</b>	<b>149,678</b>	<b>5,229 4%</b>
<b>Operating Expenditure</b>						
	Personnel Expenses	83,069	88,690	87,382	87,650	(1,308) -1%
	Property Costs	9,433	9,145	9,837	9,879	692 8%
	General Expenses	27,538	27,421	35,946	36,031	8,525 31%
	Depreciation	14,220	17,484	14,085	14,097	(3,398) -19%

<b>TOTAL OPERATING EXPENDITURE</b>	<b>134,260</b>	<b>142,740</b>	<b>147,250</b>	<b>147,657</b>	<b>4,511</b>	<b>3%</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>6,206</b>	<b>1,508</b>	<b>2,227</b>	<b>2,021</b>	<b>720</b>	<b>48%</b>

**Footnote**

For explanations of significant variances between Actual and Budget, please refer to the Financial Review 2000

### *Statement of Movements in Equity*

For year ended 31 December, 2000

(Note 19)

Notes	Dec-99 University & Group (in \$000's)	Dec-00 Budget (in \$000's)	Dec-00 University (in \$000's)	Dec-00 University & Group (in 000's)	(\$) Variance (in \$000's)	(%) Variance
	433,503	434,938	439,389	439,155	4,451	1%
	6,206	1,508	2,227	2,021	720	48%
12	(554)	237	(7,691)	(7,691)	(7,928)	-
	5,652	1,745	(5,464)	(5,670)	(7,208)	-413%
Balance as at:						
31 December	<b>439,155</b>	<b>436,682</b>	<b>433,925</b>	<b>433,485</b>	<b>(2,757)</b>	<b>-1%</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

<b>KEY INDICATORS</b>	<b>University (in \$000's)</b>	<b>Budget (in \$000's)</b>	<b>University (in \$000's)</b>
Current Assets to Current Liabs	86.93%	38.30%	44.09%
Public Equity to Total Assets	90.37%	93.52%	91.26%
Debt to Equity	1.44%	0.00%	1.38%

Return on Community Equity	1.41%	0.35%	0.51%
Operating Surplus	6,206	1,508	2,228
Govt Funding as % of Total Income	55.41%	52.01%	49.62%
Cost per EFTStudent(\$)( ex GST)	11,416	-	13,143
Operating Surplus/Total Income	4.42%	1.05%	1.49%
Working Capital	0.87	0.38	0.44
Community Equity to Total Assets	0.90	0.94	0.91
EFTS	11,761	-	11,204

### *Statement of Financial Position*

As at 31 December, 2000

	Notes	Dec-99 University & Group (in \$000's)	(Note 19) Dec-00 Budget (in \$000's)	Dec-00 University (in \$000's)	Dec-00 University & Group (in 000's)	(\$) Variance (in \$000's)	(%) Variance
<b>CURRENT ASSETS</b>							
Bank	6	16,072	2,253	574	676	(1,680)	-75%
Investments	16	0	637	650	0	13	2%
Receivables	7	4,491	707	5,907	6,042	5,200	735%
Inventories		1,690	1,716	1,559	1,559	(158)	-9%
<b>Total Current Assets</b>		<b>22,253</b>	<b>5,314</b>	<b>8,690</b>	<b>8,276</b>	<b>3,375</b>	<b>64%</b>
<b>LESS CURRENT LIABILITIES</b>							
Working Capital Facility	15	11,500	0	4,700	4,700	4,700	-
Accounts Payable	13	10,702	10,161	11,601	11,619	1,440	14%
Agency Funds		165	876	72	72	(803)	-92%
Employee Entitlements	8	2,900	2,839	3,002	3,032	163	6%
NZTET1 Lease Current Portion	17	333	0	333	333		
<b>Total Current Liabilities</b>		<b>25,600</b>	<b>13,875</b>	<b>19,708</b>	<b>19,757</b>	<b>5,833</b>	<b>42%</b>
<b>NET CURRENT ASSETS</b>		<b>(3,347)</b>	<b>(8,561)</b>	<b>(11,019)</b>	<b>(11,481)</b>	<b>(2,458)</b>	<b>29%</b>

<b>NON-CURRENT ASSETS</b>	<b>10</b>						
Freehold Land		44,688	44,688	46,336	46,336	1,648	4%
Buildings		289,320	276,282	262,342	262,342	(13,940)	-5%
Equipment		36,759	47,686	35,799	35,820	(11,886)	-25%
Library		89,534	92,946	114,820	114,820	21,874	24%
Capital Work in Progress		3,381	0	7,517	7,517	7,517	-
<b>Total Non-Current Assets</b>		<b>463,682</b>	<b>461,601</b>	<b>466,814</b>	<b>466,835</b>	<b>5,213</b>	<b>1%</b>
<b>NON-CURRENT LIABILITIES</b>							
Employee Entitlements	<b>9</b>	14,832	16,343	15,505	15,505	(838)	-5%
Long Term Finance		15	15	365	365	350	
Long Term NZTET1 Lease	<b>17</b>	6,333	0	6,000	6,000		
<b>Total Non-Current Liabilities</b>		<b>21,180</b>	<b>16,358</b>	<b>21,870</b>	<b>21,870</b>	<b>5,512</b>	<b>34%</b>
<b>TOTAL NET ASSETS</b>		<b>439,155</b>	<b>436,682</b>	<b>433,925</b>	<b>433,485</b>	<b>(2,757)</b>	<b>-1%</b>
REPRESENTED BY:							
Community Equity	<b>11</b>	297,646	294,381	300,107	299,667	5,726	2%
Revaluation Reserve	<b>12</b>	141,509	142,302	133,818	133,818	(8,483)	-6%
<b>TOTAL COMMUNITY EQUITY</b>		<b>439,155</b>	<b>436,682</b>	<b>433,925</b>	<b>433,485</b>	<b>(2,757)</b>	<b>-1%</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

### *Statement of Commitments*

As at 31 December, 2000

	2000 (see (1)) (in \$000's)	2001 (see (1)) (in \$000's)
<b>Expenditure committed in:</b>		
<b>Capital Commitments</b>		
Bellamys	-	82
Campus PIR Installation	-	35
Central Campus Landscape Fees	17	-
Central Campus Landscape - North Arts	-	402

Central Campus Landscape - West Chemistry	-	97
Chemistry Stage II	1,021	-
Chemistry Stage III	-	186
Classics Sunshading	-	40
Commerce Building / Seminar Room	25	-
Commerce A/C Room 120	-	16
Commerce Pipe Closed Loop System	-	60
Commerce Ventilation Upgrade	47	-
Early Childhood Centre	-	80
Electrical Engineering MBE	-	50
English Language (Creyke)	-	200
English / Education Lift Upgrade	-	13
Forestry Sunshading	-	70
Gateway Antarctica/European Union	395	-
Geography Workshop	-	205
Geology - Room 210 Ventilation	25	-
Ilam Flats Extension	-	294
Ilam Flats Bathrooms	15	-
James Hight Library Pipe Closed Loop System	-	35
Lift Safety Upgrade (General)	-	33
PAMS – Room 417 Air Conditioning	6	-
PAMS Erma Upgrade	-	90
Psychology Fees Commitment	35	-
Psychology Building Addition	-	11,767
Recreation Centre	15	-
Recreation Centre Ventilation	58	-
Registry Lift Upgrade	-	35
Registry Stage I	892	-
Science Precinct Cooling - Stage I	-	295
Security Vehicle	25	-
Social Work (Clyde Road)	-	10

Student Health	65	-
Telecommunications - Call Centre	30	-
Telecommunications - Ilam/Mt John ITG	52	-
Telecommunications - Operators Upgrade	10	-
Theatre & Film (Maori) includes AV	-	30
University Hall Extension	-	1
Zoology L1 Extract	39	-
Zoology Frog Room	5	-
Zoology Kaikoura	-	51
Zoology Room 716 / Computer Room	170	-
11 Kv Ring Main	-	30
Zoology 709/414	-	185
<b>Total</b>	<b>2,947</b>	<b>14,392</b>

### *Statement of Commitments continued:*

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- (1) It is expected that these commitments will have been discharged in full by the following year.  
Capital commitments listed above represent contractual commitments and estimated project completion costs.

### *Operating Commitments*

- (1) The University has a sub-licence to provide accommodation for 25 years. See Note 17.
- (2) The University also has operating lease commitments on the lease of printing and photocopier equipment from various companies. \$881,377 is committed over the next 5 years (1999: \$240,000 over the next two years).
- (3) The University also has an agreement with AGFM Ltd wherein the University is purchasing consultation regarding the NZTET1 trust. The commitment is for \$125,000 to be paid over 5 years and starting in March 2005.

### *Statement of Contingent Liabilities*

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**As at 31 December, 2000**

At the end of 31 December, 2000 the University had a contingent liability relating to New Zealand Tertiary Education Trust One (NZTET1) on termination of the lease, and if called upon to do so by NZTET1, the University must purchase the interest in the Trust's licence for \$25 million or a lesser amount if agreed. See Note 19 (1999 : \$25 million).

***Statement of Cash Flows***

**For year ended 31 December, 2000**

Notes	Dec-99 University & Group (in \$000's)	Dec-00 Budget (in \$000's)	Dec-00 University (in \$000's)	Dec-00 University & Group (in 000's)	(\$) Variance (in \$000's)	(%) Variance
<b>OPERATING ACTIVITIES</b>						
<b>Cash provided from:</b>						
Government Grant	77,536	75,024	74,176	74,176	(849)	-
Tuition Fees	33,655	41,054	40,428	40,428	(626)	-
Other Income	20,507	26,469	20,913	20,925	(5,555)	-
Reimbursement Accommodation Trust	6,490	9,063	9,055	9,055	(8)	-
Agency Sales	0	0	0	0		
Interest Received	587	0	1,006	1,015	1,006	-
Rental Income	8,909	0	3,269	3,269	3,269	-
External Awards	2,010	0	2,298	2,298	2,298	-
GST	0	0	0	0	0	-
	149,694	151,610	151,145	151,166	(465)	0%
<b>Cash applied to:</b>						
Personnel Expenses	81,186	88,775	86,579	86,850	(2,196)	-





		18,583	30,121	26,771	26,521	(3,350)	-13%
<b>Net cash used in Investing Activities</b>		<b>(18,498)</b>	<b>(30,121)</b>	<b>(26,639)</b>	<b>(26,390)</b>	3,482	-
Net increase(decrease) in cash held		12,217	(2,601)	(8,559)	(8,596)		
Cash on hand at beginning of period		(7,645)	5,490	4,433	4,572		
Net Loss on Exchange		0	0	0	0		
<b>Cash on hand at end of period</b>	<b>7 &amp; 16</b>	<b>4,572</b>	<b>2,889</b>	<b>(4,126)</b>	<b>(4,024)</b>		
Represented by :							
Cash and Short Term Deposits		16,072	2,890	574	676	(5,958)	-
Working Capital Facility		(11,500)	0	(4,700)	(4,700)	(1,057)	-
		<b>4,572</b>	<b>2,890</b>	<b>(4,126)</b>	<b>(4,024)</b>	0	-
						<b>(7,015)</b>	<b>-243%</b>

### Trust Accounts

## Statement of Financial Performance

For year ended 31 December, 2000

	Notes	Dec-99 Trust (in \$000's)	Dec-00 Trust (in \$000's)
<b>Income</b>			
Sundry Income	21	409	732
Investment income	22	6,688	15,502
Research		26	16
<b>TOTAL OPERATING INCOME</b>		<b>7,123</b>	<b>16,250</b>

### *Expenditure*

Personnel	23	350	328
Property	24	8	6
General	25	2,932	3,614
Depreciation		24	1
<b>TOTAL OPERATING EXPENDITURE</b>		<b>3,314</b>	<b>3,949</b>

<b>NET SURPLUS / (DEFICIT)</b>		<b>3,809</b>	<b>12,301</b>
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### *Trust Accounts*

#### *Statement of Movements of Equity*

##### **For year ended 31 December, 2000**

Balance as at 1 January		69,095	73,378
Net Surplus from Statement of Financial Performance		3,809	12,301
Increase / (Decrease) in Revaluation Reserve		(3)	64
Total Recognised Revenue & Expenditure		<b>3,806</b>	<b>12,365</b>
Capital Contributions - Bequest & donations		477	122
Balance as at 31 December		<b>73,378</b>	<b>85,865</b>

### *Trust Accounts*

#### *Statement of Financial Position*

**As At 31 December, 2000**

**Dec-99**

**Dec-00**

	Notes	Trust (in \$000's)	Trust (in \$000's)
<b>CURRENT ASSETS</b>			
Bank		717	6,358
Short-term deposits		255	298
Accounts Receivable		1	1
<b>Total Current Assets</b>		<b>973</b>	<b>6,657</b>
<b>LESS CURRENT LIABILITIES</b>			
Accounts Payable		941	1,784
<b>Total Current Liabilities</b>		<b>941</b>	<b>1,784</b>
<b>NET CURRENT ASSETS</b>		<b>32</b>	<b>4,873</b>
<b>NON-CURRENT ASSETS</b>			
Freehold Land at valuation		5,200	4,064
Freehold Land at cost		100	0
Forests		230	230
Buildings		7	7
Equipment at cost		147	64
Less : Accumulated depreciation		(117)	(59)
Library		3,818	3,818
Total Non-Current Assets		9,385	8,124
<b>INVESTMENTS</b>	<b>27</b>	63,961	72,868
<b>Total Non-Current Assets</b>		<b>73,346</b>	<b>80,992</b>
<b>TOTAL NET ASSETS</b>		<b>73,378</b>	<b>85,865</b>
<b>FINANCED BY :</b>			

Community Equity	28	69,110	81,605
Revaluation Reserves	29	4,268	4,260
	30	73,378	85,865

### *Trust Accounts*

## *Statement of Cash Flows*

For year ended 31 December, 2000

	Notes	Dec-99 Trust (in \$000's)	Dec-00 Trust (in \$000's)
<b>OPERATING ACTIVITIES</b>			
<b>Cash provided from :</b>			
Sundry		535	834
Dividends		2,440	9,917
Interest		1,412	1,936
Rent		102	125
		4,489	12,812
<b>Cash applied to :</b>			
Personnel Expenses		350	328
Property costs		7	6
General Expenses		3,077	2,771
		3,434	3,105
<b>Net cash provided by Operating Activities</b>	<b>26</b>	<b>1,055</b>	<b>9,707</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash provided from :</b>			
Proceeds of Disposal :			
Fixed Interest Investments		18,194	20,883
Endowment Land		40	1,215
Equipment		1	24

Shares	17,539	67,018
	<u>35,774</u>	<u>89,140</u>
<b>Cash applied to:</b>		
Capital Expenditure	6	0
Fixed Interest Investments	20,062	19,356
Shares purchased	17,146	69,623
Dr Mickle Student Loans	1	0
	<u>37,215</u>	<u>88,979</u>
<b>Net cash (used in) / from Investing Activities</b>	<b>(1,441)</b>	<b>161</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash provided from :</b>		
Capital contributions	477	122
Net cash (used in) / from Financing Activities	<u>477</u>	<u>122</u>
Net (decrease) / increase in cash held	91	9,990
Cash on hand at beginning of period	1,164	972
Net (loss) / gain on exchange	(283)	(4,306)
<b>Cash on hand at end of period</b>	<b><u>972</u></b>	<b><u>6,656</u></b>

## *Notes to the Financial Statements*

For year ended 31 December, 2000

	Dec-99 University & Group (in \$000's)	Dec-00 Budget (in \$000's)	Dec-00 University (in \$000's)	Dec-00 University & Group (in 000's)		(\$)	(%)
					Variance (in \$000's)		Variance

### *1 Sundry Income*

Construction Contract Income	6,490	0	9,055	9,055	9,055	
External Sales	2,055	5,528	3,191	3,383	(2,336)	-42%
Membership Fees	499	608	622	622	15	2%
External Recoveries/Admin Charges	949	449	1,095	1,095	646	144%
Seminar Fees	2,317	2,853	3,632	3,632	779	27%
Sundry	4,367	6,218	3,166	3,166	(3,051)	-49%
<b>TOTAL SUNDRY INCOME</b>	<b>16,677</b>	<b>15,655</b>	<b>20,761</b>	<b>20,953</b>	<b>5,106</b>	<b>33%</b>

## 2 Personnel Expenses

Academic & Technical Personnel	49,644	46,701	52,660	52,660	5,959	13%
General Staff Personnel	26,483	34,732	27,842	28,110	(6,889)	-20%
	76,127	81,433	80,502	80,770	(930)	-1%
Superannuation	3,928	4,399	3,972	3,972	(426)	-10%
Accident Compensation (ACC)	(302)	1,047	336	336	(711)	-68%
Other Personnel Expenses	3,316	1,812	2,572	2,572	760	42%
	6,942	7,257	6,880	6,880	(377)	-5%
<b>TOTAL PERSONNEL EXPENSES</b>	<b>83,069</b>	<b>88,690</b>	<b>87,382</b>	<b>87,650</b>	<b>(1,308)</b>	<b>-1%</b>

## 3 Property Costs

Maintenance	3,028	1,970	2,429	2,455	459	23%
Furniture & Fittings	491	479	425	425	(54)	-11%
Heat, Light & Power	1,828	2,036	1,760	1,760	(275)	-14%
Insurance	652	927	852	852	(75)	-8%
Rates	291	332	303	303	(29)	-9%
Resources	2,256	546	2,404	2,404	1,858	340%
Resources Teaching & Research	0	2,089	397	397	(1,692)	-81%
Rent	112	185	243	243	58	31%
Telecommunications	658	474	900	907	426	90%
Vehicle Costs	117	106	124	133	17	16%
<b>TOTAL PROPERTY COSTS</b>	<b>9,433</b>	<b>9,145</b>	<b>9,837</b>	<b>9,879</b>	<b>692</b>	<b>8%</b>

#### 4 General Expenses

Academic Expenses	388	405	454	454	49	12%
Administration	633	376	484	528	108	29%
Advertising	1,208	1,005	1,621	1,621	616	61%
Auditors Remuneration - Financial Audit	78	82	84	88	2	2%
Auditors Remuneration - Other Financial Services	0	20	0	0	(20)	-100%
Bad Debts	71	6	62	62	56	972%
Conferences	512	1,194	804	813	(390)	-33%
Consultancy/Contractors	2,686	2,397	3,354	3,354	957	40%
Construction Contract Expenses	4,892	0	8,550	8,550	8,550	
Interest Paid	29	100	46	46	(54)	-54%
Investment Advice	0	5	23	23	18	367%
Legal Expenses	66	93	284	284	190	204%
Office Equipment	3,419	2,225	3,629	3,631	1,404	63%
Photocopying, Postage & Printing	883	1,150	1,074	1,074	(76)	-7%
Provisions	517	463	575	575	113	24%
Rental on Operating Leases	488	395	464	464	69	17%
Scholarships and Prizes	3,985	6,484	4,868	4,868	(1,615)	-25%
Stationery	965	881	1,095	1,095	213	24%
Student Support	812	700	724	724	23	3%
Sundry Expenses	2,709	6,910	4,037	4,057	(2,873)	-42%
Travel	3,197	2,529	3,714	3,720	1,185	47%
<b>TOTAL GENERAL EXPENSES</b>	<b>27,538</b>	<b>27,421</b>	<b>35,946</b>	<b>36,031</b>	<b>8,525</b>	<b>31%</b>

<b>Dec-99</b>	<b>Dec-00</b>	<b>Dec-00</b>	<b>Dec-00</b>
<b>University</b>	<b>Budget</b>	<b>University</b>	<b>University</b>
<b>&amp; Group</b>		<b>&amp; Group</b>	<b>&amp; Group</b>
<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in 000's)</b>

#### 5 Investment Income

Capital Gains	6	0	0	0	0	-
Discount/Premium Amortised	0	0	0	0	0	-
Dividends	0	0	3	3	3	-
Exchange Variations	(13)	0	54	54	54	-

Gain on Sale of Investments	0	0	0	0	0	-
Interest	586	342	1,006	1,015	663	194%
Rentals - Other	1,089	1,243	1,143	1,143	(100)	-8%
	<b>1,668</b>	<b>1,586</b>	<b>2,206</b>	<b>2,215</b>	<b>620</b>	<b>39%</b>

## 6 Bank and Short Term Deposits

Bank	15,940	2,253	574	478	(1,680)	-75%
Short-term Deposits	132	0	0	198	0	-
	<b>16,072</b>	<b>2,253</b>	<b>574</b>	<b>676</b>	<b>(1,680)</b>	<b>-75%</b>

## 7 Receivables

Receivables	1,506	707	1,455	1,590	748	106%
Prepayments	3,085	0	4,552	4,552	4,552	-
LESS: Provision for Doubtful Debts	(100)	0	(100)	(100)	(100)	-
	<b>4,491</b>	<b>707</b>	<b>5,907</b>	<b>6,042</b>	<b>5,200</b>	<b>735%</b>

## 8 Provision for Leave

Balance at 1 January	2,839	2,839	2,872	2,900	33	1%
Annual Movement	61	0	130	132	130	-
Balance at 31 December	<b>2,900</b>	<b>2,839</b>	<b>3,002</b>	<b>3,032</b>	<b>163</b>	<b>6%</b>

## 9 Employee Entitlements

Balance at 1 January	13,012	16,343	14,832	14,832	(1,511)	-
Annual movement	1,820	0	673	673	673	-
Balance at 31 December	<b>14,832</b>	<b>16,343</b>	<b>15,505</b>	<b>15,505</b>	<b>(838)</b>	<b>-5%</b>



## 10 Non-Current Assets

	<u>UNIVERSITY</u>			<u>GROUP</u>		
	<u>COST/VALN</u>	<u>ACCUM</u>	<u>NET BOOK</u>	<u>COST/VALN</u>	<u>ACCUM</u>	<u>NET BOOK</u>
		<u>DEPN</u>	<u>VALUE</u>		<u>DEPN</u>	<u>VALUE</u>
<b>31 December 1999</b>	<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in \$000's)</b>
Freehold Land at valuation	44,688	0	44,688	44,688	0	44,688
Buildings at valuation	261,464	(5,604)	255,860	261,464	(5,604)	255,860
Buildings at cost	34,239	(779)	33,460	34,239	(779)	33,460
Equipment at cost	86,674	(49,948)	36,726	86,715	(49,956)	36,759
Library Collection at Valuation	89,534	0	89,534	89,534	0	89,534
Work-in-Progress at Cost	3,381	0	3,381	3,381	0	3,381
<b>TOTAL NON-CURRENT ASSETS</b>	<b>519,980</b>	<b>(56,331)</b>	<b>463,649</b>	<b>520,021</b>	<b>(56,339)</b>	<b>463,682</b>
<b>31 December 1999</b>						
<b>December 31, 2000</b>						
Freehold Land at valuation	46,336	0	46,336	46,336	0	46,336
Buildings	262,342	0	262,342	262,342	0	262,342
Equipment at cost	93,972	(58,173)	35,799	94,013	(58,193)	35,820
Library Collection at Valuation	114,820	0	114,820	114,820	0	114,820
Work-in-Progress at Cost	7,517	0	7,517	7,517	0	7,517
<b>TOTAL NON-CURRENT ASSETS</b>	<b>524,987</b>	<b>(58,173)</b>	<b>466,814</b>	<b>525,028</b>	<b>(58,193)</b>	<b>466,835</b>
<b>December 31, 2000</b>						

## 11 Community Equity

	<b>Dec-99</b>	<b>Dec-00</b>	<b>Dec-00</b>	<b>Dec-00</b>	<b>(\$)</b>	<b>(%)</b>
	<b>University</b>	<b>Budget</b>	<b>University</b>	<b>University</b>		
	<b>&amp; Group</b>		<b>&amp; Group</b>	<b>&amp; Group</b>		
	<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in \$000's)</b>	<b>(in 000's)</b>		
Balance at 1 January	291,440	292,873	297,880	297,646	5,007	2%
Net Operating Result from Statement of Financial Performance	6,206	1,508	2,227	2,021	720	48%
Disposals revaluation	0	0	0	0		-
Contribution	0	0	0	0		

Balance at 31 December	<b>297,646</b>	<b>294,381</b>	<b>300,107</b>	<b>299,667</b>	<b>5,727</b>	<b>2%</b>
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## 12 Revaluation Reserves

Balance at 1 January	142,063	142,065	141,509	141,509	(556)	0%
Revaluation	(575)	237	(7,725)	(7,725)	(7,962)	-
Disposals - revaluation	21	0	34	34	34	-
Balance at 31 December	<b>141,509</b>	<b>142,302</b>	<b>133,818</b>	<b>133,818</b>	<b>(8,484)</b>	<b>-6%</b>
<b>being:</b>						
Buildings	37,756	37,587	6,938	6,938	(30,649)	-81%
Equipment	8,460	8,512	8,492	8,492	(20)	0%
Land	32,121	32,121	33,593	33,593	1,472	5%
Library	63,172	64,082	84,795	84,795	20,713	33%
	<b>141,509</b>	<b>142,302</b>	<b>133,818</b>	<b>133,818</b>	<b>(8,484)</b>	<b>-6%</b>

## 13 Financial Instruments

Financial instruments in the form of fixed interest investments are subject to the risk that market values may change subsequent to their acquisition.

### Fair Values

The estimated fair values of the **University's** financial instruments at 31 December 1999 and December 2000 are as follows:

	<b>Dec-99 Carrying Amount (in \$000's)</b>	<b>Dec-99 Fair Value (in \$000's)</b>	<b>Dec-00 Carrying Amount (in \$000's)</b>	<b>Dec-00 Fair Value (in \$000's)</b>
Accounts Receivable	4,456	4,456	5,907	5,907
Bank and Short Term Deposits	15,934	15,934	574	574
Accounts Payable	11,022	11,022	11,601	11,601

The estimated fair values of the **Group's** financial instruments at 31 December 1999 and December 2000 are as follows:

	<b>Dec-99 Carrying Amount (in \$000's)</b>	<b>Dec-99 Fair Value (in \$000's)</b>	<b>Dec-00 Carrying Amount (in \$000's)</b>	<b>Dec-00 Fair Value (in \$000's)</b>
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Accounts Receivable	4,491	4,491	6,042	6,042
Bank and Short Term Deposits	16,072	16,072	676	676
Accounts Payable	11,035	11,035	11,619	11,619

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Accounts Receivable, Bank, Short Term Deposits, Accounts Payable, & Bank Overdraft**

The carrying amounts of these balances are equivalent to their fair value.

The current interest rate on the bank overdraft is 10.10% per annum (1999: 9.40%). This is a floating interest rate set by the bank. Apart from this the University has no significant exposure to currency risk and interest rate risk on its remaining financial assets and liabilities.

**Concentration of Credit Risk**

Financial instruments which subject the University potentially to concentrations of credit risk consist principally of cash and short-term investments, accounts receivable, and fixed interest investments.

Cash and short-term investments are placed with high-credit-quality financial institutions and the amount of credit exposure to any one financial institution is limited. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of debtors.

**14 Reconciliation of The Net Surplus With the Net Cash From Operating Activities**

OPERATING ACTIVITIES	Dec-99	Dec-00	Dec-00	Dec-00	(\$)	(%)
	University & Group (in \$000's)	Budget (in \$000's)	University (in \$000's)	University & Group (in 000's)	Variance (in \$000's)	Variance
Net Surplus/Deficit	6,206	1,508	2,227	2,021	720	48%
<b>Add (less) non-cash items:</b>						
Depreciation	14,220	17,484	14,085	14,097	(3,398)	-19%
Donated Assets	(1,134)	0	(430)	(430)		

Movement in Employee Entitlements	1,820	0	673	675	673	-
NZTET1 Lease Revenue	0	0	(333)	(333)		
<b>Add (less) movements in other working capital items:</b>						
Accounts Payable	1,768	8,530	1,847	1,854	(6,683)	-78%
Accounts Receivable	(215)	0	(1,453)	(1,555)	(1,453)	-
Inventories	19	0	131	131	131	-
Agency Funds	207	0	(92)	(92)	(92)	-
<b>Other:</b>						
(Gain) / Loss on Sale included in Investing Activities	224	0	608	608	0	-
Movement in Revenue in Advance (Non Current)	6,333	0	0	0	673	-
Movement in Library Prepayments	0	0	1,288	1,288	608	-
Net GST	1,267	0	(470)	(470)	0	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>30,715</b>	<b>27,521</b>	<b>18,081</b>	<b>17,794</b>	<b>(9,441)</b>	<b>-</b>

### 15 Working Capital Facility

	<b>Dec-99 University &amp; Group (in \$000's)</b>	<b>Dec-00 Budget (in \$000's)</b>	<b>Dec-00 University &amp; Group (in \$000's)</b>
Opening Balance	6,200	0	11,500
Repayments	23,150	0	11,500
Loans Raised	28,450	0	4,700
Closing Balance	<b>11,500</b>	<b>0</b>	<b>4,700</b>

The interest rate on the working capital drawdown in 2000 was 6.95% (the average interest rate in 1999 was 4.0-6.0%). The working capital facility consists of a three year evergreen multi-option cash advance facility of 10 million and a five year multi option committed cash advance facility of 5 million. The facility is secured by way of a deed of assignment over Government Grants.

## ***16 Canterprise Limited***

Canterprise Limited is registered under the Companies Act 1993 and is a wholly owned subsidiary of the University of Canterbury. Canterprise Limited is the commercial arm of the University and manages commercial activities relating to the sale of research, services and technology to external clients.

## ***17 Canterbury Accommodation Trust (NZTET1)***

The University has entered an agreement with the Canterbury Accommodation Trust renamed New Zealand Tertiary Accommodation Trust whereby :

- \* the university has entered a contract with the Trust to design and construct additional student accommodation for \$17.5 million. effective from 1 January 2000;
- \* the University has leased it's student accommodation properties to the Trust for 20 years less one day,
  
- \* the Trust has issued a 25 year licence to Canterbury University Student Services Trust to provide student accommodation, which has in turn granted sub-licence to the University;
  
- \* on the termination of the lease and if called upon to do so by the Trust, the University must purchase the interest in the Trust's licence for \$25 million or a lesser amount if agreed.

Following developments in generally accepted accounting practice a new Financial Reporting Standard is likely to be issued in the foreseeable future in respect of Accounting for Business Combinations. Once the standard has been promulgated the University will consider its accounting treatment of this arrangement in light of the new standard.

## ***18 Councillors' Fees***

Fees paid to Councillors during the twelve months were \$23,213.48 ( 1999 \$20,043.48 ).

**post ref : 3690**

## ***19 Reconciliation of Approved Budget to Revised Budget***

Note to Accounts - Derivation of Budget 2000 figures:

In May 2000, the budget was revised from the approved budget to mainly adjust for changed EFTS numbers.

<b>Changes affecting the surplus were:</b>	<b><u>(in \$000's)</u></b>
Surplus per Approved Budget 2000:	2,637
Increase in Trust Income contribution	1,063
Net Fees / Grant Decrease	-2,332
Increase in Research Expenditure	-800
Increase in Donations	2,777
Increase in department roll forwards	-1,489
University Hall / Ilam Flats adjustments	489
Other Adjustments	-837
Surplus reported in Financial Statements	<u><u>1,508</u></u>

## *20 Related Party Transactions*

	<b><u>Dec-99</u></b> <b><u>(in \$000's)</u></b>	<b><u>Dec-00</u></b> <b><u>(in \$000's)</u></b>
During the financial period to 31 December 2000 Canterprise Ltd had the following inter-group <b>transactions</b> :		
Share Capital contributed by the University of Canterbury	400	250
Agency Sales collected from University of Canterbury	124	1,806
Agency Payments to University of Canterbury <i>(net of commission paid to Canterprise)</i>	569	1,601
Staff Costs paid to University of Canterbury	48	0
Suppliers Costs paid to University of Canterbury	69	37
Purchase of Fixed Assets paid to University of Canterbury	26	0
Receivable from University of Canterbury	3	5
Agency Creditors to University of Canterbury	251	355

<b><u>Dec-99</u></b> <b><u>Trust</u></b> <b><u>(in \$000's)</u></b>	<b><u>Dec-00</u></b> <b><u>Trust</u></b> <b><u>(in \$000's)</u></b>
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## 21 Trust Sundry Income

Other External Income	99	136
Overhead Recovery External	1	0
Sundry Other	309	596
	<u>409</u>	<u>732</u>

## 22 Trust Investment Income

Premium amortised	(410)	0
Dividends	2,440	9,917
Exchange variations	(283)	(4,306)
Gain on disposal	3,846	7,830
Loss on futures	(153)	0
Interest	1,146	1,936
Rent	102	125
	<u>6,688</u>	<u>15,502</u>

## 23 Trust Personnel Expenses Salaries & Wages

Academic	4	0
General	338	315
	<u>342</u>	<u>315</u>

### Related Expenses :

ACC	0	4
Superannuation	8	0
Other	0	9

8	13
350	328

## 24 Trust Property Expenses

Resources	1	1
Rent	0	1
Telecommunications	7	4
	8	6

Dec-99 Trust (in \$000's)	Dec-00 Trust (in \$000's)
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## 25 Trust General Expenses

Academic	0	0
Administrative	2	13
Advertising	21	19
Auditor's Remuneration		
- Audit	3	3
Bad Debts	0	1
Conferences	2	11
Consultancy/Contractors	73	74
Investment Advice	458	376
Legal Expenses	0	8
Office Equipment	8	12
Postages	39	58
Printing	0	0
Scholarships & Prizes	2,217	2,522
Stationery	8	2
Sundry	11	58
Travel	90	457



2,932	3,614
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## *26 Reconciliation of Net Surplus with the Net Cash provided by Operating Activities*

Net Surplus	3,809	12,301
Add (less) non-cash items:		
Depreciation	24	1
Discount/Premium Amortised	410	0
Exchange Variation	283	4,306
Add (less) movements in other working capital items:		
Accounts Payable	10	843
Accounts Receivable	265	0
Add (less) items classified as investing activities		
Gain on Sale of Investments	(3,846)	(7,830)
Loss on sale of land	100	86
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	<u>1,055</u>	<u>9,707</u>

<b>Dec-99</b>	<b>Dec-00</b>
<b>Trust</b>	<b>Trust</b>
<u>(in \$000's)</u>	<u>(in \$000's)</u>

## *27 Trust Investments*

Fixed Interest	28,738	27,109
Shares (See Note 29.1)	35,223	45,759
	<u>63,961</u>	<u>72,868</u>

**Note 29.1**

**Shares at cost:**

Balance at 1 January	32,376	35,223
Purchases	17,146	69,623
Disposals	(14,299)	(57,687)
Adjustment to Net Realisable Value		(1,400)
Balance at 31 December	<u>35,223</u>	<u>45,759</u>

**Market Value of Investments**

Fixed Interest	28,612	28,242
Shares	49,152	45,757
Cash	972	6,665
Total estimated market value	<u>78,736</u>	<u>80,664</u>

**28 Trust Community Equity**

Balance at beginning of period	64,680	69,110
Net surplus from Statement of Financial Performance	3,809	12,301
Capital contributions	477	122
Value of Endowment Land sold	144	72
Balance at end of period	<u>69,110</u>	<u>81,605</u>

**29 Trust Revaluation Reserves**

Balance at 1 January	4,415	4,268
Value of Endowment Land sold	(144)	(72)
Revaluation adjustment	(3)	64
Balance at 31 December	<u>4,268</u>	<u>4,260</u>

**Dec-99****Dec-00**

### 30 Major Trusts

	Trust (in \$000's)	Trust (in \$000's)
Centre for Advanced Engineering	2,403	2,582
Endowment Trust	12,600	14,575
Erskine Trust	32,395	38,634
General Trusts	15,567	19,901
Lord Rutherford Memorial Scholarship	1,449	1,767
Macmillan Brown Library	3,806	3,805
Mason Trust	1,010	1,160
Ethel R. Overton Scholarship	921	1,078
Roper Scholarship	1,101	1,307
Sims Empire Scholarship	876	1,056
	73,378	85,865

### 31 Trust - Financial Instruments

The Trust Funds may have various financial instruments with off balance sheet risk. This risk may take the form of both interest rate and currency risk. Through the investing activities of the Trust Funds there is an exposure to credit risk in the event of non-performance by a counterparty.

#### FAIR VALUES

The estimated fair values of the Trust Funds' financial instruments at 31 December 1999 and 2000 are as follows:

	1999 Carrying Amount (in \$000's)	Fair Value (in \$000's)	2000 Carrying Amount (in \$000's)	Fair Value (in \$000's)
<b>Recognised financial instruments</b>				
Fixed Interest Investments				
New Zealand	27,836	27,751	16,009	17,408
International	902	861	11,100	11,204
Receivables	1	1	1	1
Bank	717	717	6,358	6,358
Short-term deposits	255	255	298	298

Accounts Payable	941	941	1,784	1,784
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The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Fixed Interest Investments**

The fair value is estimated based on current market interest rates available for investments of similar maturities.

**Accounts Receivable, Bank, Short Term Deposits, Accounts Payable, & Bank Overdraft**

The carrying amounts of these balances are equivalent to their fair value.

**Foreign currency forward exchange contracts**

The fair value is estimated based on current market rates.

**CONCENTRATION OF CREDIT RISK**

Financial instruments which subject the Trust Funds potentially to concentrations of credit risk consist principally of cash and short-term investments, accounts receivable and fixed interest investments.

Cash and short-term investments are placed with high-credit-quality financial institutions and the amount of credit exposure to any one financial institution is limited. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of debtors.

**FOREIGN EXCHANGE**

The Trust Funds are exposed to currency risk when investments are denominated in a foreign currency. Risk management activities are undertaken by the Investment Managers to operate within guidelines provided by the Trustees.

The mandate for the manager of the balanced portfolio requires international bonds to be fully hedged into \$NZ and allows for being between 65% and fully hedged for international equities. The mandate for the manager of the overseas equities fund provides for an unhedged benchmark position but allows for up to 50% hedging if required.

The notional contract amounts of forward foreign exchange transactions outstanding at balance date are as follows:

	<b>1999</b>	<b>2000</b>
	<u>(in \$000's)</u>	<u>(in \$000's)</u>
Forward foreign exchange contracts	17,518	19,875

The maximum credit risk for the forward exchange contracts approximates the notional contract amount. The use of forward foreign exchange contracts provides effective cross rates until the maturity of the contracts which have a maturity date of 14 February 2001. (1999 - 16 February 2000).

**Foreign exchange fair values**

The estimated fair values of the Trust Funds' financial assets and liabilities relating to foreign exchange are as follows:

	1999		2000	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(in \$000's)	(in \$000's)	(in \$000's)	(in \$000's)
Forward foreign exchange contracts	0	(186)	0	(907)