

**NEW ZEALAND
VICE-CHANCELLORS' COMMITTEE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

CONTENTS

BACKGROUND	5
STATEMENT OF RESPONSIBILITY	7
AUDITORS' REPORT	9
STATEMENT OF OBJECTIVES	13
STATEMENT OF PERFORMANCE (NZ Vice-Chancellors' Committee)	15
STATEMENT OF PERFORMANCE (Academic Quality Agency)	22
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	25
STATEMENT OF CHANGES IN EQUITY	26
STATEMENT OF FINANCIAL POSITION	27
STATEMENT OF FINANCIAL POSITION cont.	28
STATEMENT OF CASHFLOWS.....	29
NOTES TO THE FINANCIAL STATEMENTS.....	30

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

BACKGROUND

Establishment of the Committee

The Committee is a statutory body established under section 240 of the Education Act 1989 (the same body established under the Universities Act 1961). The Vice-Chancellors of the eight universities make up the membership of the Committee. They are assisted in the administration of the Committee's affairs by a range of committees and working groups and a secretariat based in Wellington. The New Zealand Vice-Chancellors' Committee (NZVCC) adopted the name Universities New Zealand – Te Pūkai Tara in August 2010.

Sources of Funds

Grants of \$2,672,700 from the universities were the main source of funding received by the Committee. \$2,272,700 was for the Committee and \$400,000 for the Academic Quality Agency for New Zealand Universities (AQA).

Interest revenue and scholarship administration fees supplement this revenue.

Further Information about Universities New Zealand – Te Pūkai Tara (Universities NZ)

The Universities NZ website, www.universitiesnz.ac.nz provides a wide range of information and publications.

The Universities NZ offices are located at Level 9, 142 Lambton Quay, Wellington.

Further information about the Academic Quality Agency for New Zealand Universities

The Academic Quality Agency for New Zealand Universities was established by the New Zealand Vice-Chancellors' Committee. It is funded by the universities and its Board is appointed by the NZVCC. However its operations, including academic audits, are independent of the NZVCC and of the individual universities. The accounts of the AQA have been included in the consolidated accounts of the NZVCC. This in no way compromises the operational independence of the AQA in carrying out its activities.

The office of the AQA is located at Level 9, 142 Lambton Quay, Wellington.

Further information about the AQA can be found at www.aqa.ac.nz.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

STATEMENT OF RESPONSIBILITY

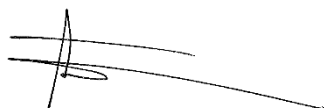
We acknowledge that:

- (a) The preparation of financial statements of the New Zealand Vice-Chancellors' Committee and judgements used herein are our responsibility.
- (b) The establishment and maintenance of an internal control system designed to give reasonable assurance as to the integrity and reliability of the financial and non-financial reports for the year ended 30 June 2019 are our responsibility; and

In our opinion the financial statements for the year under review fairly reflect the financial position and operations of the New Zealand Vice-Chancellors' Committee.



Mr Derek McCormack
Chair
New Zealand Vice-Chancellors' Committee



Professor Stuart McCutcheon
Deputy Chair
New Zealand Vice-Chancellors' Committee

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NEW ZEALAND VICE CHANCELLORS' COMMITTEE FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of New Zealand Vice Chancellors' Committee (the "Committee") and group. The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements and statement of service performance of the Committee on his behalf.

Opinion

We have audited:

- the financial statements of the Committee on pages 25 to 43, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Committee is on pages 15 to 24.

In our opinion:

- the financial statements of the Committee on pages 25 to 43:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime; and
- the statement of service performance of the Committee on pages 15 to 24 presents fairly, in all material respects, the Committee's service performance achievements measured against the proposed outcomes for the year ended 30 June 2019.

Our audit was completed on 7 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on

Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of the Committee for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the Committee for preparing a statement of service performance that is fairly presented.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Committee for assessing the Committee's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate The Committee or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Crown Entities Act 2004 and the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Committee's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Committee to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 5, 7 and 13, but does not include the financial statements or the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Committee in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Committee.

A handwritten signature in black ink, appearing to read 'Henry McClintock'. The signature is stylized with a large, sweeping 'H' and 'M'.

Henry McClintock
BDO Wellington Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
STATEMENT OF OBJECTIVES
FOR THE YEAR ENDED 30 JUNE 2019**

Roles

Universities NZ has three roles:

1. A statutory role in quality assuring all NZ university academic programmes, advising on university entrance standards and managing a range of scholarship schemes.
2. A coordination role in bringing together different parts of the university system to share best practice and to collaborate on matters of common interest.
3. A role working with key Government agencies and ministers to ensure that there is good understanding regarding the university sector and to contribute to the development of Government policy.

Outcomes

Universities New Zealand – Te Pūkai Tara seeks to achieve the following outcomes:

1. Enhanced quality assurance in the New Zealand university system
2. Enhanced efficiency and effectiveness across the New Zealand university system
3. Policies and an operating environment that ensure New Zealand universities are optimally able to contribute to economic growth and social well-being.

Functions

1. To exercise approval and moderation procedures for new academic programmes in universities and to develop and support processes for auditing quality assurance.
2. To administer current scholarship schemes and to develop that function further.
3. To provide policy advice and co-ordinating services to the universities, government and any other bodies on inter-university policy issues including representing the New Zealand university system nationally and internationally.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019**

Output 1 – Academic Quality Assurance

Outcomes

This output contributes to the achievement of Outcomes 1 and 3 - enhanced quality assurance in the New Zealand university system, and policies and activities that strengthen the universities' contribution to economic growth and social well-being.

The Academic Quality Agency for New Zealand Universities also contributes to Outcome 1, and their Statement of Performance is provided separately.

Service Provided

To exercise approval and moderation procedures for new academic programmes in universities, develop and support processes for monitoring quality assurance, and provide advice on matters of academic policy.

Quality and Timeliness

The quality and timeliness of the work of the Committee on University Academic Programmes (CUAP) is ensured by CUAP carrying out its functions and procedures in accordance with the criteria and timetable set out in its handbook, and by periodic independent audits of its procedures.

(a) Objective

To complete the two annual rounds of approvals for new university academic programmes.

Achievements

CUAP approved 82 new qualifications in 2018 to be offered in 2019.

(b) Objective

To develop and improve quality assurance arrangements in New Zealand universities.

Achievements

- *CUAP published an updated electronic edition of its Handbook outlining the Committee's policies and procedures for quality assurance in the university sector. The updated version of the Handbook is publicly available on the Universities NZ website.*
- *Enhancements to CUAP's processes, particularly around approvals and appeals continued to be implemented in 2018 and 2019.*
- *A user manual for the CUAP online system was refreshed and made available on the online system.*
- *Universities NZ facilitated a workshop for universities academic office staff to discuss institutional policies and processes, and to share good practice. The focus of the 2018 workshop was student voice in programme development and approval.*
- *The Universities NZ Portfolio Manager – Academic Programmes met with representatives from the Social Workers Registration Board, the Education Council (now Teaching Council) and the Midwifery Council.*
- *The Universities NZ Portfolio Manager – Academic Programmes attended a Turnitin Symposium on Academic Integrity, the Australian Tertiary Education Quality and Standards Authority (TEQSA) annual conference and hosted a workshop for university Academic Managers of Student Voice in programme development, approval and moderation.*

(c) Objective

To work effectively with the New Zealand Qualifications Authority (NZQA) to fulfil statutory responsibilities and promote quality assurance.

Achievements

The Joint Consultative Group, a body made up of Universities NZ, NZQA and AQA met four times.

Universities NZ participated in the following NZQA Advisory and Working Groups:

- *New Zealand Advisory Group (International)*
- *New Zealand Qualifications Framework Advisory Group*

CUAP nominated one of its members to serve on a NZQA doctoral monitoring panel.

CUAP made a submission on NZQA's Review of the New Zealand Qualifications Framework.

Universities NZ continued to liaise closely with NZQA regarding the operation of the New Zealand Qualifications Framework.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

- (d) **Objective**
To consider matters relating to university entrance, and to contribute to the process of curriculum development and examination in the senior secondary school.

Achievements

CUAP's Subcommittee on University Entrance met twice.

The Subcommittee made a submission on the Ministry of Education's National Certificate of Educational Achievement (NCEA) review.

Universities NZ was represented on the following Advisory and Working Groups:

- NCEA Review Reference Group and Co-lab (Ministry of Education).
- Secondary Qualifications Advisory Group (NZQA).
- Māori-medium Secondary Qualifications Advisory Group.
- University Entrance Advisory Group (Approved Subjects Process).
- Pathways Advisory Group (Ministry of Education).

- (e) **Objective**
To work effectively with the Academic Quality Agency for New Zealand Universities to fulfil Universities NZ's responsibilities for quality assurance in the universities.

Achievements

- The Joint Consultative Group, a body made up of Universities NZ, NZQA and AQA met four times.
- Universities NZ participated with AQA on presentations on university quality assurance policies to international delegations from Samoa (SQA), Taiwan (HEEACT) and the Philippines (CHED).
- Universities NZ Portfolio Manager - Academic Programmes attended AQA's Quality Managers' workshop and Student Voice Summit (co-hosted with the New Zealand Union of Students Associations).
- Staff of Universities NZ and members of CUAP attended AQA's 25th anniversary celebration.

Total budget for academic services:	\$226,368
Total cost for academic services:	\$230,596

Output 2 - Scholarships

Outcomes

This output contributes to the achievement of Outcome 3 - policies and activities that strengthen the universities' contribution to economic growth and social well-being.

Service Provided

To administer current scholarship schemes and to further develop the provision of scholarships.

Quality and Timeliness

The quality and timeliness of scholarship administration is ensured by the supervision of the Scholarships Committee and adherence to the timetable and rules for the award of each scholarship scheme.

Achievements

During the reporting period management and administration services were provided for 39 scholarship programmes.

For the programmes Universities NZ:

- made 88 scholarship or fellowship awards on behalf of sponsors and donors.
- made 32 nominations of NZ applicants to overseas decision-making bodies.
- made the selection of 15 scholars where the awards were then managed by the donor.

Total budget for scholarship services:	\$278,938
Total cost for scholarship services:	\$308,816

Output 3 - Policy Advice and Coordinating Services

Outcomes

This output contributes to the achievement of Outcomes 2 and 3 – enhanced efficiency in the New Zealand university system, and policies and activities that strengthen the universities' contribution to economic growth and social well-being.

Service Provided

To provide policy advice and coordinating services to Government and the universities, particularly through the government agencies of the Tertiary Education Commission (TEC), Ministry of Business, Innovation and Employment (MBIE), New Zealand Qualifications Authority and Ministry of Education, including participating in working parties.

Quality and Timeliness

The quality and timeliness of advice is ensured by approval of policy advice and submissions by Universities NZ as well as its committees.

(a) Governance

Objective

To assist Chancellors in holding meetings, and joint meetings with Vice-Chancellors.

Achievements

Chancellors met as a group by themselves, and then with the Vice-Chancellors, twice in 2018/19 – in August and December 2018.

(b) Ministers and Government Agencies

Objective

To initiate and respond to policy initiatives on behalf of the universities.

Achievements

Submissions were made to the Government during 2018/19 on the following subjects;

- *Submission on the Ministerial Review of Archives New Zealand, the National Library of New Zealand and Nga Tāonga Sound and Vision (August 2018).*
- *Submission on the UE Review (Committee for University Academic Policy's Sub-Committee on University Entrance and Te Kāhui Amokura – September 2018)*
- *Submission on the New Zealand Qualifications Framework consultation (Committee for University Academic Policy – December 2018).*
- *Submission on the Proposed Education (Pastoral Care of International Students) Code of Practice Amendments 2019. (Forum of International Student Services Managers – January 2019)*
- *Submission on the Copyright (Marrakesh Treaty) Implementation Bill (February 2019)*
- *Submission to the Reform of Vocational Education (April 2019).*
- *Submission on the Copyright Act Review Issues Paper (April 2019).*
- *Submission on post-study work rights for international students (Forum of International Student Services Managers – June 2019)*

Universities New Zealand continued an active programme of engagement with officials and ministers, and contributed to the following;

- *Advice on funding levels necessary for the university sector to remain viable and effective.*
- *Advice around the scope for the Review of the Performance Based Research Fund*
- *Suggestions regarding the focus and scope of the Government's strategy for tertiary education.*
- *Information on the gender balance of management and other senior academic positions within the university sector.*
- *Advice on the future shape and operation of REANZ (the Crown-owned high-speed research network), and the composition of its Board.*
- *Advice on the design and implementation of the Government's proposed New Zealand Research Information System (NZRIS).*
- *Advice on the removal of Performance Linked Funding.*
- *Advice and analysis on ways of improving university participation and achievement rates for Māori and Pasifika.*

Responding appropriately to other smaller scale Government initiatives including;

- *The Tertiary Education Commission Data 2020 project.*
- *Responding to issues around contract-cheating.*
- *Responding to issues around student mental health and wellbeing.*
- *Working with Education New Zealand on implementing the Government's International Education Strategy.*

(c) The Public and Non-Government Stakeholders

Objective

To ensure there is understanding and support for the university sector across New Zealand society.

Achievements

- *The Universities New Zealand website was upgraded to provide a significant amount of additional information on the role and contribution of universities in New Zealand.*
- *During the year, the Chief Executive of Universities NZ presented 11 times to conferences, workshops and community groups, held 13 conferences or workshops, and held 21 meetings with stakeholder groups such as Business NZ, the New Zealand Union of Students' Associations, and Science New Zealand. He also made a large number of media statements, both proactive and reactive.*

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

(d) **Research**

Objectives

To promote the funding of university research in New Zealand.

To facilitate the development of relationships with the Ministry of Business, Innovation and Employment, other research funding bodies such as the Health Research Council and the Royal Society of New Zealand, and the Tertiary Education Commission.

To co-ordinate consideration of research issues amongst the universities.

To foster the universities' relationship with the Crown Research Institutes (CRIs) and Science New Zealand.

To support the care of animals in research.

Achievements

- *Worked with the Royal Society on the drafting of a New Zealand Research Charter.*
- *Co-sponsored the Speaker's Science Forum series at Parliament; worked with the Royal Society on selecting suitable topics and speakers, and preparing the speakers for potential questions from Members of Parliament.*
- *Worked with Standards New Zealand in identifying experts suitable to assist with the development of standards in multiple areas.*
- *Worked with MBIE on the development of a business case for the New Zealand Research Information System (NZRIS).*
- *Commenced preliminary exploration of a pilot project for the development of the Sustainable Development Goals' Research Exchange.*

(e) **Te Kāhui Amokura**

Objectives

To provide advice to the Vice-Chancellors, the universities and government on strategies, policies and structures relating to Māori and the universities, in areas of priority to Māori and Māori scholarship.

To instigate initiatives specifically in areas of priority to Māori and Māori scholarship.

Achievements

Universities New Zealand – Te Pūkai Tara and Te Kāhui Amokura continue to be represented on the following advisory and working groups:

- *Enhancement Theme Steering Group (Cycle 6 – AQA)*
- *Secondary Qualifications Advisory Group (NZQA)*
- *Māori-Medium Secondary Qualifications Advisory Group (NZQA)*

Te Kāhui Amokura have established formal relationships with the following government agencies who regularly attend committee meetings:

- *Associate Minister Education (Māori) – Kelvin Davis*
- *Tertiary Education Commission*
- *Ministry of Education*
- *NZQA*
- *Royal Society of New Zealand*
- *Ngā Pae o te Māramatanga*

Other achievements included:

- *Formalised relationship with Minister Davis – Associate Education Minister, Māori*
- *Leading government agency workshops regarding Māori achievement – TEC, MoE*
- *Met with Committee on International Policy – developed Indigenous Internationalisation Plan*
- *Successful application with CIP to CAPEs to hold Indigenous Language Revitalisation, Development and Education Summit (Brazil, October).*
- *Continued engagement with HR Directors – Māori Staff Development*
- *Participating in the Māori Peak Bodies Hui for Education*
- *Successful delivery of the Enhancement Theme Symposium 2018 at Massey University*

(f) **Human Resources**

Objectives

To monitor university human resources issues at the national level with particular regard to the international competitiveness of remuneration, staff recruitment and retention.

To advise the Vice-Chancellors on human resources matters.

Achievements

- *Human Resources Directors (HR Directors) held three face to face meetings in 2018/19.*
- *HR Directors are monitoring impacts related to changes in employment legislation, and developments in health, safety and wellbeing including mental health.*
- *Joint development with Te Kāhui Amokura of an approach to Māori workforce development.*

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

(g) **Copyright Licensing**

Objectives

To negotiate on behalf of universities for licenses with copyright licensing agencies, and to keep new developments in copyright including legislative change under review.

Achievements

- *The Copyright Expert Working Group communicated via email, teleconferences and met once in person in 2018/19. Specific subjects of discussion included: e-reporting and preparations of the annual reporting to Copyright Licensing NZ, changes to licensing agreements, preparatory work for a submission on the Marrakesh Treaty, PMCA licence and coverage of MMO copying.*
- *Face to face meeting at Otago University with presentations by the CEO of Screenrights and CLNZ and a video link to the MBIE team managing the Copyright Act Review, workshops on best practice in managing e-reporting, presentation of data on copying of copyright content in universities and future licensing needs.*
- *Negotiated renewal of Screenrights licence with no increase other than CPI, despite evidence of increased use of the licence.*
- *Achieved extended rights under the CLNZ licence to: copy inter-loan items for classroom distribution, and distribute out of print works, and works in transit electronically.*
- *Preparation and submission of a response to the Issues Paper released by MBIE as part of the review of the Copyright Act, which was endorsed by the Royal Society.*
- *Submission on the Marrakesh Treaty to the Select Committee, which resulted in the Committee recommending the removal of the “commercial availability” test.*

(h) **Communications**

Objectives

To promote increased public support for the New Zealand university system by raising awareness of universities’ multifaceted contribution to individual advancement and New Zealand’s economic, social, cultural and environmental goals.

To raise awareness of university education, research and internationalisation activities, and how these add value to New Zealand’s economic and social development.

Achievements

- *Maintained and updated website*
- *Updated Key Facts & Stats publication for the university sector.*
- *Published updated student directory: Thinking about university? A guide for students, parent and whanau.*
- *Developed 16 media releases and news stories, coordinated comments and quotes, facilitated interviews with the Chief Executive and Chair.*
- *Developed opinion pieces on key sector issues.*
- *Published regular newsletter on sector issues.*
- *Supported planning for and organisation of University Communications Managers’ Annual event.*
- *Held half-yearly event for University Communication Managers.*
- *Other support work for Vice-Chancellors and Universities New Zealand.*

(i) **International**

Objectives

To facilitate internationalisation in the NZ universities.

To co-ordinate the consideration of international policy and strategy amongst the universities.

To develop and maintain relationships with foreign higher education providers, governments and peak bodies.

To foster the universities’ relationship with Education NZ, the Ministry of Education, Immigration and other relevant government agencies.

To provide advice to the Vice-Chancellors and government on matters relevant to internationalisation in the New Zealand universities.

Achievements

- *The International Policy Committee held 3 meetings during the year, and refreshed their international strategic priorities.*
- *International Collaboration in higher education was promoted through:*
 - *Two academic forums in Brazil, to facilitate research collaboration and promote New Zealand as a study destination*
 - *Two Academic forums in India, to facilitate research collaboration and promote New Zealand as a study destination*
- *Strengthened relationships with government agencies and advocated for favourable policy settings:*
 - *Universities NZ now participate on a cross-agency working group led by MFAT, focused on Latin America*
 - *Universities NZ sit on the peak-body working group which has representatives from INZ, ENZ and MoE*
 - *Secured funding support for strategy implementation and bespoke projects from ENZ*
 - *Advocated for the reduction of barriers for the code of pastoral care*
- *Completed pan-university initiatives:*
 - *Continued Implementation of the India market development strategy*
 - *Implemented the first phase of the Latin America Strategy; and associated Agent Strategy*

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

- Secured funding from the Latin America CAPE for an outbound mobility project in entrepreneurship at the University of Sao Paulo, and to deliver an indigenous language revitalisation, education and development conference in Brasilia

(j) Information and Communications Technology

Objective

To provide leadership in the use of information and communications technology in the universities, and to advance the efficient and effective use of this technology in the support of teaching, learning, research and administration by the staff and students of NZ universities.

Achievements

- The Information Communication Technology Committee held four face to face meetings in 2018/19
- Finalisation of REANNZ renegotiated contract terms and development of the renewed REANNZ contracts.
- Negotiation of Microsoft licensing for the sector.
- Participation in Tertiary Education Commission (TEC) Data 2020 and Single Data Return (SDR), and MBIE New Zealand Research Information System (NZRIS) projects as appropriate.

(k) Libraries

Objective

To improve access for students and staff of NZ universities to the information resources required to advance teaching, learning and research.

Achievements

- The Council of NZ University Librarians (CONZUL) held two face to face meetings in 2018/19
- Six of eight libraries completed an internationally benchmarked ITHAKA survey into library services within a university research community
- Contribution to the university sector submission on the Copyright Act review

(l) Facilities Management

Objective

To provide leadership in the management of resources for the maintenance, compliance and sustainability of the New Zealand universities' property and related infrastructure assets.

Achievements

- Facilities managers' met twice in 2018/19
- Development of a common sector-wide understanding of Asbestos regulations and identification of ambiguous areas, preparation of a Review of Regulations request.
- Development of relationships with key government agencies.
- Beginning analysis and development of shared good practice for construction procurement.
- Input to Ministry of Business, Innovation, and Employment (MBIE) construction rules and guidelines review; MBIE Skills Action Plan.

(m) Planning

Objective

To provide advice on issues concerning the universities' planning, funding and reporting functions, especially those related to the proposals and requirements of the Tertiary Education Commission and the Ministry of Education.

Achievements

- Planning Directors worked with UNZ to provide advice to the Ministry of Education on options for new funding initiatives.
- Worked with the Office of The Auditor General to implement the new requirement for reporting Educational Performance Indicators.
- Submission made in Nov 2018 to the TEC on The Tertiary Education (Conditions Setting Limits on Fees for New Courses) Notice 2018.
- Commenced a collaborative project with MBIE's Innovation Partnerships team to produce two products to enable MBIE's team to attract international companies to conduct R&D at NZ universities.
- Worked with the Tertiary Education Commission to resolve persisting issues surrounding the implementation of the government's fees-free policy.
- Worked with the TEC on their Data2020 project.
- Advice provided to MOE on their consultation process with universities regarding the pending NCEA changes.

(n) Student Administration and Academic Services

Objectives

To provide advice and make recommendations to the Vice-Chancellors on matters relating to the provision of student administration and academic services, and to be the principal contact on behalf of the universities with appropriate government agencies.

Achievements

- CSAAS continued to liaise closely with StudyLink and NZQA.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

- CSAAS led discussion on My eQuals with CSAAS representatives on the Australasian governance and steering committees. Universities NZ presented on My eQuals to NZQA's Qualification Recognition Services.

(o) **Administrative Support**

Objective

To provide administrative support to inter-university initiatives.

Achievements


Administrative support was provided to all formal Universities NZ committees during the year and to the NZ Universities Women in Leadership Programme, the NZ Universities Women in Leadership POD Fund, the Council of Deans of Education and to the Tertiary ICT Conference.

The 'Total budget for policy advice and coordinating services' figure reflects the Universities NZ budget as it was set at the start of the financial year. The budget figure is not revised as the year proceeds, however the eight universities do occasionally commit to additional one-off projects after the budget is set and provide additional funding for them. In this year, an additional \$262,239 was provided for one-off projects. This additional amount can be added to the budget figure to more accurately understand the difference between Universities NZ's costs and budget.

Total budget for policy advice and co-ordinating services:	\$2,002,744
Total cost of policy advice and co-ordinating services:	\$2,235,017
Total budget for all outputs:	\$2,508,050
Total cost for all outputs:	\$2,774,429



Mr Derek McCormack
Chair
NZ Vice-Chancellors' Committee



Professor Stuart McCutcheon
Deputy Chair
NZ Vice-Chancellors' Committee

ACADEMIC QUALITY AGENCY FOR NEW ZEALAND UNIVERSITIES

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Objective 1: Quality Assurance

Quality assurance activities are timely and produce reports which are authoritative, fair and perceptive, are of assistance to universities, and support confidence in the academic quality of New Zealand universities.

Description: AQA undertakes regular academic audits of all New Zealand universities using a framework developed by AQA in consultation with the sector and other stakeholders. Academic audits are conducted to a schedule approved by the Board and with the agreement of the universities. From time to time, AQA may be contracted to undertake other forms of audit or review including academic audits of international universities. The quality and timeliness of the work of AQA are overseen by a Board, comprised of a Vice-Chancellor and academic, student and lay members who are appointed by the NZVCC but operate independently of them and of the universities.

The emphasis in 2018/19 for this objective is on receiving mid-cycle reports from universities and developing resources and guides for the audit component of Cycle 6.

Measure	2018/19 Delivered	2018/19 Planned	2017/18 Delivered	2017/18 Planned
1.1 Receive mid-cycle reports as per indicative timeline	4 (Auckland, Victoria, Canterbury, Waikato)	4 (Auckland, Victoria, Canterbury, Waikato)	1	1 (Massey)
1.2 Receive one-year follow-up report for the review of the Committee on Academic Programmes	1 (July)	1 (July)	New measures In 2018/19	
1.3 Publish C6 'reference guide'	1 1 st edition published May 2019	1		
1.4 Working paper on evidence released	1 Released on AQA website March 2019	1		
1.5 Deliver Workshop series on self-review and evidence	0 Defer to 2019/20	1		
1.6 Auditor supplementary guide developed	1 1 st edition published June 2019	1		
1.7 Student Voice Summit held	1 (4 Oct. 2018)	1		

Objective 2: Quality Enhancement - Universities

To contribute to the development, dissemination and implementation of new policies and good practices in quality assurance and quality enhancement of New Zealand universities.

Description: AQA's mission includes assisting universities to facilitate excellent student experience and learning outcomes. AQA undertakes this quality enhancement role in a variety of ways, including by identifying and disseminating national and international good practice in regard to academic quality assurance and quality enhancement, and by facilitating dialogue on quality enhancement initiatives.

In 2017/18 New Zealand universities commenced an 'enhancement theme' as part of Cycle 6 academic audit. This will continue in 2018/19 and will guide much of AQA's activity over this period. The enhancement theme related measures in this section are drawn from the Cycle 6 Operationalisation Plan.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

Measure	2018/19 Delivered	2018/19 Planned	2017/18 Delivered	2017/18 Planned
2.1 Meetings of enhancement steering group held	4 (19 July 2018, 19 Sep. 2018; 15 Nov. 2018; 14 Mar. 2019).	3	3 (14 Sept., 16 Nov; 14 Mar.)	4
2.2 Enhancement theme evaluation undertaken	1	1	0 Defer to 2018-19	1
2.3 Enhancement theme symposium held (subject to support from ETSG)	1 (31 Oct. 2018)	1	1 (Was Support for Quality 28 Sept. 2017)	1
2.4 Dissemination of enhancement theme activities and progress (conference presentations, media reports) (ET –Framework)	4 (STARS conference panel 10 July 2018; UNZ News 29 Nov. 2018; UNZ Parity comment 29 Jan. 2019; Symposium Report Feb. 2019)	3		
2.5 Publication of AQA newsletter	4 (Sept. 2018, Dec. 2018, Mar. 2019, June 2019 published)	4	4	4
2.6 Workshops and/or meetings held with New Zealand universities on matters pertaining to university quality	3 (Quality Forum held 3 Oct. 2018; QM workshop 28 Feb. 2019; self-review pilot 27 June 2019)	1 (QM meeting,)	4 (Workshop with Quality Managers on 21 August, 6 Dec, 15 Feb; Student Voice and Quality in Universities Summit 27 September)	2

Objective 3: Quality Enhancement - AQA

To improve the quality of AQA activities, including audit practice, by interaction with other education and academic quality assurance agencies, both nationally and internationally, and by seeking feedback and reflecting on its own practices.

Description: AQA's work is benchmarked internationally: the agency is independently audited every five years (last audited in June 2015) and has been assessed as meeting the Guidelines of Good Practice in Quality Assurance of the International Network for Quality Assurance Agencies in Higher Education (confirmed 2013, valid until 2017). Interaction and engagement with national and international peer agencies is an important component of AQA's continued commitment to its own development and to the professional development of its staff and activities.

Measure	2018/19 Delivered	2018/19 Planned	2017/18 Delivered	2017/18 Planned
3.1 Membership of related national boards, committees and working groups	2 (JCG; NZQA Qualifications Framework review)	2	3 (JCG; NZQA assessment practice conference; NZQA Qualifications Framework review)	2
3.2 Membership of related international boards and working groups	0	1	1 (Pacific benchmarking initiative reference group)	1
3.3 Biennial QE/communications survey of stakeholders	1 (Reported in June 2019 newsletter)	1	Biennial	Biennial

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

<i>Measure</i>	<i>2018/19 Delivered</i>	<i>2018/19 Planned</i>	<i>2017/18 Delivered</i>	<i>2017/18 Planned</i>
3.4 Reconfirm assessment of meeting Good Practice Guidelines	Assessment confirmed	Assessment confirmed	New measure In 2018/19	

Objective 4: Quality Support

To ensure effective processes and adequate resourcing to achieve the above objectives at a high level of satisfaction for universities and other stakeholders.

Description: AQA's annual operating grant is funded by the universities collectively. The Board of AQA prepares and recommends a budget to the NZVCC prior to the commencement of each financial year. In doing so, the Board seeks to ensure that the annual grant provides for an adequate level of resources to enable the organisation to achieve its stated objectives for that year, and that the organisation's net asset levels and cash flow are sufficient to sustain its continued operation.

<i>Measure</i>	<i>2018/19 Delivered</i>	<i>2018/19 Planned</i>	<i>2017/18 Delivered</i>	<i>2017/18 Planned</i>
4.1 Review of annual service lease agreement with Universities New Zealand	Review completed and lease re-signed (26 June 2019)	Review completed and lease re-signed	Review completed and lease re-signed	Review completed and lease re-signed
4.2 Review of budget and staffing requirements alongside ongoing monitoring of AQA Strategic Plan	Review undertaken	Review undertaken	Review undertaken	Review undertaken
4.3 Approval of requested annual grant by Vice-Chancellors	Annual grant approved as sought	Annual grant approved as sought	Annual grant approved as sought	Annual grant approved as sought

Total budget for Academic Quality Agency for NZ Universities

\$414,983

Total cost for Academic Quality Agency for NZ Universities

\$383,156

For and on behalf of the board



Emeritus Professor Pat Walsh
Chair of the Board
Academic Quality Agency for New Zealand Universities

Date: 9 September 2019



Emeritus Professor Sheelagh Matear
Executive Director
Academic Quality Agency for New Zealand Universities

Date: 9 September 2019

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2019**

Note	Group Actual 2019	Group Budget 2019	Group Actual 2018	NZVCC Actual 2019	NZVCC Budget 2019	NZVCC Actual 2018
Revenue						
	2,672,700	2,672,700	2,584,000	2,272,700	2,272,700	2,184,000
	140,264	0	90,773	140,264	0	90,773
	65,000	65,000	135,000	65,000	65,000	135,000
	0	0	1,540	0	0	0
	53,856	51,500	59,330	53,856	51,500	59,330
	22,266	26,000	27,805	16,731	24,000	22,761
	0	0	0	61,813	65,550	51,752
	129,237	5,000	161,681	121,975	0	153,210
	3,083,323	2,820,200	3,060,129	2,732,339	2,478,750	2,696,826
	3,093,586	2,858,893	3,006,747	2,774,429	2,508,050	2,685,495
	(\$10,263)	(\$38,693)	\$53,382	(\$42,090)	(\$29,300)	\$11,331
	0	0	0	0	0	0
	(\$10,263)	(\$38,693)	\$53,382	(\$42,090)	(\$29,300)	\$11,331

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Group Actual 2019 \$	Group Budget 2019 \$	Group Actual 2018 \$	NZVCC Actual 2019 \$	NZVCC Budget 2019 \$	NZVCC Actual 2018 \$
Equity at start of the year	839,626	839,626	786,244	568,864	568,864	557,533
Total Comprehensive Revenue and Expense for the year	(10,263)	(38,693)	53,382	(42,090)	(29,300)	11,331
Equity at end of the year	\$829,363	\$800,933	\$839,626	\$526,774	\$539,564	\$568,864

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	Group Actual 2019 \$	Group Budget 2019 \$	Group Actual 2018 \$	NZVCC Actual 2019 \$	NZVCC Budget 2019 \$	NZVCC Actual 2018 \$
Assets							
Current Assets							
Cash and cash equivalents	7	904,601	640,746	800,580	815,134	514,461	679,623
Bank Investments	8	3,394,609	3,023,281	3,023,255	3,161,532	2,860,751	2,860,751
Receivables (from exchange transactions)	9	76,931	83,000	62,236	75,379	75,000	54,698
Recoverables (from non-exchange transactions)	10	3,000	2,500	0	3,000	2,500	0
		4,379,141	3,749,527	3,886,071	4,055,045	3,452,712	3,595,072
Non-Current Assets							
Property, Plant & Equipment	11	71,071	70,848	39,848	71,071	70,848	39,848
Intangible Assets	12	63,104	57,939	60,543	60,204	55,043	54,743
JM Wealth Investment Portfolio	8	1,292,015	1,615,910	1,615,910	1,292,015	1,615,910	1,615,910
		1,426,190	1,744,697	1,716,301	1,423,290	1,741,801	1,710,501
Total Assets		5,805,331	5,494,224	5,602,372	5,478,335	5,194,513	5,305,573
Liabilities							
Current Liabilities							
Payables (from exchange transactions)	13	182,808	180,000	216,950	158,425	150,000	190,751
Non-exchange liabilities							
Scholarship Commitments	14	0	5,000	0	0	5,000	0
Employee benefit liability	15	141,328	169,831	157,872	135,774	164,831	154,831
Income in Advance	17	161,367	0	130,706	161,367	0	130,706
GST Payment/(Refund)		2,784	41,863	(36,379)	8,314	38,521	(33,176)
CONZUL	18	36,311	48,223	48,223	36,311	48,223	48,223
NZ Council of Deans of Education	18	183,553	182,109	182,109	183,553	182,109	182,109
NZ Universities Women in Leadership	18	170,856	171,817	171,817	170,856	171,817	171,817
NZUWiL - POD Fund	18	3,811	716	716	3,811	716	716
Tertiary ICT Fund	18	118,767	118,767	118,767	118,767	118,767	118,767
		1,001,585	918,326	990,781	977,178	879,984	964,744
Non-Current Liabilities							
Employee benefit liability	15	8,105	18,578	15,578	8,105	18,578	15,578
Non-exchange liabilities							
Scholarship Commitments	16	3,966,278	3,756,387	3,756,387	3,966,278	3,756,387	3,756,387
		3,974,383	3,774,965	3,771,965	3,974,383	3,774,965	3,771,965
Total Liabilities		4,975,968	4,693,291	4,762,746	4,951,561	4,654,949	4,736,709

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION cont.
AS AT 30 JUNE 2019**

	Note	Group Actual 2019 \$	Group Budget 2019 \$	Group Actual 2018 \$	NZVCC Actual 2019 \$	NZVCC Budget 2019 \$	NZVCC Actual 2018 \$
Net Assets/Equity							
Accumulated revenue and expense		829,363	800,933	839,626	526,774	539,564	568,864
Net assets/equity attributable to the owners of the controlling entity		829,363	800,933	839,626	526,774	539,564	568,864
Total Net Assets/Equity		\$829,363	\$800,933	\$839,626	\$526,774	\$539,564	\$568,864
Total net Assets/Equity and Liabilities		\$829,363	\$800,933	\$839,626	\$526,774	\$539,564	\$568,864

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2019

Note	Group Actual 2019 \$	Group Budget 2019 \$	Group Actual 2018 \$	NZVCC Actual 2019 \$	NZVCC Budget 2019 \$	NZVCC Actual 2018 \$
Cash Flows From Operating Activities						
Interest Received	21,005	25,974	27,761	15,950	24,000	22,761
Annual Grants from Universities	2,672,700	2,672,700	2,584,000	2,272,700	2,272,700	2,184,000
Administration Fees	63,045	60,689	53,386	63,045	60,689	53,386
Audit Fees	2,164	0	2,604	0	0	0
Accumulation of Scholarship Funds	206,891	2,500	141,853	206,891	2,500	141,853
Goods and Services Tax	33,403	67,716	(28,722)	35,380	61,985	(26,262)
Other Receipts	334,895	(104,115)	556,799	390,444	(39,732)	599,459
Payments to Suppliers	(1,121,319)	(975,320)	(1,163,568)	(1,030,959)	(868,854)	(1,070,486)
Payments to Employees	(1,955,847)	(1,824,978)	(1,727,343)	(1,735,117)	(1,593,450)	(1,507,576)
Net Cash Flows from Operating Activities	256,937	(74,834)	446,770	218,334	(80,162)	397,135
Cash Flows From Investing Activities						
Decrease/(Increase) in Term Deposits & Portfolio	(46,198)	0	(94,758)	23,895	0	(89,904)
Purchase of intangible assets	(45,220)	(35,000)	(38,207)	(45,220)	(35,000)	(38,207)
Purchase of Property, Plant & Equipment	(61,498)	(50,000)	(18,594)	(61,498)	(50,000)	(18,594)
Net Cash Flows From Investing Activities	(152,916)	(85,000)	(151,559)	(82,823)	(85,000)	(146,705)
Net Increase (Decrease) In cash and cash equivalents	104,021	(159,834)	295,211	135,511	(165,162)	250,430
Opening Cash at Beginning of Year	800,580	800,580	505,369	679,623	679,623	429,193
Closing Cash at 30 June 2019	\$904,601	\$640,746	\$800,580	\$815,134	\$514,461	\$679,623
Represented by:						
Petty Cash	740		613	539		412
Bank of New Zealand Current accounts	903,861		799,967	814,595		679,211
7	\$904,601		\$800,580	\$815,134		\$679,623

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting Entity

The reporting entity is NZVCC (the "Parent") a public benefit entity and was established under the Education Act 1989. NZVCC is required to prepare financial statements in accordance with Section 153-156 of the Crown Entities Act 2004.

The consolidated financial statement for the year ended 30 June 2019 comprise of NZVCC and AQA together referred to as the 'Group'.

2 Basis of Preparation

(a) Statement of Compliance

The financial statements of NZVCC and the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable Financial Reporting Standards as appropriate for Tier 2 Public Sector Public Benefit Entity (PBE) Standards, for which all reduced disclosure regime exemptions have been adopted.

The NZVCC and the Group has elected to report in accordance with Tier 2 Public Sector PBE Standards as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

These financial statements were authorised for issue by Mr Derek McCormack, Chair of NZVCC on 7 October 2019.

(b) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except as indicated below:

- Financial instruments
- Long-term employee benefits

(c) Functional and presentation currency

These financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

There has been no change in the functional currency of the Group or any significant foreign operations of the Group during the year.

3 Use of Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the NZVCC and Group financial statements include the following:

- Revenue recognition non-exchange revenue
- Intangible assets having indefinite useful lives

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2019 include the following:

- Key assumptions underlying determining the recoverable amounts for impairment testing
- Useful life, recoverable amount, depreciation method and rate
- Likelihood and magnitude of outflows in determining recognition and measurement of provisions.

(c) Changes in accounting estimates

There have been no changes in accounting estimates during the period.

4 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group, except as explained in note 5 which addresses changes in accounting policies.

(a) Basis of consolidation

The Group financial statements consolidate the financial statements of the NZVCC and all entities over which the NZVCC has the power to govern the financial and operating policies so as to obtain benefits from their activities (defined as “subsidiaries”). The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All subsidiaries have a 30 June reporting date and consistent accounting policies are applied.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, revenue and expenses on a line-by-line basis. All transactions and balances between the Group are eliminated on consolidation, including unrealised gains and losses on transactions between NZVCC and AQA. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Groups perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

In the NZVCC financial statements investments in subsidiaries are stated at cost less any impairment losses.

Loss of control of a controlled entity

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(b) Foreign currency

Transactions in foreign currencies are recorded at the New Zealand rate of exchange ruling at the date of transaction. At balance date foreign monetary assets and liabilities are translated at appropriate closing exchange rates, and gains or losses due to currency fluctuations on these items are included in the Financial Statements.

(c) Revenue

Revenue from exchange transactions

Revenue from exchange transactions are those where the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity.

Revenue from exchange transactions are recognised when the amount of revenue is earned and is reported in the financial period to which it relates.

Grant Revenue

Grant revenue is received from the eight universities on a six monthly basis, and applied on a straight-line basis over the financial year in which it relates.

Rendering of services

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources but provides no (or nominal) direct consideration in return.

Scholarships Revenue

Scholarship emolument commitments are recognised as available when the Committee has received funding for the obligation. Scholarship emolument commitments are recognised when invoices are paid from the universities or scholarship entitlement is confirmed by the Scholarships Manager. Universities receive payments from NZVCC to reimburse them for scholarship emoluments paid to scholars, who receive a scholarship, which the university has paid to the scholar.

NZVCC Scholarship Funds Management Guidelines were introduced in October 2011 to manage scholarship cash flow requirements during the selection process. Both the funding received and the scholarships paid are excluded from the Statement of Comprehensive Revenue and Expenditure.

(d) Employee Benefits

Short-term employee benefits

Short-term employee benefit liabilities, wages and salaries, including non-monetary benefits and annual leave are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date, and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

Retirement Leave

NZVCC's obligation in respect of Retirement Leave is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated on an actuarial basis based on the probability of each entitled staff member remaining in service until retirement, length of service and current age and salary.

Long Service Leave

NZVCC's obligation in respect of long service leave is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated on an actuarial basis based on the probability of each staff member attaining a specific

number of years of service. Current entitlements to long service leave are recognised at the amounts expected to be paid when liabilities are settled on an undiscounted basis.

Long-term employee benefits

Long-term employee benefit obligations are recognised when the Group have a legal or constructive obligation to reimburse employees for services provided beyond 12 months of reporting date.

Defined Contribution Plans

Obligations for contributions to defined contribution pension plans (including KiwiSaver) are recognised as an expense in surplus or deficit when they are due.

Termination Benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(e) Finance income

Interest revenue is recognised using the effective interest method as it accrues.

(f) Financial instruments

All assets and liabilities of NZVCC and the Group, with the exception of GST, Income in advance, Prepayments, Property, Plant & Equipment and intangible assets are financial instruments and are recognised in the Statement of Financial Position. No other financial instruments exist other than those recognised in the Statement of Financial Position. Revenues and expenses in relation to these financial instruments are recognised in the Statement of Comprehensive Revenue and Expenditure.

Financial instruments are measured in accordance with the accounting policies disclosed in relation to each type of asset and liability. Unless stated, the carrying amounts reflected in the financial statements equate to the estimated fair value of the Committee's assets and liabilities at 30 June 2019 for each financial instrument.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets comprise of the JMIS Investment Portfolio.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses recognised in other comprehensive revenue and expense. These gains and losses, along with revenue, are then allocated to the 4 related scholarships in proportion with their investment in the fund.

Creditors and other payables

Creditors and other payables are initially measured at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method

Trade and Other Receivables

Trade and Other Receivables are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, trade and other receivables are measured at amortised cost using the effective interest method less any impairment losses.

Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks and is measured at its face value.

Deposits with a bank that have maturities of 90 days or more at acquisition are deemed to be investments.

Investments

Investments in shares classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly in other comprehensive revenue. When an investment is derecognised, the cumulative gain or loss previously recognised in other comprehensive revenue is transferred to surplus or deficit.

Investments held and administered on behalf of Scholarship Funds are measured and carried at market value and changes therein together with revenue from interest and dividends are recognized directly in the Scholarship Commitments liability.

Premium (discount) on Investment

Premium or discount on investment is amortised on a straight line basis over the remaining periods before the maturity date. This policy is not significantly different to applying the yield to maturity basis of revenue recognition.

(g) Impairment of non-derivative financial assets

NZVCC assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. All impairment losses are recognised in surplus or deficit and reflected in an allowance account against receivables. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in surplus or deficit.

(h) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are initially recognised at cost. Property, plant and equipment are recorded at cost less accumulated depreciation. Subsequent costs are added to the carrying amount of an item of property, plant and equipment when the cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in surplus or deficit as an expense when incurred.

Depreciation

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Computers and Printers	33.3%SL
Office equipment, furniture and fittings	20%SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Intangible assets

Recognition and measurement

IT Software Development has a finite useful life. It is recorded at cost less accumulated amortisation and accumulated impairment losses. Software is capitalised and amortised at 50% per annum on the diminishing value. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the entity, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion or relevant overheads.

(j) Impairment of non-financial assets

Property, plant, equipment and Intangible Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may 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 impaired and the carrying amount is written down to the recoverable amount. The total impairment deficit is recognised in the surplus and deficit. The reversal of an impairment deficit is also recognised in the Statement of Comprehensive Revenue and Expense.

(k) Leases

Leases where the NZVCC and the Group assume substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Upon initial recognition finance leased assets are measured at an amount equal to the lower of its fair value and the present value of minimum leased payments and a matching liability is recognized for minimum lease payment obligations excluding the effective interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

(l) Cost Accounting

The Committee reviewed and adopted the following Cost Allocation policy on 1 July 2014. The income and expenditure has been allocated across the cost centres utilising the following three rules:

- (i) All directly attributable income or expenditure is to be allocated to the cost centre responsible.
- (ii) All income or expenditure that is able to be easily tracked is to be allocated to the cost centre responsible.
- (iii) Shared services or un-tracked income and expenditure are to be allocated using the standard allocation percentages calculated as follows:
 - a) The costs of support staff that work across all cost centres are split based on the % of all Full time equivalent staff (FTES) working in each cost centre as at 1 July each financial year.
 - b) The standard cost allocation percentage will be the above distribution of FTES working in each cost centre for support staff plus the FTES working in each cost centre as at 1 July each financial year.

(m) Budget

The budget figures for NZVCC and AQA are those approved by the NZVCC Committee at their June 2018 meeting.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Committee for the preparation of the financial statements.

(n) Goods and Services Tax

The financial statements are exclusive of GST except for Trade Payables and Trade Receivables which are GST inclusive.

(o) **Taxation**

The NZVCC and the Group is a statutory body and is registered with the Charities Commission under the Charities Act 2005 and consequently is exempt from income tax.

(p) **Statement of Cash Flows**

The statement of cash flows has been prepared using the direct approach method.

Cash includes cash on hand and deposits held at call with banks.

Operating activities includes cash received from all revenue sources of the NZVCC and the Group including annual grants, interest, accumulation of scholarship funds and administration fees.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the NZVCC and the Group.

5 Changes in accounting policy

The accounting policies applied in these financial statements are the same as those applied to NZVCC and the Group's financial statements as at the year ended 30 June 2018.

6 Expenses

	Note	Group Actual 2019 \$	Group Budget 2019 \$	Group Actual 2018 \$	NZVCC Actual 2019 \$	NZVCC Budget 2019 \$	NZVCC Actual 2018 \$
ACC Levy		2,665	4,650	2,534	2,665	4,000	2,469
ANZCCART-Contribution		40,000	40,000	40,000	40,000	40,000	40,000
Audit Fee	22	26,230	25,955	25,345	16,340	16,200	15,840
Accountancy		10,625	16,980	12,075	3,800	4,500	3,800
Advertising		9,623	11,000	5,217	5,155	8,000	5,217
Amortisation Intangible Assets		42,659	37,604	29,604	39,759	34,700	23,804
AQA Chairman & Board Honoraria		23,305	34,482	23,409	0	0	0
Bank Fees		1,578	1,850	1,648	1,463	1,500	1,429
Computer Maintenance and Training Conference and Committee Expenses		81,118	86,486	84,847	79,305	86,450	83,000
Consultancy Fees		65,575	50,050	49,603	53,772	41,250	48,248
Depreciation Computer Equipment		279,037	121,600	345,166	264,666	113,200	341,343
Depreciation Office Equipment, Furniture & Fittings		20,380	18,000	23,095	20,380	18,000	23,095
GLSNZ		9,895	1,000	903	9,895	1,000	903
Insurance		65,000	65,000	135,000	65,000	65,000	135,000
Interest		8,024	11,300	9,142	3,079	5,000	2,958
IRD Penalties		1	0	0	0		0
Legal Advisory Costs		64	0	0	0		0
Legal Costs		3,018	48,000	0	3,018	48,000	0
Occupancy Costs		6,000	2,000	1,323	6,000	2,000	0
Office Expenses and Administration		21,256	19,000	19,427	21,256	19,000	19,427
Occupancy Rent		93,633	98,892	90,365	80,975	74,300	76,814
Photocopier Lease		162,623	162,198	168,822	162,623	162,100	168,822
Publications and Reports		11,400	11,400	11,400	11,400	11,400	11,400
Salaries		31,321	24,000	27,335	31,321	24,000	27,335
Superannuation Contributions (including KiwiSaver)		1,821,248	1,724,042	1,653,636	1,627,189	1,528,150	1,444,344
Staff Training		86,477	83,060	71,584	78,733	74,300	63,413
Telephone, Tolls and Faxes		13,748	15,000	9,744	13,118	14,000	9,744
Travel and Accommodation		16,580	10,504	8,946	16,189	10,000	8,555
		140,503	134,840	156,577	117,328	102,000	128,535
		\$3,093,586	\$2,858,893	\$3,006,747	\$2,774,429	\$2,508,050	\$2,685,495

The Universities NZ budget was set at the start of the financial year. The budget figure is not revised as the year proceeds, however the eight universities do occasionally commit to additional one-off projects after the budget is set and provide additional funding for them. In this year, an additional \$262,239 was provided for one-off projects. This additional amount can be added to the budget figure to more accurately understand the difference between Universities NZ's costs and budget.

7 Cash & Cash Equivalents

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Bank of New Zealand				
Current Account (0.10%)	87,851	77,734	71,147	56,495
Autocall Account (0.10%)	816,010	722,233	743,448	622,716
	903,861	799,967	814,595	679,211
Petty Cash	740	613	539	412
	\$904,601	\$800,580	\$815,134	\$679,623

8 Investments

The JMIS investment portfolio and deposits placed in banks have been classified as investment held and administered on behalf of Scholarship Funds. Changes in market value and revenue from interest and dividends are recognised directly in Scholarship Commitments liability as disclosed in Note 16.

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Current Investments				
Deposits with trading banks				
ASB Bank (Average Interest Rate 3.37%)	900,000	900,000	900,000	900,000
BNZ Bank (Average Interest Rate the Group 3.43%, NZVCC 3.45%)	2,432,123	2,062,030	2,200,000	1,900,000
Interest Accrued	62,486	61,225	61,532	60,751
	\$3,394,609	\$3,023,255	\$3,161,532	\$2,860,751
Term Investments				
JMIS Portfolio				
Financial assets held for sale:				
Investments in listed companies	862,328	924,417	862,328	924,417
Investments in capital notes	143,591	145,185	143,591	145,185
Investments in bonds	211,096	471,308	211,096	471,308
Investments in New Zealand fixed interest	75,000	75,000	75,000	75,000
	\$1,292,015	\$1,615,910	\$1,292,015	\$1,615,910
Total Investments	\$4,686,624	\$4,639,165	\$4,453,547	\$4,476,661

9 Receivables – exchange transactions

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Scholarships - exchange transactions	0	10,568	0	10,568
Sundry and miscellaneous exchange revenue	37,801	27,208	38,386	23,349
Prepayments	39,130	24,460	36,993	20,781
	\$76,931	\$62,236	\$75,379	\$54,698

10 Receivables – non-exchange transactions

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Scholarships - non-exchange transactions	3,000	0	3,000	0
	\$3,000	\$0	\$3,000	\$0

11 Property, Plant & Equipment

	Group Computer Equipment	Group Office Equipment and Furniture	Group Total	NZVCC Computer Equipment	NZVCC Office Equipment and Furniture	NZVCC Total
	\$	\$	\$	\$	\$	\$
Cost or valuation						
Balance at 1 July 2017	79,990	23,266	103,256	77,858	21,195	99,053
Additions	14,086	4,509	18,595	14,086	4,509	18,595
Disposals	(9,776)	(5,713)	(15,489)	(7,644)	(3,642)	(11,286)
Balance at 30 June 2018	84,300	22,062	106,362	84,300	22,062	106,362
Balance at 1 July 2018	84,300	22,062	106,362	84,300	22,062	106,362
Additions	20,570	40,928	61,498	20,570	40,928	61,498
Disposals	(7,121)	(5,494)	(12,615)	(7,121)	(5,494)	(12,615)
Balance at 30 June 2019	97,749	57,496	155,245	97,749	57,496	155,245
Accumulated depreciation and impairment losses						
Balance 1 July 2017	43,472	10,329	53,801	43,472	10,329	53,801
Depreciation expense	23,095	903	23,998	23,095	903	23,998
Elimination on disposal	(7,644)	(3,641)	(11,285)	(7,644)	(3,641)	(11,285)
Balance at 30 June 2018	58,923	7,591	66,514	58,923	7,591	66,514
Accumulated depreciation and impairment losses						
Balance 1 July 2018	58,923	7,591	66,514	58,923	7,591	66,514
Depreciation expense	20,380	9,895	30,275	20,380	9,895	30,275
Elimination on disposal	(7,121)	(5,494)	(12,615)	(7,121)	(5,494)	(12,615)
Balance at 30 June 2019	72,182	11,992	84,174	72,182	11,992	84,174
Carrying amounts						
At 1 July 2017	36,518	12,937	49,455	34,386	10,866	45,252
At 30 June / 1 July 2018	25,377	14,471	39,848	25,377	14,471	39,848
At 30 June 2019	25,567	45,504	71,071	25,567	45,504	71,071

The additions were to Computer Equipment \$25,570 (2018, \$14,086) and for Office Equipment Furniture in 2018/19 \$40,928 (2018, \$4,509). Costs have reduced by items that had fully depreciated during the financial year on 1 July 2018.

The related depreciation expense for each category has been disclosed separately in note 6.

12 Intangible Assets

	Group IT Software Development	Group Total	NZVCC IT Software Development	NZVCC Total
	\$	\$	\$	\$
Cost or valuation				
Balance at 1 July 2017	151,905	151,905	137,985	137,985
Additions-Developed	38,207	38,207	38,207	38,207
Disposals	0	0	0	0
Balance at 30 June 2018	190,112	190,112	176,192	176,192
Balance at 1 July 2018	190,112	190,112	176,192	176,192
Additions-Developed	45,220	45,220	45,220	45,220
Disposals	0	0	0	0
Balance at 30 June 2019	235,332	235,332	221,412	221,412
Accumulated Amortisation and impairment losses				
Balance 1 July 2017	99,964	99,964	97,644	97,644
Amortisation expense	29,605	29,605	23,805	23,805
Elimination on disposal	0	0	0	0
Balance at 30 June 2018	129,569	129,569	121,449	121,449
Accumulated Amortisation and impairment losses				
Balance 1 July 2018	129,569	129,569	121,449	121,449
Amortisation expense	42,659	42,659	39,759	39,759
Elimination on disposal	0	0	0	0
Balance at 30 June 2019	172,228	172,228	161,208	161,208
Carrying amounts				
At 1 July 2017	51,941	51,941	40,341	40,341
At 30 June / 1 July 2018	60,543	60,543	54,743	54,743
At 30 June 2019	63,104	63,104	60,204	60,204

The additions were to IT Software Development of the Universities NZ CUAP Management System & Online-Help System and Client Management System Upgrade for the Universities NZ website \$45,220 (2018, \$38,207) during this financial year.

The related amortisation expense has been disclosed separately in note 6.

13 Payable – exchange transactions

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Exchange payments from scholarship funds	0	0	0	0
Sundry trade other payables	182,808	216,950	158,425	190,751
	\$182,808	\$216,950	\$158,425	\$190,751

14 Payable – non-exchange transactions

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Non-exchange payments from scholarship funds	0	0	0	0
	\$0	\$0	\$0	\$0

15 Employee benefit Liability

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Long Term Employee entitlements				
Retirement Leave	0	0	0	0
Long Service Leave	8,105	15,578	8,105	15,578
Total Long Term Employee entitlements	8,105	15,578	8,105	15,578
Short Term Employee entitlements				
Salary Accrual	64,063	61,765	55,706	54,455
Employer Superannuation Contribution on Salary Accrual	2,802	2,702	2,504	2,410
Annual Leave	42,418	51,256	45,400	55,642
Employer Superannuation Contribution on Annual Leave	1,362	2,175	1,481	2,350
Long Service Leave	12,912	7,769	12,912	7,769
Retirement Leave	17,771	32,205	17,771	32,205
Total Short Term Employee entitlements	141,328	157,872	135,774	154,831
Total Employee Entitlements	\$149,433	\$173,450	\$143,879	\$170,409

16 Scholarship Commitments

	2019 \$	2018 \$
Balance at beginning of the year	3,756,387	3,614,169
Plus: Interest and Dividend Revenue Funding	141,510	142,862
	<u>1,139,307</u>	<u>1,152,183</u>
	1,280,817	1,295,045
	5,037,204	4,909,214
Less: Scholarships Allocated	<u>1,095,069</u>	<u>1,231,192</u>
	3,942,135	3,678,022
Allocation of fair value change	<u>24,143</u>	<u>78,365</u>
Balance at end of the year	<u>\$3,966,278</u>	<u>\$3,756,387</u>

For the Group and NZVCC Represented by:	2019 \$	Fair Value Change	Funds Received	Funds Allocated	2018 \$
Non-Interest Bearing Scholarships					
Asia 2000	238		0	0	238
Commonwealth Scholarship	23,212		0	0	23,212
Freyberg	115,001		105,000	60,500	70,501
Kitchener	0		500	500	0
Miscellaneous Scholarship Fund	2,971		0	0	2,971
NZ University Scholarship	743		0	0	743
The Hydrological Sciences Fellowship	3,289		0	0	3,289
Unicare Fund	2,672		0	0	2,672
Interest Bearing Scholarships					
Auckland Council Economics	17		2,508	2,500	9
Auckland Medical Aid Trust Scholarship	9,357		33,312	38,335	14,380
Bank of New Zealand Scholarship	63,410		2,182	0	61,228
Bing's Scholarship	7,327		295	2,345	9,377
Bruce Cronin Scholarship	5,255		10,100	7,500	2,655
Buddle Findlay Centennial Scholarship	7,545		260	0	7,285
Children's Health Camps Scholarship	2,690		93	0	2,597
Claude McCarthy Fellowship	132,042		113,292	104,440	123,190
Dick & Mary Earle Scholarship	41,371		50,599	51,788	42,560
Douglas Myers	(28)		6,451	6,466	(13)
Edward & Isobel Kidson Scholarship	1,188,667	7,967	70,027	45,588	1,156,261
E W File Scholarship	15		2,001	2,000	14
Edna Waddell Scholarship	18,428		25,706	25,000	17,722
Electoral Commission Scholarship	102		3	0	99
Georgetti Scholarship	144,299		303,542	252,837	93,594
Gerald Agnew Scholarship	0		0	0	0
Girdlers	28		11,610	11,624	42
Gordon Watson Scholarship	801,691	7,839	48,309	44,811	790,354
Henry Kelsey Scholarship	3,108		20,107	20,000	3,001
J H Aspinall Scholarship	8		0	0	8
Judith Clark Fellowship	4,383		15,834	11,636	185
Kia Ora Foundation	56,835		76,384	52,590	33,041
Kiwi Music Scholarship	606		59,265	59,200	541
Kiwirail Group Ltd	14,011		18,353	19,000	14,658
L B Wood Traveling Scholarship	2,181		3,075	3,000	2,106
Mervyn Sterling Memorial Scholarship	6,571		226	1,000	7,345
NZ Association of Economists	132		4	0	128
NZ France Friendship Fund	0		0	0	0
NZFPA Alice Bush Scholarship	4,089		141	0	3,948
NZLF Ethel Benjamin	26,004		42,819	50,000	33,185
Sullivan Scholarship	36,697		1,323	3,299	38,673
PEANZ	819		28	0	791
Peter Windle Scholarship	23		1	0	22
Pukehou Pouto Scholarship	552,395	3,284	27,624	19,003	540,490
Resource Management Law Assn	5,502		189	0	5,313
Reynolds Scholarship	10,441		18,095	16,000	8,346
Road Safety Research Scholarship	7,116		245	0	6,871
Robertson	(5)		9,277	9,302	20
Seafarers Union Scholarship	3,725		5,085	5,000	3,640
Shirtcliffe Fellowship	536,022	5,053	31,996	28,681	527,654
Spark Scholarship	441		70,214	70,000	227
Te Putea Awhina Akonga Māori A Te Manatu Waka	27,949		962	0	26,987
TEU Crozier Scholarship	2,441		84	0	2,357
Todd Foundation Awards for Excellence	56,889		92,378	66,938	31,449
Tower Undergraduate Scholarship	18,712		644	0	18,068
Transit NZ Post Graduate Scholarships	18,841		648	0	18,193
Woolf Fisher	0		26	4,186	4,160
	\$3,966,278	\$24,143	\$1,280,817	\$1,095,069	\$3,756,387

Interest earned on the investments held as non-interest bearing scholarships has been credited to the NZVCC in lieu of charging administration fees.

Interest totalling \$76,307 (2018, \$71,297) was earned on investments represented by interest-bearing scholarship funds. This interest has been apportioned to each respective Scholarship Fund by applying an average interest rate earned for each month to the closing balance of the Scholarship Fund for that month.

Revenue, expenditure and fair value change on investments in the JMIS Portfolio are allocated to the 4 related scholarships in proportion with their investment in the fund. (Gordon Watson 32.47%, Edward & Isobel Kidson 33%, Pukehou Pouto 13.6% and Shirtcliffe Fellowship 20.93%). Interest & Dividends earned totalled \$65,204 (2018, \$71,565) and \$24,143 (2018, \$78,365) represented the fair value change.

Administration fees are charged to all interest-bearing scholarship funds by the Committee for annual services rendered.

The Committee has assumed the obligation for paying out the above scholarships. The period of payment will depend on the timing of approval of the applications.

All scholarship commitments are non-current liabilities until all restrictions or stipulations of the scholarship award are met. See note 14 for current non-exchange payments from scholarship funds.

17 Income in Advance

The Committee received funding for the Universities NZ Work Programme in the 2018/19 year that is ongoing as at 30 June 2019 and that the Committee has an obligation to continue in the 2019/20 year.

The liability held in income in advance is unspent income as at 30 June 2019 and will have matching expenditure in the 2019/20 year.

18 Specialised Funds

Council of New Zealand University Librarians (CONZUL)

NZVCC administers the CONZUL funds on behalf of CONZUL. Funds are received from the eight universities to fund collaborative projects.

NZ Council of Deans of Education

The NZ Council of Deans of Education received funds as a result of the winding up of the ACENZ and NZVCC has agreed to administer the funds on their behalf.

NZ Universities Women in Leadership Programme (NZUWiL)

NZVCC has undertaken to provide financial administration services on behalf of the NZ Universities Women in Leadership programme.

New Zealand Universities Women in Leadership Discipline Pod Programme (NZUWiL Pod funds)

NZVCC has undertaken to provide financial administration services on behalf of the NZUWiL Discipline Pod programme.

Tertiary ICT Conference Fund

NZVCC has undertaken to provide financial administration services on behalf of the Tertiary ICT Conference Fund.

19 Separate Funds

The Rhodes Scholarship Fund operates a separate bank/investment account, and the Fund balance is not included in the NZVCC's Statement of Financial Position \$441 (2018 \$630)

20 Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Financial Assets				
Loans and receivables				
Cash and cash equivalents	904,601	800,580	815,134	679,623
Bank Term Investments	3,394,609	3,023,255	3,161,532	2,860,751
Receivables - exchange transactions	76,931	62,236	75,379	54,698
Recoverables - non-exchange transactions	3,000	0	3,000	0
Available for Sale				
JMIS Investment Portfolio	1,292,015	1,615,910	1,292,015	1,615,910
Financial Liabilities				
Financial liabilities measured at amortised cost				
Trade and Other payables	182,808	216,950	158,425	190,751

Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.

Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

For NZVCC and the Group

	Total \$	Valuation technique		
		Quoted market Price \$	Observable inputs \$	Significant non- observable inputs \$
30 June 2018				
Financial Assets				
JMIS Investment Portfolio	1,615,910	1,615,910	0	0
30 June 2019				
Financial Assets				
JMIS Investment Portfolio	1,292,015	1,292,015	0	0

There are no transfers between the different levels of the fair value hierarchy.

Credit Risk

Financial instruments which potentially subject NZVCC and the Group to credit risk principally consist of Cash and Cash Equivalents and Trade and Other Receivables.

The maximum exposures to credit risk at balance date were:

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Cash on Hand	740	613	539	412
Bank Balances	903,861	799,967	814,595	679,211
Receivables - exchange transactions	76,931	62,236	75,379	54,698
Recoverables - non-exchange transactions	3,000	0	3,000	0
Investments	1,292,015	1,615,910	1,292,015	1,615,910
Bank Deposits	3,394,609	3,023,255	3,161,532	2,860,751
BNZ Credit Cards	52,500	57,500	44,500	49,500

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above amounts.

Counterparty risk is minimized by spreading investments over registered New Zealand banks.

Concentrations of Credit Risk

The NZVCC and the Group is not exposed to any concentration of credit risk.

Interest Rate Risk

The NZVCC and the Group is primarily a short term investor in on-call funds and term deposits not exceeding one year. The interest rate risk exposure on deposits pertains to fluctuations in market rates of interest.

The NZVCC and the Group seeks to manage movements in investment interest rates by maintaining a balanced portfolio.

Foreign Exchange Risk

Transactions in foreign currencies are recorded at the New Zealand rate of exchange ruling at the date of transaction. At balance date foreign monetary assets and liabilities are translated at appropriate closing exchange rates, and gains or losses due to currency fluctuations on these items are included in the Financial Statements.

21 Operating leases

The NZVCC entered into a non-cancellable lease for Level 9, 142 Lambton Quay from Zircon Properties Ltd with effect from 1 August 2009 the lease has been renewed for a further 6 year term from 1 August 2018. The NZVCC entered into a photocopier lease with Konica Minolta in July 2016. The total lease commitments are as follows:

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Not later than one year	168,922	169,539	168,922	169,539
Later than one year but not later than five years	640,536	651,936	640,536	651,936
Later than five years	13,127	170,648	13,127	170,648
Total lease commitments	\$822,585	\$992,123	\$822,585	\$992,123

The total expense for the year relating to the payment of leases was \$169,539 (2018, \$176,322).

22 Auditors' Remuneration

The auditor of NZVCC and AQA is BDO Wellington on behalf of the Auditor-General.

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
Audit of the Financial Statements	25,255	24,045	15,490	15,040
Office Audit General overhead charge	1,350	1,300	850	800
Total	\$26,605	\$25,345	\$16,340	\$15,840

23 Related Party

The AQA is a related party by virtue of the fact that the NZVCC has the capacity to appoint all members of the Governing body of the AQA.

During the year NZVCC applied for and received \$400,000 (2018, \$400,000) of University Annual Grants on behalf of the AQA. These funds were then paid to the AQA upon receipt of an invoice.

NZVCC provided serviced offices and provided other administrative services to AQA during the year and received \$61,813 (2018, \$51,752) revenue for these services.

The Universities are a related party by virtue of the fact that they provide the majority of the funding for the NZVCC. During the year NZVCC applied for and received from the universities the following in University Annual Grants.

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
The University of Auckland	577,403	556,296	490,988	470,182
Auckland University of Technology	325,915	309,581	277,138	261,658
The University of Waikato	237,402	230,329	201,872	194,674
Massey University	327,994	320,572	278,906	270,948
Victoria University of Wellington	312,104	300,147	265,394	253,685
University of Canterbury	301,144	293,659	256,074	248,201
Lincoln University	146,156	147,570	124,282	124,726
University of Otago	444,582	425,846	378,046	359,926
Total	\$2,672,700	\$2,584,000	\$2,272,700	\$2,184,000

The Universities provided funding for the Graduate Longitudinal Study New Zealand (GLSNZ). The University of Otago is undertaking this study. These funds are paid to the University of Otago upon receipt of an invoice.

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
The University of Auckland	14,042	29,064	14,042	29,064
Auckland University of Technology	7,926	16,174	7,926	16,174
The University of Waikato	5,774	12,033	5,774	12,033
Massey University	7,977	16,748	7,977	16,748
Victoria University of Wellington	7,590	15,681	7,590	15,681
University of Canterbury	7,324	15,342	7,324	15,342
Lincoln University	3,555	7,710	3,555	7,710
University of Otago	10,812	22,248	10,812	22,248
Total	\$65,000	\$135,000	\$65,000	\$135,000

The Universities Cost-splitting income provides funding for specific projects. In 2019 \$170,000 was received from the Universities for the Universities NZ Enhanced Work Programme for the 2019 calendar year.

	Group 2019 \$	Group 2018 \$	NZVCC 2019 \$	NZVCC 2018 \$
The University of Auckland	36,726	34,958	36,726	34,958
Auckland University of Technology	20,730	19,464	20,730	19,464
The University of Waikato	15,100	14,474	15,100	14,474
Massey University	20,863	20,178	20,863	20,178
Victoria University of Wellington	19,852	18,908	19,852	18,908
University of Canterbury	19,155	18,457	19,155	18,457
Lincoln University	9,296	9,267	9,296	9,267
University of Otago	28,278	26,787	28,278	26,787
Total	\$170,000	\$162,493	\$170,000	\$162,493

The University of Auckland provides assistance with Copyright issues and NZVCC pays for these services upon receipt of an invoice 2019, \$37,000 (2018, \$37,000).

Key Management employees received the following forms of compensation during the course of the year.

	Group 2019 \$	FTE's 2019	Group 2018 \$	FTE's 2018	NZVCC 2019 \$	FTE's 2019	NZVCC 2018 \$	FTE's 2018
Key Management Personnel	721,235	4	659,476	4	520,971	3	463,014	3
AQA Board Honoraria	23,305	7 People	23,409	7 People	0	0 People	0	0 People
	744,540		682,885		520,971		463,014	

24 Commitments and contingencies

Commitments

There are no capital commitments at 30 June 2019. (2018 Nil)

Contingent liabilities

There are no contingent liabilities at 30 June 2019. (2018 Nil)

25 Events after reporting date

There were no significant events after the balance date.

