



# **Budget for 2023**

## **Wageningen University**

Wageningen, 7 December 2022, external use.

## Contents

<b>WAGENINGEN UNIVERSITY BUDGET 2023</b> .....	<b>3</b>
1.3 <i>Profit and loss account</i> .....	3
1.4 <i>Balance sheet</i> .....	5
1.5 <i>Cash Flow Statement</i> .....	6
<b>APPENDIX 1: KEY FIGURES FOR WAGENINGEN UNIVERSITY</b> .....	<b>7</b>

# Wageningen University Budget 2023

## 1.3 Profit and loss account

<i>Amounts in € million</i>	realization 2021	forecast 2022	budget 2023
<b>INCOME</b>			
Basic funding	305,5	335,8	357,9
Second tier funding (NWO)	36,4	39,0	43,4
Co-funding and subsidy market	20,2	25,5	28,0
Top sectors	3,8	4,8	7,2
Contract research	43,9	46,0	45,4
Secondary activities	15,9	14,5	15,2
Miscellaneous revenues	4,8	8,0	9,5
<b>TOTAL INCOME</b>	<b>430,5</b>	<b>473,6</b>	<b>506,7</b>
<b>COSTS</b>			
Direct personnel costs	271,3	292,7	319,3
Temporary employees and contracted personnel	17,0	12,9	7,9
Other personnel provisions	9,1	9,6	10,4
Additions to personnel provisions	3,4	1,8	1,5
<b>total personnel costs</b>	<b>300,9</b>	<b>316,9</b>	<b>339,2</b>
Housing costs	28,6	35,3	47,4
Depreciation costs	28,8	31,0	33,7
Other equipment costs	8,0	10,7	12,2
Other general costs	13,6	31,2	34,5
Additions to the provisions	-0,5	0,5	0,5
<b>total general costs</b>	<b>78,4</b>	<b>108,7</b>	<b>128,4</b>
Specific costs	17,1	22,6	23,9
Services provided by third parties	17,4	13,3	14,3
Provided contributions and subsidies	5,3	7,5	7,0
<b>total other costs</b>	<b>39,8</b>	<b>43,4</b>	<b>45,2</b>
<b>TOTAL COSTS</b>	<b>419,0</b>	<b>469,1</b>	<b>512,7</b>
<b>OPERATING RESULT</b>	<b>11,5</b>	<b>4,5</b>	<b>-5,9</b>
Financial income and expenditures	-0,1	-0,1	-0,1
<b>RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX</b>	<b>11,4</b>	<b>4,4</b>	<b>-6,0</b>
Tax for Ordinary Activities	0,0	0,0	0,0
Result from participating interests	0,1	0,1	0,0
<b>RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX</b>	<b>11,5</b>	<b>4,5</b>	<b>-6,0</b>
Third-party share	0,0	0,0	0,0
Exceptional income and expenditures	0,0	0,0	0,0
<b>NET RESULT</b>	<b>11,5</b>	<b>4,5</b>	<b>-6,0</b>

Table 3.3: Profit and loss account, Wageningen University

### Turnover

The budgeted turnover of Wageningen University is expected to be approximately € 507 million in 2023. The turnover is about € 33 million higher than in 2022.

*Basic funding: Direct government funding*

The government contribution will increase by € 11.6 million to a total of € 313.8 million.

There are various reasons for the increase in direct government funding:

- Just as in recent years, this budget will anticipate wage compensation to be received from the Dutch Ministry of Education, Culture and Science in the year ahead (€ 5.3 million). New to this budget is that it now also anticipates price compensation to be received for other expenses (€ 5 million). It is expected to be made available due to the sharp rise in energy costs.
- Direct government funding of € 8.5 million is budgeted for start-up and incentive grants (Regeerakkoord middelen). This is € 5.7 million higher than what was received in 2022.
- An amount of € 15.4 million is included for the new sector plans Earth and Environmental Sciences (AMW), Biology, and Technical Sciences. This is € 11.1 million higher than in 2022.
- NPO (Nationaal Plan Onderwijs) funds for specific investments in education and research will cease from 2023. This also applies to the NPO compensation for the halving of statutory tuition fees in effect during the 2021/2022 academic year. The direct government funding decreases by € 13.2 million in total as a result.
- Changes in variables that impact funding, such as number of enrolments, degrees, and PhDs (including adjustment of the Ministry of Education, Culture and Science (OCW) macro framework from, for example, 'referentieramingen'): € -2,6 million.

Despite a decline in incoming BSc students in 2021 and 2022, the total anticipated student population (BSc and MSc) will remain more or less equal to the level of October 2022 at approximately 12,850 students.

*Basic funding: income from tuition fees*

The income from statutory tuition fees will increase by approximately € 7.5 million in 2023 compared to 2022. The reason for this is that the NPO will cease halving the statutory tuition fees, as indicated above. The 2022 calendar year will be affected by two-thirds of the reduction implemented in the 2021/2022 academic year. The indexation of statutory tuition fees is also somewhat higher than in previous years.

Due to an increase in the institutional tuition fee, the expiry of the NPO discount, and an expected slightly higher number of incoming non-EEA students (to more regular "pre-Corona" levels) tuition fee revenues will increase by € 4.3 million.

*Other turnover*

The funds from research institutions relate to contracts awarded by the Netherlands Organization for Scientific Research (NWO). This is expected to amount to € 43.4 million, € 4.4 higher than in 2022. The increase is a continuation of the trend in recent years. In 2014, funding from NWO amounted to just € 26.8 million.

The co-funding and grant turnover is budgeted to increase by € 2.5 million to € 28 million due to higher turnover in the EU grant market. The bilateral market (contract research) will fall by € 0.5 million.

**Expenses**

Direct staffing costs are expected to increase by about € 27 million. This rise is primarily the result of an increase of approximately 290 in the number of fte for Wageningen University as a whole from 01/01 to 31/12. The increase is also caused by the expected wage development, accrès, and by changes in the structure of the workforce. The expected wage increase is unknown and highly uncertain. For the moment has been calculated with a relatively limited increase (in line with actual national CLA increases in the second half of 2022) that would be largely compensated by additional OCW funding. The current Collective Labour Agreement for Dutch Universities will continue until end of March 2023.

Housing costs will increase by € +12 million. The increase is mainly due to higher energy costs. Energy costs: developments in the energy market are very uncertain. Compared to energy costs in 2021, budgeted energy costs in 2023 at WU increased by about € 10 million. This is partly offset by an expected gain from anticipating the price compensation for other expenses to be received from the OCW. However, the extent of the additional expenses, as well as their compensation from the government, is uncertain at the moment.

Taxes, levies, and insurance and the use of the new Omnia building (full year vs. 9 months) will also cause an increase in housing costs.

Depreciation costs will also increase slightly as a result. Equipment investments in the departments and IT investments in Facilities and Services also result in higher depreciation costs. In previous years, the other general costs were temporarily lower due to COVID-19. The units expect an increase in these costs due to the expected end of COVID-19 effects in 2022 and 2023. In 2021 the (positive) outcome of the pro-rata VAT discussion with the tax authorities was included under general costs (negative) as well. The increases in specific costs (€+1 million) are often project-related (NWO and contract funding).

#### 1.4 Balance sheet

<i>Amounts in € million</i>	<b>realization 2021</b>	<b>forecast 2022</b>	<b>budget 2023</b>
<b>ASSETS</b>			
Intangible fixed assets	3,9	3,0	2,0
Tangible fixed assets	313,4	309,6	314,7
Financial fixed assets	2,6	2,3	2,3
<b>Total fixed assets</b>	<b>319,9</b>	<b>315,0</b>	<b>319,1</b>
Inventory & work in progress	13,9	17,5	18,2
Receivables and accrued assets	43,5	36,6	28,4
Cash and cash equivalents	83,1	95,0	95,0
<b>total current assets</b>	<b>140,5</b>	<b>149,1</b>	<b>141,6</b>
<b>TOTAL ASSETS</b>	<b>460,5</b>	<b>464,1</b>	<b>460,7</b>
<b>LIABILITIES</b>			
Equity	244,0	248,5	242,5
Third party share	0,0	0,0	0,0
Equalization account investment grants	4,1	4,0	5,6
Provisions	11,9	11,4	11,0
Long-term debt	0,0	0,0	0,0
Short-term debt	200,4	200,1	201,5
<b>TOTAL LIABILITIES</b>	<b>460,5</b>	<b>464,1</b>	<b>460,7</b>

Table 3.4: Wageningen University Balance Sheet

Tangible non-current assets include land and buildings, equipment, and inventory. As more is invested in buildings than depreciated in 2023, this item increases by about € 4 million compared to 2022. Developments in liquid assets are explained in the following paragraph.

Solvency will decrease slightly by approximately 1% to 53% in 2023 when compared to 2022.

## 1.5 Cash Flow Statement

<i>Amounts in € million</i>	<b>realization 2021</b>	<b>forecast 2022</b>	<b>budget 2023</b>
Net result	11,5	4,5	-6,0
Depreciation costs	28,8	31,0	33,7
<b>total net result &amp; depreciation costs</b>	<b>40,3</b>	<b>35,5</b>	<b>27,7</b>
Changes provisions	-1,1	-0,5	-0,4
Changes current assets	-9,1	3,3	7,5
Changes current liabilities	11,5	-0,3	1,4
Results in participations	-0,1	-0,1	0,0
<b>total operational activities</b>	<b>41,5</b>	<b>38,0</b>	<b>36,2</b>
Investment activities	-63,8	-26,3	-37,8
<b>total investment activities</b>	<b>-63,8</b>	<b>-26,3</b>	<b>-37,8</b>
Financing activities	1,4	0,2	1,6
<b>total financing activities</b>	<b>1,4</b>	<b>0,2</b>	<b>1,6</b>
<b>Cash flow</b>	<b>-20,9</b>	<b>11,9</b>	<b>0,0</b>
<b>CHANGES LIQUID ASSETS</b>			
Balance liquid assets 1-1	104,0	83,1	95,0
Balance liquid assets 31-12	83,1	95,0	95,0
<b>CHANGES LIQUID ASSETS</b>	<b>-20,9</b>	<b>11,9</b>	<b>0,0</b>

Table 3.5: Wageningen University cash flow statement

Wageningen University expects a liquidity balance of € 95 million by the end of 2023. This is equal to the expected final position for 2022. The budgeted negative result (€-6 million) and excess of investments over depreciation (€ -4 million) are offset by an improvement in working capital.

The balance of liquid assets includes advance payments for own projects and funds to be passed on to partners for third-party projects. It is estimated that third-party advances of € 121 million will be received and € 7 million will be passed on to partners for projects for which Wageningen University is the lead partner in 2023.

The depreciation costs amount to € 33.7 million, € 14.5 million of which will be budgeted corporate for the depreciation of buildings. Depreciation at Facilities and Services is € 10.9 million, primarily for the depreciation of ICT equipment and teaching facilities. The depreciation costs of Shared Research Facilities equipment are budgeted at € 2.5 million. The departments and corporate staff's depreciation costs are budgeted at € 5.8 million.

The change in working capital (change in current assets minus current liabilities) is estimated at € 8.9 million and is mainly due to the refund of overpaid VAT from previous years (pro-rata arrangement).

Investments are budgeted at € 37.8 million. The budgeted investments at the corporate level amount to € 15.5 million. These are mainly investments in the context of the strategic housing plan for Remote Working and for thermal energy storage as well as investments in new construction for the greenhouses at Unifarm and a new research building. Major necessary maintenance will be carried out on buildings, land, and installations.

Facilities and Services will invest € 12.2 million, mainly in IT hardware, expansion of data storage, and inventory.

Decentral investments are budgeted at € 10.1 million. Of this amount, Shared Research Facilities will invest € 4.1 million and Agro Technology and Food Sciences will invest € 3.6 million into laboratory equipment.

## Appendix 1: Key Figures for Wageningen University

			realization 2018	realization 2019	realization 2020	realization 2021	prognosis 2022	budget 2023
<b>Key Figures Education &amp; Research</b>								
New enrolment WU								
Bachelor	WU	aantal	1.666	1.556	1.643	1.451	1.388	1.360
Pre-master	WU	aantal	68	76	106	109	95	95
Master	WU	aantal	1.414	1.472	1.467	1.707	1.592	1.615
Total new enrolment WU	WU	aantal	3.148	3.104	3.216	3.267	3.075	3.070
Total number of students (BSc + MSc)								
BSc graduations	WU	aantal	1.162	1.268	1.295	1.345	1.139	1.500
MSc graduations	WU	aantal	2.028	2.055	1.944	2.318	2.190	2.550
PhD graduations								
PhD graduations	WU	aantal	284	291	281	294	320	334
<b>Key Figures Personnel</b>								
fte's WU (based on employment contract *)	WU	fte gem.	2.590	2.743	2.951	3.176	3.316	pm
fte's WU (based on allocation of costs **)	WU	fte gem.	2.818	3.005	3.255	3.530	3.647	3.943
Supporting staff ***)	WU	%	5,2%	5,1%	5,2%	5,3%	5,0%	5,0%
Overhead ***)	WU	%	15,9%	17,1%	17,5%	17,3%	16,5%	16,5%
Primary staff ***)	WU	%	78,9%	77,8%	77,3%	77,5%	78,5%	78,5%
Total	WU	%	100%	100%	100%	100%	100%	100%
<b>Key Figures Financial</b>								
Net result	WU	m€	27,6	19,9	20,5	11,5	4,5	-6,0
Margin	WU	%	7,6%	5,2%	5,1%	2,7%	1,0%	-1,2%
Total income	WU	m€	362,5	383,9	404,6	430,5	473,6	506,7
Changes liquid assets	WU	m€	35,0	25,3	-10,0	-20,9	11,9	0,0
Solvency	WU	%	52%	52%	53%	53%	54%	53%

\*) FTEs WU and WR on the basis of employment contract are in accordance with the principle used in the Annual Report. The figures are based on the average number of fte's excl. stagiairs.

\*\*) Fte's WU and WR on the basis of allocated costs is in accordance with the budgets of the departments/institutes. In these numbers are taken into account the allocated costs WU/WR and internal hiring (excl. external temporary personnel).

\*\*\*) Budget 2023 is based on the prognosis 2022