

Non-Consolidated Financial Statements

Auckland University Students Association Incorporated
For the year ended 31 December 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of Auckland University Students' Association (Incorporated)

Report on the Non-Consolidated Financial Statements

Opinion

We have audited the non-consolidated financial statements of Auckland University Students' Association (Incorporated) on pages 7 to 14, which comprise the Non-Consolidated Statement of Financial Position as at 31 December 2017, and the Non-Consolidated Statement of Financial Performance and Non-Consolidated Statement of Movements in Equity and Non-Consolidated Statement of Cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements of the Auckland University Students' Association (Incorporated) present fairly, and are prepared, in all material respects, in accordance with the Association's accounting policies for the special purpose of reporting to the University of Auckland.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Boards, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm has previously carried out additional services for Auckland University Student's Association (Incorporated) in the area of assistance to format the non-consolidated financial statements. This service has not impaired our independence as auditor. The firm has no other relationship with, or interest in, the Association.

Emphasis of Matter

- Without modifying our opinion, we draw attention to Note 1 to the non-consolidated financial statements, which describes the basis of accounting. The non-consolidated financial statements are prepared for the information of the members of Auckland University Students' Association (Incorporated) and University of Auckland. As a result, the non-consolidated financial statements may not be suitable for another purpose. Our report is intended solely for Auckland University Students' Association (Incorporated) and its members and should not be distributed to parties other than Auckland University Students' Association (Incorporated) and its members.
- In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 to the non-consolidated financial statements regarding the going concern concept. Our opinion is not modified in respect of this matter. The non-consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon future financial support from related parties AUSA Media Trust, AUSA Services Trust, AUSA Property Trust and UBS Trust. If the Association was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently recorded in the Non-Consolidated Statement of Financial Position. In addition, the Association

may have to provide for further liabilities that might arise, and to reclassify fixed assets as current assets.

Responsibilities of Those Charged with Governance for the Non-Consolidated Financial Statements

The Executive is responsible on behalf of Auckland University Students' Association (Incorporated) for the preparation and fair presentation of the non-consolidated financial statements in accordance with the Association's accounting policies for the special purpose of reporting to the University of Auckland, and for such internal control as those charged with governance determine is necessary to enable the preparation of the non-consolidated financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, those charged with governance are responsible on behalf of the Association for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

A further description of our responsibilities for the audit of these special purpose non-consolidated financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/>

This description forms part of our independent auditor's report.

Our audit was completed on 8 August 2018 and our unqualified opinion is expressed as at that date.



Walker Wayland Auckland
Chartered Accountants



Association Directory

Auckland University Students Association Incorporated For the year ended 31 December 2017

Executive Officers

President

Anna Cusack (2018); William Matthews (2017)

Vice President

Anand Rama (2018); Jessica Jones (2017)

Treasurer

Platon Loukoianov (2018); Daniel Bradley (2017)

Education Vice President

Jessica Palairret (2018); Jessica Palairret (2017)

Welfare Vice President

Luke Kibblewhite (2018); Sarah Butterfield (2017)

Registered Office

4 Alfred St, Auckland Central, Auckland

Incorporation Number

221373

IRD Number

010-010-403

Internal Auditor

Grant Thornton

PO Box 1961, Auckland 1140

Auditor

Walker Wayland Auckland

PO Box 2175, Auckland 1140

Bankers

Bank of New Zealand

ANZ National Bank

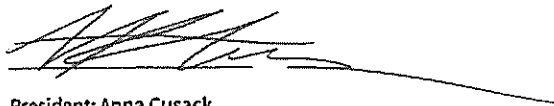
Approval of Financial Report

Auckland University Students Association Incorporated For the year ended 31 December 2017

The Executives are pleased to present the approved financial report including the historical financial statements of Auckland University Students Association Incorporated for year ended 31 December 2016.

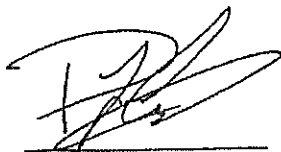
APPROVED

For and on behalf of the Executives.



President: Anna Cusack

Date: 30 June 2018



Treasurer: Platon Loukoianov

Date: 30 June 2018

Non-Consolidated Statement of Financial Performance

Auckland University Students Association Incorporated
For the year ended 31 December 2017

	NOTES	2017	2016
Revenue			
Trading Income	2	1,919,925	1,597,057
Total Revenue		1,919,925	1,597,057
Gross Surplus		1,919,925	1,597,057
Less Operating Expenses			
Administrative Costs		54,027	24,979
Advertising & Publicity Costs		37,351	3,866
Audit & Finance Costs		33,477	49,792
Club's Ball Costs		28,773	31,156
Communication Cost		12,963	13,819
Computer Costs		7,689	3,852
Depreciation		18,910	25,803
Direct Costs		96,577	106,961
Events Costs		50,165	21,862
Fringe Benefit Tax		486	1,032
Insurance		25,231	22,645
Motor Vehicle/Transport		6,440	8,502
Personnel Costs		953,892	803,737
Property & Building Costs		107,726	102,973
Student Activities		444,816	243,658
Total Less Operating Expenses		1,878,524	1,464,637
Net Profit (Loss) Before Taxation		41,401	132,419
Net Profit (Loss) for the Year		41,401	132,419

The accompanying notes form part of these financial statements.

Non-Consolidated Statement of Financial Position

Auckland University Students Association Incorporated

As at 31 December 2017

	NOTES	31 DEC 2017	31 DEC 2016
Assets			
Current Assets			
Cash & Equivalents		429,695	245,737
Trade Receivables	6	98,421	89,758
Prepayments		41,938	18,324
Loan to Related Parties	3	10,000	23,750
Other Receivable	4	15,206	17,883
Total Current Assets		595,260	395,451
Non-Current Assets			
Fixed assets	12	5,785	33,987
Total Non-Current Assets		5,785	33,987
Total Assets		601,045	429,438
Liabilities			
Current Liabilities			
Trade Payables	7	16,971	32,582
Clubs & Affiliations Control		13,220	13,220
GST Payable		42,782	21,410
Fund held for ETTSA		4,419	4,419
Media Trust		9	9
Next Year Project		65,411	10,200
Income Received In Advance		51,791	51,791
Other Liabilities	5	237,816	153,263
Total Current Liabilities		432,420	286,894
Total Liabilities		432,420	286,894
Net Assets		168,625	142,544
Equity			
Total Members Funds		168,625	142,544
Total Equity		168,625	142,544

The accompanying notes form part of these financial statements.

Non-Consolidated Statement of Movements in Equity

Auckland University Students Association Incorporated
For the year ended 31 December 2017

	2017	2016
Members Funds		
Opening Balance	142,544	3,291
Increases		
Net Surplus for the year	41,401	132,419
Transfer from (to) Student Welfare	(15,320)	6,834
Total Increases	26,081	139,253
Total Members Funds	168,625	142,544

The accompanying notes form part of these financial statements.

Non-Consolidated Statement of Cash Flows

Auckland University Students Association Incorporated
For the year ended 31 December 2017

	2017	2016
Cash Flows from Operating Activities		
Cash received from		
Donations, fundarising and other similar Receipts	33,428	15,260
Distributions received from related trusts	728,180	592,820
Receipts from providing services and events	472,999	217,794
Rental income from related parties	747,792	721,558
Interest income Received	759	1,360
Net GST	22,352	11,874
Total Cash received from	2,005,510	1,560,667
Cash applied to		
Payments to suppliers and employees	(1,820,053)	(1,402,715)
Payments to donations and welfare	(21,743)	(21,465)
Other operating activities	(7,466)	(5,286)
Total Cash applied to	(1,849,262)	(1,429,465)
Total Cash Flows from Operating Activities	156,248	131,201
Cash Flows from Investing and Financing Activities		
Cash received from		
Receipts from disposal of fixed assets	16,348	6,087
Repayment received on loans made to related parties	13,750	18,250
Receipt from Other Investing and Financing Activities	918	48
Total Cash received from	31,016	24,385
Cash applied to		
Payments to acquire fixed assets	(3,305)	(34,084)
Loans made to related parties	-	(30,000)
Total Cash applied to	(3,305)	(64,084)
Total Cash Flows from Investing and Financing Activities	27,710	(39,699)
Net Increase/ (Decrease) in Cash	183,958	91,502
Cash Balances		
Cash and cash equivalents at beginning of period	245,737	154,235
Cash and cash equivalents at end of period	429,695	245,737
Net change in cash for period	183,958	91,502

The association is required to prepared Statement of Cashflow from the year of 2017.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Auckland University Students Association Incorporated For the year ended 31 December 2017

1. Statement of Accounting Policies

Reporting Entity

Auckland University Students Association Incorporated is an incorporated society registered under the Incorporated Societies Act 1908.

Basis of Preparation

The non-consolidated financial statements have been prepared in accordance with the special purpose of reporting to the University of Auckland.

All Transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are prepared under the assumption that the Auckland University Students Association Incorporated will continue to operate in the foreseeable future. The validity of this concept is dependent on continued distributions from the AUSA Property Trust, AUSA Media Trust, AUSA Bar Trus and UBS Trust.

Particular Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

Leases

Lease payments under operating leases where the lessor effectively retains substantially all the rewards and benefits of ownership of the leased item are charged as expense in the periods in which they are incurred.

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the Association are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments under operating leases are charge as expenses in the periods in which they are incurred.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be measured. Revenue earned from advertising in magazines, student diaries and planners recognised when the editions are issued to the students. Rental income, sponsorship amounts and grants are recognised when the right to receive the revenue has been established.

Taxation

The Inland Revenue Department has granted the Association exemption from taxation on the condition that certain provisions of the Income Tax Act 2007 are met each year. These provisions require that the Association remains a Charitable Association and that no individual profits from the activities of the Association. Should the current charitable nature of the operation change, taxation may be payable on profits from trading operations with non-members.

Nature of Activities

The Association is engaged in the activity of supplying student services.

Good and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable.

Accounts Receivable

Receivables are stated at their estimated realised value. Bad Debts are written off in the year in which they are identified and a provision for doubtful debts is recognised when there is doubt over collection.

Fixed Assets & Depreciation

Fixed assets are recorded at cost less accumulated depreciation.

Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007. The entity has the following asset classes and applicable depreciation rates:

Account	Method	Rate
Furniture & Fittings	Straight Line	10% - 33.34%
Plants & Equipments	Straight Line	2.5% - 36%
Office Equipment(Incl Computer)	Straight Line	15% - 48%
Motor Vehicle	Straight Line	20%

	2017	2016
2. REVENUE		
University of Auckland	(621,491)	(621,491)
Distributions from related Trusts	(728,180)	(592,820)
Other Income	(570,254)	(382,746)
Total REVENUE	(1,919,925)	(1,597,057)

	2017	2016
3. Related Parties		
Campus Radio BFM Ltd -Loan Receivable	10,000	23,750
Current Portion -University Trade Debtor	56,352	56,352
AUSA Media Trust - Payable	(9)	(9)
Total Related Parties	66,343	80,093

During the year normal arm's length transactions have been conducted with the following related parties:

The Association is related to the AUSA Property Trust, AUSA Media Trust, AUSA Bar Trust, and UBS Trust by being the beneficiary of these trusts.

The Association is related to Campus Radio BFM Limited by being the ultimate beneficiary of the AUSA Media Trust that controls this company. The Association has funded Campus Radio BFM Limited directly by way of issuing an unsecured zero-interest loan of \$30,000 with 2 years repayment term, monthly repayment is \$1,250. The balance of the loan is \$10,000 as at balance date.

The Association is related to University Bookshop Limited as UBS Trust is its sole shareholder. During the year the Association sold advertising to University Bookshop Limited \$35,578 (2016: \$33,713).

The Association leased premises to The Kennedys Limited for 1 year from 1 January 2016 with renewal terms of up to three years but not exceed 23 August 2023. A base rent of \$5000 is received in monthly with total annual rent \$60,000 received. In addition, a variable annual rent of \$66,301 (2016: \$40,067) has been received, which equating to 10% of turnover exceeds of \$600,00 as per agreed by both parties.

In the year to 31 December 2017, distributions were received from related trusts were: \$240,000 from AUSA Property Trust (2016: \$270,000), \$60,000 from AUSA Bar Trust (2016: \$0) and \$428,180 from UBS Trust (2016: \$322,820) respectively.

	2017	2016
4. Other Receivable		
Receivables		
Eyecorp Advertising	15,375	15,375
All others	(169)	2,508
Total Receivables	15,206	17,883
	2017	2016
5. Other Liabilities		
Accruals for Audit Fee	45,000	25,000
Fund held for Welfare	53,608	38,287
PAYE Liability	31,658	-
Provision for Holiday Pay	95,518	74,134
All others	12,032	15,842
Total Other Liabilities	237,816	153,263
	2017	2016
6. Trade Receivables		
Accounts Receivable	47,249	60,112
University of Auckland	56,352	56,352
Provision for Doubtful Debts	(5,180)	(26,706)
Total Trade Receivables	98,421	89,758

The \$5,180 (2016: \$26,706) provision for Doubtful debts is based on the Associations policy to provide against Aged Receivables greater than 3 months.

	2017	2016
7. Trade Payables		
Trade Creditors	(48,629)	(32,582)
Total Trade Payables	(48,629)	(32,582)

	2017	2016
8. Audit Fees		
Walker Wayland	30,000	25,000
Total Audit Fees	30,000	25,000

	2017	2016
9. Commitments		
Current	8,622	9,672
Non-Current	2,073	20,384
Total Commitments	10,695	30,056

The Association has commitments under operating leases as shown above.

10. Subsequent Events

There are no events subsequent to balance date that would require adjustment to, or disclosure in, the financial statement.

11. Contingent Liability

There are no contingent liabilities at balance date.

	2017	2016
12. Fixed Assets		
Furniture & Fittings		
At Cost	577,351	576,376
Less Accumulated Depreciation	(576,425)	(569,253)
Total Furniture & Fittings	926	7,123
Motor Vehicle		
At Cost	44,408	44,408
Less Disposal	(30,426)	(8,691)
Less Accumulated Depreciation	(13,982)	(15,431)
Total Motor Vehicle	-	20,286
Office Equipment (Inc Computer)		
At Cost	180,975	178,781
Less Accumulated Depreciation	(178,548)	(176,238)
Total Office Equipment (Inc Computer)	2,427	2,544
Plant & Equipment		
At Cost	155,168	155,168
Less Accumulated Depreciation	(152,736)	(151,133)
Total Plant & Equipment	2,431	4,034
Total Fixed Assets	5,785	33,987