

Non-Consolidated Financial Statements

Auckland University Students Association Incorporated
For the year ended 31 December 2018

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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 15, which comprise the Non-Consolidated Statement of Financial Position as at 31 December 2018, 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 31 July 2019 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 2018

Executive Officers

President

Geroge Barton (2019, Acting) Anand Rama (2019, Resigned) Anna Cusack (2018)

Vice President

Vacant (2019); Anand Rama (2018)

Engagement Vice President

Emily McDonald (2019)

Treasurer

Hugo Thomlinson (2019); Platon Loukoianov (2018)

Education Vice President

Emma Rogers (2019); George Barton (2019, Resigned); Jessica Palairt (2018)

Welfare Vice President

Samuel Snell (2019); Luke Kibblewhite (2018)

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



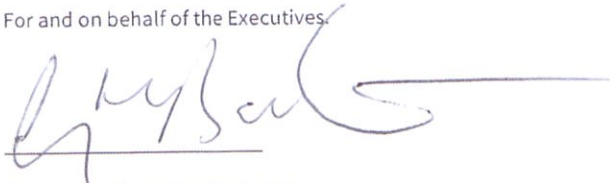
Approval of Financial Report

Auckland University Students Association Incorporated For the year ended 31 December 2018

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 2018.

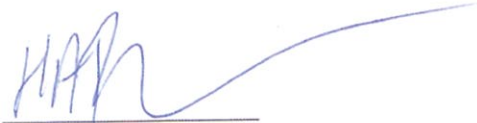
APPROVED

For and on behalf of the Executives

A handwritten signature in blue ink, appearing to read 'G Barton', written over a horizontal line.

Acting President: George Barton

Date: 29 July 2019

A handwritten signature in blue ink, appearing to read 'H Thomlinson', written over a horizontal line.

Treasurer: Hugo Thomlinson

Date: 29 July 2019



Non-Consolidated Statement of Financial Performance

Auckland University Students Association Incorporated
For the year ended 31 December 2018

	NOTES	2018	2017
Revenue			
Trading Income	2	1,951,482	1,919,925
Total Revenue		1,951,482	1,919,925
Gross Surplus		1,951,482	1,919,925
Less Operating Expenses			
Administrative Costs		29,362	54,027
Advertising & Publicity Costs		67,876	37,351
Audit & Finance Costs		82,515	33,477
Club's Ball Costs		38,671	28,773
Communication Cost		11,406	12,963
Computer Costs		5,916	7,689
Consultancy Cost		30,000	-
Depreciation		7,020	18,910
Direct Costs		85,309	96,577
Events Costs		267,711	50,165
Fringe Benefit Tax		-	486
Insurance		26,429	25,231
Motor Vehicle/Transport		7,325	6,440
Personnel Costs		949,493	953,892
Property & Building Costs		101,846	107,726
Student Activities		407,503	444,816
Total Less Operating Expenses		2,118,382	1,878,524
Net Profit (Loss) Before Taxation		(166,900)	41,401
Net Profit (Loss) for the Year		(166,900)	41,401



The accompanying notes form part of these financial statements.

Non-Consolidated Statement of Financial Position

Auckland University Students Association Incorporated

As at 31 December 2018

	NOTES	31 DEC 2018	31 DEC 2017
Assets			
Current Assets			
Cash & Equivalents		209,752	429,695
Trade Receivables	6	86,491	98,421
Prepayments		52,423	41,938
Loan to Related Parties	3	3,750	10,000
Other Receivable	4	25,874	15,206
Stock on Hand	13	15,813	-
Total Current Assets		394,103	595,260
Non-Current Assets			
Fixed assets	12	17,406	5,785
Total Non-Current Assets		17,406	5,785
Total Assets		411,510	601,045
Liabilities			
Current Liabilities			
Trade Payables			
Trade Creditors	7	41,184	16,872
BNZ Business Visa Card		(1,941)	99
Total Trade Payables		39,243	16,971
Clubs & Affiliations Control		13,220	13,220
GST Payable		19,381	42,782
Fund held for ETTSA		4,419	4,419
Media Trust		9	9
Next Year Project		8,700	65,411
Income Received In Advance		51,791	51,791
Other Liabilities	5	273,022	237,816
Total Current Liabilities		409,784	432,420
Total Liabilities		409,784	432,420
Net Assets		1,725	168,625
Equity			
Total Members Funds		1,725	168,625
Total Equity		1,725	168,625



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 2018

	2018	2017
Members Funds		
Opening Balance	168,625	142,544
Increases		
Net Surplus for the year		
Current Year Earnings	(166,900)	41,401
Total Net Surplus for the year	(166,900)	41,401
Transfer from (to) Student Welfare	-	(15,320)
Total Increases	(166,900)	26,081
Total Members Funds	1,725	168,625



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 2018

	2018	2017
Cash Flows from Operating Activities		
Cash received from		
Donations, fundraising and other similar Receipts	8,153	33,428
Distributions received from related trusts	625,000	728,180
Receipts from providing services and events	458,791	472,999
Rental income from related parties	750,600	747,792
Interest income Received	161	759
Net GST	(18,168)	22,352
Total Cash received from	1,824,537	2,005,510
Cash applied to		
Payments to suppliers and employees	(2,010,789)	(1,820,053)
Payments to donations and welfare	(13,545)	(21,743)
Other operating activities	(6,055)	(7,466)
Total Cash applied to	(2,030,389)	(1,849,262)
Total Cash Flows from Operating Activities	(205,852)	156,248
Cash Flows from Investing and Financing Activities		
Cash received from		
Receipts from disposal of fixed assets	-	16,348
Repayment received on loans made to related parties	6,250	13,750
Receipt from Other Investing and Financing Activities	(1,699)	918
Total Cash received from	4,551	31,016
Cash applied to		
Payments to acquire fixed assets	(18,641)	(3,305)
Total Cash applied to	(18,641)	(3,305)
Total Cash Flows from Investing and Financing Activities	(14,091)	27,710
Net Increase/ (Decrease) in Cash	(219,943)	183,958
Cash Balances		
Cash and cash equivalents at beginning of period	429,695	245,737
Cash and cash equivalents at end of period	209,752	429,695
Net change in cash for period	(219,943)	183,958



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 2018

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 for 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 Trust 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.

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 is 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(Inc Computer)	Straight Line	15% - 48%
Motor Vehicle	Straight Line	20%

	2018	2017
2. REVENUE		
University Of Auckland	621,491	621,491
Distributions from related Trusts	645,000	728,180
Other Income	684,991	570,254
Total REVENUE	1,951,482	1,919,925
	2018	2017

3. Related Parties

Campus Radio BFM Ltd -Loan Receivable	3,750	23,750
Current Portion -University Trade Debtor	56,352	56,352
AUSA Media Trust - Payable	(9)	(9)
Total Related Party Balances	60,093	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 \$3,750 (2017: \$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 \$41,328 (2017: \$35,578).

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 exceeding 23 August 2023. A base rent of \$5000 is received monthly with total annual rent of \$60,000 received. In addition, a variable annual rent of \$69,109 (2017: \$66,301) has been received, equating to 10% of turnover exceeding of \$600,000 as agreed by both parties.

In the year to 31 December 2018, distributions received from related trusts were: \$270,000 from AUSA Property Trust (2017: \$240,000), \$50,000 from AUSA Bar Trust (2017: \$60,000) and \$325,000 from UBS Trust (2017: \$428,180).

	2018	2017
4. Other Receivable		
Receivables		
Eyecorp Advertising	5,325	15,375
AUSA Property Trust Grants	20,000	-
All others	550	2,508
Total Receivables	25,875	17,883

	2018	2017
5. Other Liabilities		
Accruals for Audit Fee	31,568	25,000
Fund held for Welfare	48,215	38,287
PAYE Liability	27,752	-
Provision for Holiday Pay	105,272	74,134
All others	60,215	15,842
Total Other Liabilities	273,022	153,263

	2018	2017
6. Trade Receivables		
Accounts Receivable	34,691	60,112
University of Auckland	56,352	56,352
Provision for Doubtful Debts	(4,552)	(26,706)
Total Trade Receivables	86,491	89,758

The \$4,552 (2017: \$5,180) provision for Doubtful debts is based on the Association's policy to provide against Aged Receivables greater than 3 months.



	2018	2017
7. Trade Payables		
Trade Creditors	53,235	48,629
Total Trade Payables	53,235	48,629

	2018	2017
8. Audit Fees		
Walker Wayland	60,000	30,000
Total Audit Fees	60,000	30,000

	2018	2017
9. Commitments		
Current	7,168	9,672
Non-Current	12,019	20,384
Total Commitments	19,187	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 statements.

11. Contingent Liability

There are no contingent liabilities at balance date.

	2018	2017
12. Fixed Assets		
Furniture & Fittings		
At Cost	581,116	577,351
Less Accumulated Depreciation	(576,620)	(576,425)
Total Furniture & Fittings	4,496	926
Motor Vehicle		
At Cost	13,044	44,408
Less Disposal	-	(30,426)
Less Accumulated Depreciation	(3,587)	(13,982)
Total Motor Vehicle	9,457	-
Office Equipment (Inc Computer)		
At Cost	182,704	180,975
Less Accumulated Depreciation	(180,424)	(178,548)
Total Office Equipment (Inc Computer)	2,280	2,427
Plant & Equipment		
At Cost	155,168	155,168
Less Accumulated Depreciation	(154,098)	(152,736)
Total Plant & Equipment	1,070	2,431



Fixed Assets - Add/Disp C/Y	104	-
Total Fixed Assets	17,406	5,785
	2018	2017
<hr/>		
13. Inventory		
Stock On Hand -AUSA Breweries	15,813	-
Total Inventory	15,813	-

The Association engaged supplies from a domestic breweries manufacturer, with its own branding. During the reporting period, these products have been used for events and promotional activities within University of Auckland. From the 2019 year, the Association commenced retail of the products through The Kennedys Ltd, i.e: Shadows Bar within the campus of the University.

The inventories are recognised at the lower of cost, determined on a first in first out basis, and net realisable value.

