Auckland University Students' Association Incorporated
Annual Report
For the year ended 31 December 2011
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Auckland University Students' Association Incorporated Directory

President
Arena Williams (2012)
Joe McCory (2011)

Vice-President
Daniel Haines (2012)
Sam Durbin (2011)

Treasurer
Bowen Liu (2012)
Tania Lim (2011)

Education Vice-President
Sam Brookman (2012)
Arena Williams (2011)

Registered Office
4 Alfred Street
Auckland

Auditors
Walker Wayland Auckland
P O Box 2175
Auckland

Bankers
Bank of New Zealand
Auckland Branch
Auckland

National Bank of New Zealand
University Branch
Auckland

Solicitors
Jackson Russell
P O Box 3451
Auckland
INDEPENDENT AUDITOR'S REPORT

To the Members of Auckland University Students' Association

Report on the Non-consolidated financial statements

We have audited the non-consolidated financial statements of Auckland University Students' Association on pages 4 to 10, which comprise the Non-Consolidated Statement of Financial Position as at 31 December 2011, the Non-Consolidated Statement of Financial Performance, and Non-Consolidated Statement of Movements in Accumulated Funds for the year then ended, and a summary of significant accounting policies and other explanatory information on a non-consolidated basis.

The Executives' Responsibility for the Non-consolidated financial statements

The Executive is responsible for the preparation of non-consolidated financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal controls as the Executive determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of non-consolidated financial statements that give a true and fair view of the matters to which they relate 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the non-consolidated financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Auckland University Students' Association.

Opinion

In our opinion the non-consolidated financial statements on pages 4 to 10

- Comply with generally accepted accounting practice in New Zealand;
- Give a true and fair view of the non-consolidated financial position of the Auckland University Students' Association as at 31 December 2011, and of its non-consolidated financial performance for the year then ended.
Emphasis of Matter

- In forming our opinion we have considered the adequacy of the disclosures made in the financial statements regarding the going concern concept. The 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 the 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 and long-term liabilities as current assets and liabilities.

Restriction of Scope – Non-Consolidated Financial Statements

The scope of our audit has been restricted to the non-consolidated financial statements of the Association. Generally accepted accounting practice in New Zealand requires the Association to present consolidated financial statements.

Our audit was completed on 11 October 2012 and our opinion is expressed as at that date.

Walker Wayland Auckland

Chartered Accountants
Auckland University Students’ Association Incorporated  
Non-Consolidated Statement of Financial Performance  
For the year ended 31 December 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>$2,414,758</td>
<td>$1,944,208</td>
</tr>
<tr>
<td><strong>NET SURPLUS</strong></td>
<td>($85,471)</td>
<td>($475,023)</td>
</tr>
</tbody>
</table>

After Charging:

- Fee Paid to Auditors for:
  - Auditing Financial Statements 22,500 23,429
  - Other Services 3,600 -
  - Bad Debts - 700
  - Depreciation Expense 71,723 65,261
  - Interest Expense 45,694 34,279
  - Lease Expense 13,788 20,184

and After Crediting:

- Distributions from AUSA Services Trust 240,000 240,000
- Distributions from AUSA Property Trust 560,353 80,000
- Distributions from UBS Trust - 442
- Decrease in Provision for Doubtful Debts -
- Interest Received - 73

**NET SURPLUS FOR THE YEAR**

(85,471) (475,023)
Auckland University Students' Association Incorporated  
Non-Consolidated Statement of Movements in Accumulated Funds  
For the year ended 31 December 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEMBERS FUNDS AT BEGINNING OF YEAR</td>
<td>395,329</td>
<td>870,352</td>
</tr>
<tr>
<td>Add Net Surplus for the Year</td>
<td>(85,471)</td>
<td>(475,023)</td>
</tr>
<tr>
<td>MEMBERS FUNDS AT END OF YEAR</td>
<td>$309,858</td>
<td>$395,329</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
# Auckland University Students' Association Incorporated
## Non-Consolidated Statement of Financial Position
### As at 31 December 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MEMBER FUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Member Funds</td>
<td>$309,858</td>
<td>$395,329</td>
</tr>
<tr>
<td>Represented by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>166,202</td>
<td>287,949</td>
</tr>
<tr>
<td>Related Party Receivable - Auckland University</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Related Party Receivable - Bacchid</td>
<td>18,084</td>
<td>5,163</td>
</tr>
<tr>
<td>Other Current Assets and Prepayments</td>
<td>24,921</td>
<td>22,705</td>
</tr>
<tr>
<td>Ski Club Loan</td>
<td>9,500</td>
<td>11,750</td>
</tr>
<tr>
<td></td>
<td>318,707</td>
<td>427,567</td>
</tr>
<tr>
<td><strong>Less CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Accounts</td>
<td>119,953</td>
<td>154,135</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>138,046</td>
<td>140,825</td>
</tr>
<tr>
<td>Trade Creditor - Bacchid</td>
<td>8,624</td>
<td>-</td>
</tr>
<tr>
<td>Sundry Creditors and Accruals</td>
<td>186,569</td>
<td>205,189</td>
</tr>
<tr>
<td>Student Activities Payable</td>
<td>117,415</td>
<td>124,198</td>
</tr>
<tr>
<td></td>
<td>570,607</td>
<td>624,347</td>
</tr>
<tr>
<td>(251,900)</td>
<td>(196,780)</td>
<td></td>
</tr>
<tr>
<td><strong>WORKING DEFICIT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Add NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>132,617</td>
<td>196,047</td>
</tr>
<tr>
<td>Related Party Receivable - Auckland University</td>
<td>429,141</td>
<td>371,062</td>
</tr>
<tr>
<td>Related Party Receivable - Bacchid Benevolency</td>
<td>415,906</td>
<td>417,637</td>
</tr>
<tr>
<td>Provision for Related Party Receivable</td>
<td>(415,906)</td>
<td>(392,637)</td>
</tr>
<tr>
<td></td>
<td>561,759</td>
<td>592,109</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For and on behalf of the Executive;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasurer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>9/1/12</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Auckland University Students' Association Incorporated
Notes to the Non-Consolidated Financial Statements
For the year ended 31 December 2011

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY
Auckland University Students' Association Incorporated is an incorporated society registered under the Incorporated Society Act 1908.

MEASUREMENT BASE

The financial statements of the Auckland University Student's Association Incorporated have been prepared in accordance with the Generally Accepted Accounting Practice.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

Reliance is placed on the fact that the Association is a going concern, the validity of this concept is dependent on continued distributions from the AUSA Media Trust, AUSA Services Trust, AUSA Property Trust and UBS Trust.

NON CONSOLIDATED FINANCIAL STATEMENTS

These financial statements have been prepared on a non-consolidated basis.

Particular Accounting Policies

Differential Reporting
The Association qualifies for Differential Reporting as it is not publicly accountable and is not large as defined by the New Zealand Institute of Chartered Accountants Differential Reporting Framework. The Association has taken advantage of all Differential Reporting exemptions available to it.

SPECIFIC ACCOUNTING POLICIES
The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

(a) Accounts Receivable
Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(b) Leases
Lease payments under operation leases where the lessor effectively retains substantially all the rewards and benefits of ownership of the leased item are charged as expenses 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 company 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 charged as expenses in the periods in which they are incurred.

(c) **Revenue Recognition**

Revenue is recognised to the extent that is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue earned from advertising in magazines, student diary and planners is recognized when the editions are issued to the students. Rental Income, sponsorship amounts and grants are recognized when the right to receive the revenue has been established.

(d) **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.

(e) **Fixed Assets & Depreciation**

Fixed assets are recorded at cost less accumulated depreciation.

Depreciation is provided on a straight line basis for all fixed assets that will write off the cost less residual value over their expected useful lives. The current rates of depreciation are:

- Plant and Equipment: 2.5 - 48.00% SL
- Motor Vehicle: 20.00% SL

(f) **Goods & Services Tax (GST)**

These financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which include GST.

(g) **Changes in Accounting Policies**

There have been no changes in accounting policies during the year. All policies have been applied on bases consistent with those used in previous years.

2. **NATURE OF BUSINESS**

The Association is engaged in the business of supplying student services.
3. RELATED PARTIES
Balances (payable) / receivable at year end:

Bacchid Benevolency Limited - Trade Creditor (8,624) -
Bacchid Benevolency Limited - Trade Debtor 18,084 5,163
Advance to Bacchid Benevolency Limited 415,906 417,637
Provision for Related Party Receivable (415,906) (392,637)
Current Portion - Auckland University 100,000 100,000
Non-Current Portion - Auckland University 429,141 371,062

538,601 501,225

During the year normal arms length transactions have been conducted with the following related parties:

Bacchid Benevolency Limited
University of Auckland

The Association is related to Bacchid Benevolency Limited and Campus Radio bFM Limited by being the ultimate beneficiary of the Trusts that control these Companies. The Association is related to the AUSA Property Trust, AUSA Services Trust, AUSA Media Trust and UBS Trust by being the beneficiary of these trusts.

In the year to 31 December 2011 distributions were received from the AUSA Property Trust and UBS Trust (2010: AUSA Property Trust and UBS Trust).

During the 2007 year the Association provided a loan of $400,000 to Bacchid Benevolency Limited. A further $200,000 was advanced in 2008. At 31 December 2008 this loan was assessed as doubtful and was provided for in full.

The association is related to the University of Auckland by virtue of common trustees. The balance receivable from the University is unsecured, non interest bearing and repayable at the rate of $100,000 per annum.

4. BANK OF NEW ZEALAND OVERDRAFT

The AUSA Property Trust has provided a guarantee for $525,000 to the Bank of New Zealand in respect of the Associations' borrowings.

5. SKI CLUB RECEIVABLE

On 5 June 1998 the Association lent $85,000 to the University of Auckland Ski Club Incorporated, secured by way of fixed and floating charge over all assets of the Ski Club. The loan is non-interest bearing and repayable on demand.
Auckland University Students' Association Incorporated
Notes to the Non-Consolidated Financial Statements
For the year ended 31 December 2011

6. **FIXED ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant &amp; Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>1,227,624</td>
<td>1,220,156</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>1,095,007</td>
<td>1,024,109</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>$132,617</td>
<td>$196,047</td>
</tr>
</tbody>
</table>

7. **SUBSEQUENT EVENTS**

Subsequent to balance date the Association reached a resolution with the University of Auckland regarding the Occupancy and Services Agreements that are in place between them. The items agreed on relate to the receipt of rent allocations due to the Association and the payment of utilities to the University. These financial statements reflect the financial effect of the agreement reached.

There are no other events subsequent to balance date.

8. **COMMITMENTS**

The Association has commitments under operating leases as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>(13,503)</td>
<td>(25,767)</td>
</tr>
<tr>
<td>Non Current</td>
<td>(24,874)</td>
<td>(38,377)</td>
</tr>
<tr>
<td></td>
<td>(38,377)</td>
<td>(64,144)</td>
</tr>
</tbody>
</table>

9. **CONTINGENT LIABILITY**

There were no material contingent liabilities at balance date.