

Non-Consolidated Financial Statements

Auckland University Students Association Incorporated
For the year ended 31 December 2022

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Auckland University Students Association Incorporated Independent auditor's report to the Members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Auckland University Students Association Incorporated (the Association), which comprise the statement of financial position as at 31 December 2022, and the statement of financial performance and statement of movements in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Association are prepared, in all material respects, in accordance with the accounting policies outlined in Note 1 to the financial statements.

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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared to enable the Association to report to its members. Our opinion is not modified in respect of this matter.

Committee Members' Responsibilities

The Committee Members are responsible on behalf of the Association for the preparation of financial statements in accordance with the accounting policies disclosed in Note 1 to the financial statements, and for such internal control as the Committee Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Committee Members are also responsible for the selection of accounting policies that are appropriate for the entity.

In preparing the financial statements, the Committee Members are responsible 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 the Committee Members either intend 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 The Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 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 Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events.

We communicate with the Committee 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.

Restriction on Distribution and Use

This report is made solely to the Association's Members, as a body. Our audit work has been undertaken so that we might state to the Association's Members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's Members, as a body, for our audit work, for this report or for the opinions we have formed.



William Buck Audit (NZ) Limited

Auckland
14 June 2023

Association Directory

Auckland University Students Association Incorporated For the year ended 31 December 2022

Executive Officers

President

Faataualofa Abbytailor So'olefai (2022)

Alan Shaker (2023)

Engagement Vice President

Makayla Muhundan (2022)

Fola Tuiakuafe (2023)

Treasurer

Steven Wijaya (2022)

Amol Kumar (2023)

Education Vice President

Alan Shaker (2022)

Varsha Ravi (2023)

Welfare Vice President

Ishwanka Sharma (2022)

Qun Ma (2023)

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

William Buck, Level 4, 21 Queen Street, Auckland 1010

Bankers

Bank of New Zealand
ANZ National Bank

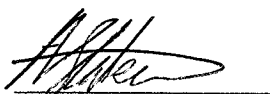
Approval of Financial Report

Auckland University Students Association Incorporated For the year ended 31 December 2022

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 2022.

APPROVED

For and on behalf of the Executives



President: Alan Shaker

Date 30/05/2023

Non-Consolidated Statement of Financial Performance

Auckland University Students Association Incorporated
For the year ended 31 December 2022

| | NOTES | 2022 | 2021 |
|---------------------------------------|-------|------------------|------------------|
| Income | | | |
| Advertising, Sponsorship and Sales | | 56,768 | 105,826 |
| Hireage and Miscellaneous | | 7,042 | 8,856 |
| Investment Based Income | | 701,245 | 401,000 |
| Orientation Concert | | - | 89,580 |
| University Based Income | | 1,242,304 | 1,083,075 |
| AUSA Care | | 77,500 | - |
| Total Income | | 2,084,860 | 1,688,336 |
| Gross Profit | | | |
| | | 2,084,860 | 1,688,336 |
| Operating Expenses | | | |
| AUSA Care package | | 77,500 | - |
| Advocacy | | 20 | 1,749 |
| Buddies and Volunteers | | 19,937 | 15,606 |
| Craccum | | 70,250 | 39,751 |
| Engagement and Events | | 313,505 | 411,197 |
| Office and Custodial Costs | | 227,400 | 213,052 |
| Partner Funding | | 40,415 | 83,245 |
| People Cost - Personnel | 13 | 1,087,133 | 882,293 |
| Professional Development Allowance-GM | | 5,000 | - |
| Representation | | 55,687 | 15,987 |
| Welfare | | 21,069 | 3,691 |
| Total Operating Expenses | | 1,917,918 | 1,666,571 |
| Net Profit (Loss) | | | |
| | | 166,942 | 21,765 |

The accompanying notes form part of these financial statements.

Non-Consolidated Statement of Financial Position

Auckland University Students Association Incorporated

As at 31 December 2022

| | NOTES | 31 DEC 2022 | 31 DEC 2021 |
|--------------------------------------|-------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Bank | | 577,784 | 420,783 |
| Trade receivables | 5 | 244,874 | 175,675 |
| Prepayments | | 31,650 | 48,271 |
| Loan to Related Parties | 2 | 3,750 | 3,750 |
| Other receivables | 3 | 1,066 | 150 |
| Total Current Assets | | 859,124 | 648,628 |
| Non-Current Assets | | 45,738 | 17,415 |
| Total Assets | | 904,861 | 666,043 |
| Liabilities | | | |
| Current Liabilities | | | |
| Credit Cards | | 1,356 | (764) |
| Trade payables | | 53,042 | 18,252 |
| Clubs & Affiliations Control | | 13,220 | 13,220 |
| GST Payable | | 2,719 | 27,808 |
| Income Received in Advance | | 70,413 | 58,010 |
| Other Liabilities | 4 | 315,719 | 264,360 |
| Finance Lease Liability | | 2,472 | 3,702 |
| Total Current Liabilities | | 458,941 | 384,588 |
| Non-Current Liabilities | | | |
| Finance lease Liability | | - | 2,477 |
| Total Non-Current Liabilities | | - | 2,477 |
| Total Liabilities | | 458,941 | 387,065 |
| Net Assets | | 445,921 | 278,979 |
| Equity | | | |
| Total Member Funds | | 445,921 | 278,979 |
| Total Equity | | 445,921 | 278,979 |

The accompanying notes form part of the financial statements.

Non-Consolidated Statement of Movements in Equity

Auckland University Students Association Incorporated
For the year ended 31 December 2022

| | 2022 | 2021 |
|---------------------------------------|----------------|----------------|
| Members Funds | | |
| Opening Balance | 278,979 | 257,214 |
| Increases | | |
| Net Surplus for the year | | |
| Current year earnings | 166,942 | 21,765 |
| Total Net Surplus for the year | 166,942 | 21,765 |
| Total Increases | 166,942 | 21,765 |
| Total Members Funds | 445,921 | 278,979 |

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 2022

| | 2022 | 2021 |
|---|--------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Cash received from | | |
| Cash received from the University | 1,230,040 | 995,065 |
| Cash received from investment | 685,091 | 400,836 |
| Cash received from sales | 19,586 | 215,256 |
| Total Cash received from | 1,934,717 | 1,611,157 |
| Cash applied to | | |
| Cash paid to employees and other operating expenses | (1,741,576) | (1,599,924) |
| Total Cash applied to | (1,741,576) | (1,599,924) |
| Total Cash Flows from Operating Activities | 193,141 | 11,233 |
| Cash Flows from Investing and financing Activities | | |
| Cash received from | | |
| Proceeds from loans | (3,399) | (3,708) |
| Total Cash received from | (3,399) | (3,708) |
| Cash applied to | | |
| Cash paid to acquisition for property, plant and equipment | (41,908) | (2,960) |
| Total Cash applied to | (41,908) | (2,960) |
| Total Cash Flows from Investing and financing Activities | (45,306) | (6,667) |
| Cash flows from Financing Activities | | |
| Other cash items from financing activities | 3,630 | - |
| Credit Cards | 5,536 | - |
| Total Cash flows from Financing Activities | 9,166 | - |
| Net Cash Flows | 157,001 | 4,565 |
| Cash Balances | | |
| Cash and cash equivalents at beginning of period | 420,783 | 416,218 |
| Cash and cash equivalents at end of period | 577,784 | 420,783 |
| Net change in cash for period | 157,001 | 4,565 |

Notes to the Financial Statements

Auckland University Students Association Incorporated For the year ended 31 December 2022

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, which do not consolidate the other AUSA entities, and are prepared specifically for the members.

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 funding from the University of Auckland, distributions from AUSA's Trusts and sales and advertising.

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.

Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in the statement of profit or loss.

Nature of Activities

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

Goods and Services Tax (GST)

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

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 | 2022 | 2021 |
|---|---------------|--------------|----------------|----------------|
| Furniture & Fittings | Straight Line | 10% - 33.34% | | |
| Plants & Equipments | Straight Line | 2.5% - 33% | | |
| Office Equipment (Inc Computer) | Straight Line | 20% - 48% | | |
| Motor Vehicle | Straight Line | 30% | | |
| | | | 2022 | 2021 |
| 2. Related Parties | | | | |
| Campus Radio BFM Ltd - Loan Receivable | | | 3,750 | 3,750 |
| Current Portion - University Trade Debtor | | | 182,027 | 133,424 |
| AUSA Media Trust - Payable | | | (9) | (9) |
| Total Related Parties | | | 185,768 | 137,165 |

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 (2021: \$3,750) as at balance date. Due to financial hardship that Campus Radio BFM Ltd is suffering as a result of the COVID-19 pandemic, the repayment of the loan amount has been waived to the date of these financial statements.

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 \$2,185 (2021: \$12,319).

In the year of 2020, The Kennedys Limited entered into a new lease agreement from 31 January 2020 to 30 November 2025. The initial rent is calculated at 10% of gross sales inclusive of GST, up to a maximum of \$50,000 plus GST for the period from 1 April 2021 to Dec 2021. From 1 January 2021, the base rent is \$50,000 plus GST per annum (paid monthly \$4,167 plus GST), and the turnover rent is 10% of gross sales above \$500,000 plus GST per annum.

In the year to 31 December 2022, distributions received from related trusts were: \$637,000 from AUSA Property Trust (2021: \$362,500), \$Nil from AUSA Bar Trust (2021: \$Nil) and \$Nil from UBS Trust (2021: \$Nil).

| | 2022 | 2021 |
|-------------------------------|--------------|------------|
| 3. Other Receivable | | |
| All others | 1,066 | 150 |
| Total Other Receivable | 1,066 | 150 |

| | 2022 | 2021 |
|--------------------------------|----------------|----------------|
| 4. Other Liabilities | | |
| Accruals for Audit Fee | 43,000 | 34,350 |
| Funds held for Welfare | 46,627 | 46,627 |
| Payroll Liabilities | 43,108 | 25,463 |
| Provision for Holiday Pay | 114,149 | 88,515 |
| All Others | 68,836 | 69,405 |
| Total Other Liabilities | 315,719 | 264,360 |

| | 2022 | 2021 |
|-------------------------------------|----------------|----------------|
| 5. Trade Receivable | | |
| Accounts Receivable | 61,277 | 45,728 |
| University of Auckland | 184,903 | 133,424 |
| Provision for Doubtful Debt (12200) | (1,307) | (3,477) |
| Total Trade Receivable | 244,874 | 175,675 |

In the 2022 year, the \$1,307 provision for Doubtful debts was based on the Association's policy to provide against Aged Receivables greater than 3 months.

| | 2022 | 2021 |
|-----------------------------|---------------|---------------|
| 6. Trade Payables | | |
| Trade Creditors | 53,033 | 18,243 |
| Total Trade Payables | 53,033 | 18,243 |

| | 2022 | 2021 |
|------------------------------|---------------|---------------|
| 7. Audit Fees | | |
| Audit Fees (Standalone) | 13,642 | 12,600 |
| Audit Fees - Trusts | 13,950 | 9,000 |
| Audit Fees - Consolidation | 6,550 | 7,000 |
| Audit Fee - The Kennedys Ltd | - | 6,300 |
| Total Audit Fees | 34,142 | 34,900 |
| | 2022 | 2021 |

| | | |
|--------------------------|--------------|--------------|
| 8. Commitments | | |
| Current | 2,472 | 3,708 |
| Non-Current | - | 2,470 |
| Total Commitments | 2,472 | 6,178 |

The Association has commitments under operating leases as shown above.

9. Subsequent Events

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

10. Contingent Liability

There are no contingent liabilities at balance date.

| | 2022 | 2021 |
|--|---------------|---------------|
| 11. Fixed Assets | | |
| Furniture and Fittings | | |
| At Cost | 189,767 | 189,767 |
| Less Accumulated depreciation | (185,527) | (185,190) |
| Total Furniture and Fittings | 4,241 | 4,578 |
| Motor Vehicles | | |
| At Cost | 13,043 | 13,043 |
| Less Accumulated depreciation | (13,043) | (13,043) |
| Total Motor Vehicles | - | - |
| Office Equipment (Inc Computer) | | |
| At Cost | 191,617 | 149,710 |
| Less Accumulated depreciation | (150,579) | (137,484) |
| Total Office Equipment (Inc Computer) | 41,039 | 12,226 |
| Plant and Equipment | | |
| At Cost | 49,207 | 49,207 |
| Less Accumulated depreciation | (48,748) | (48,596) |
| Total Plant and Equipment | 458 | 611 |
| Total Fixed Assets | 45,738 | 17,415 |

2022 2021

12. Inventory

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.

Due to the age, stock has been out of date, and has been written off during the year.

2022 2021

13. People Cost - Personnel

| | | |
|--------------------------------------|------------------|----------------|
| Redundancy | - | - |
| All Other Personnel Costs | 1,087,133 | 882,293 |
| Total People Cost - Personnel | 1,087,133 | 882,293 |