

Non-Consolidated Financial Statements

Auckland University Students Association Incorporated
For the year ended 31 December 2016



Contents

3	Independent Auditor's Report
5	Association Directory
6	Approval of Financial Report
7	Non-Consolidated Statement of Financial Performance
8	Non-Consolidated Statement of Financial Position
9	Non-Consolidated Statement of Movements in Equity
10	Non-Consolidated Statement of Cash Flows
11	Notes to the Financial Statements





INDEPENDENT AUDITOR'S REPORT

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

Report on the Non-consolidated financial statements

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 2016, the Non-Consolidated Statement of Financial Performance, Non-Consolidated Statement of Cashflows and Non-Consolidated Statement of Movements in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information on a non-consolidated basis. The financial statements have been prepared in accordance with the Association's accounting policies for the special purpose of reporting to the University of Auckland.

The Executive's Responsibility for the Non-consolidated financial statements

The Executive is responsible for the preparation of the non-consolidated financial statements in accordance with the Association's policies 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.

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

Opinion

In our opinion the non-consolidated financial statements on pages 7 to 15 give a true and fair view of the non-consolidated financial position of the Auckland University Students' Association (Incorporated) as at 31 December 2016, and of its non-consolidated financial performance for the year then ended.

Emphasis of Matter

- Without modifying our opinion we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared for the information of the members of Auckland University Students' Association (Incorporated) and University of Auckland. As a result, the 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 financial statements regarding the going concern concept. Our opinion is not modified in respect of this matter. 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 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.

Our audit was completed on 31 July 2017 and our opinion is expressed as at that date.

Walker Wayland Auckland

**Walker Wayland Auckland
Chartered Accountants**



Association Directory

Auckland University Students Association Incorporated
For the year ended 31 December 2016

Executive Officers

President

William Matthews (2017); William Matthews (2016)

Vice President

Jessica Jones (2017); Isobel Gledhill (2016)

Treasurer

Daniel Bradley (2017); Dean Cutfield (2016)

Education Vice President

Jessica Palairt (2017); Rachel Burnett (2016)

Welfare Vice President

Sarah Butterfield (2017); Penelope Jones (2016)

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 2016

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.

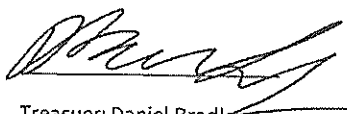
APPROVED

For and on behalf of the Executives.



President: William Matthews

Date: 31 July 2017



Treasurer: Daniel Bradley

Date: 31 July 2017



Non-Consolidated Statement of Financial Performance

Auckland University Students Association Incorporated
For the year ended 31 December 2016

	NOTES	2016	2015
Revenue			
Trading Income	2	1,597,057	1,407,594
Total Revenue		1,597,057	1,407,594
Gross Surplus			
		1,597,057	1,407,594
Less Operating Expenses			
Administrative Costs		24,979	24,726
Advertising & Publicity Costs		3,866	2,091
Audit & Finance Costs		49,792	34,442
Club's Ball Costs		31,156	12,836
Communication Cost		13,819	13,162
Computer Costs		3,852	6,079
Depreciation		25,803	25,488
Direct Costs		106,961	170,860
Events Costs		21,862	7,128
Fringe Benefit Tax		1,032	-
Insurance		22,645	22,840
Motor Vehicle/Transport		8,502	9,407
Personnel Costs		803,737	703,586
Property & Building Costs		102,973	101,675
Student Activities		243,658	163,771
Total Less Operating Expenses		1,464,637	1,298,092
Net Profit (Loss) Before Taxation		132,419	109,502
Net Profit (Loss) for the Year		132,419	109,502



The accompanying notes form part of these financial statements.

Non-Consolidated Statement of Financial Position

Auckland University Students Association Incorporated

As at 31 December 2016

	NOTES	31 DEC 2016	31 DEC 2015
Assets			
Current Assets			
Cash & Equivalents	6	245,737	154,235
Trade Receivables	7	89,758	71,169
Prepayments		18,324	20,952
Loan to Related Parties	3	23,750	12,000
Other Receivable	4	17,883	8,465
Total Current Assets		395,451	266,821
Non-Current Assets			
Fixed assets	13	33,987	31,444
Total Non-Current Assets		33,987	31,444
Total Assets		429,438	298,265
Liabilities			
Current Liabilities			
Trade Payables	8	32,582	62,472
Clubs & Affiliations Control		13,220	13,220
GST Payable		21,410	4,766
Fund held for ETTSA		4,419	4,678
Media Trust		9	9
Next Year Project		10,200	8,296
Income Received In Advance		51,791	51,791
Other Liabilities	5	153,263	149,743
Total Current Liabilities		286,894	294,975
Total Liabilities		286,894	294,975
Net Assets		142,544	3,291
Equity			
Total Members Funds		142,544	3,291
Total Equity		142,544	3,291



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 2016

	2016	2015
Members Funds		
Opening Balance	3,291	(108,159)
Increases		
Net Surplus for the year	132,419	109,502
Transfer from (to) Student Welfare	6,834	1,948
Total Increases	139,253	111,450
Total Members Funds	142,544	3,291



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 2016

	2016	2015
Cash Flows from Operating Activities		
<u>Cash received from</u>		
Donations, fundarising and other similar Receipts	15,260	13,259
Distributions received from related trusts	592,820	590,000
Receipts from providing services and events	217,794	251,122
Rental income from related parties	721,558	621,491
Interest income Received	1,360	147
Net GST	11,874	2,213
Total Cash received from	1,560,667	1,478,232
<u>Cash applied to</u>		
Payments to suppliers and employees	(1,402,715)	(1,272,411)
Payments to donations and welfare	(21,465)	(14,912)
Other operating activities	(5,286)	(7,028)
Total Cash applied to	(1,429,465)	(1,294,350)
Total Cash Flows from Operating Activities	131,201	183,882
Cash Flows from Investing and Financing Activities		
<u>Cash received from</u>		
Receipts from disposal of fixed assets	6,087	-
Repayment received on loans made to related parties	18,250	12,000
Receipt from Other Investing and Financing Activities	48	12,913
Total Cash received from	24,385	24,913
<u>Cash applied to</u>		
Payments to acquire fixed assets	(34,084)	(13,982)
Loans made to related parties	(30,000)	-
Total Cash applied to	(64,084)	(13,982)
Total Cash Flows from Investing and Financing Activities	(39,699)	10,931
Net Increase/ (Decrease) in Cash	91,502	194,813
Cash Balances		
Cash and cash equivalents at beginning of period	154,235	(40,578)
Cash and cash equivalents at end of period	245,737	154,235
Net change in cash for period	91,502	194,813

The association is required to prepared Statement of Cashflow from the year of 2016.



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 2016

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

	2016	2015
2. REVENUE		
University of Auckland	(621,491)	(621,491)
Distributions from related Trusts	(592,820)	(515,000)
Other Income	(382,746)	(271,103)
Total REVENUE	(1,597,057)	(1,407,594)

	2016	2015
3. Related Parties		
Campus Radio BFM Ltd -Loan Receivable	23,750	-
The Kennedys Ltd -Loan Receivable	-	12,000
Current Portion -University Trade Debtor	56,352	56,352
AUSA Media Trust - Payable	(9)	(9)
Total Related Parties	80,093	68,343



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 \$23,750 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 \$33,713 (2015: \$39,172).

The Association is related to The Kennedys Limited as AUSA Bar Trust is its sole shareholder. The Association has provided an unsecured loan facility of up to \$30,000 to The Kennedys Limited, which has been fully repaid during the year.

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 \$40,067 (2015: nil) 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 2016, distributions were received from related trusts were: \$270,000 from AUSA Property Trust (2015: \$240,000), and \$322,820 from UBS Trust (2015: \$275,000) respectively.

	2016	2015
4. Other Receivable		
<u>Receivables</u>		
Loan to The Kennedys Ltd	-	12,000
Court Order Receivable from ERA	-	10,000
Provision for doubtful Debt for Court Order	-	(10,000)
Eyecorp Advertising	15,375	8,156
All others	2,508	309
Total Receivables	17,883	20,465

	2016	2015
5. Other Liabilities		
Provision for Holiday Pay	74,134	68,959
Accruals	25,000	15,000
Bond	-	50
Fund held for Welfare	38,287	45,123
All others	15,842	20,611
Total Other Liabilities	153,263	149,743

6. Bank of New Zealand

The Association had an overdraft facility with BNZ of \$150,000 in previous years. This has been cancelled during the year. A guarantee of \$200,000 previously available from AUSA Property Trust was withdrawn during the year.



	2016	2015
7. Trade Receivables		
Accounts Receivable	60,112	30,336
University of Auckland	56,352	56,352
Provision for Doubtful Debts	(26,706)	(15,519)
Total Trade Receivables	89,758	71,169

The \$26,706 (2015: \$15,519) provision for Doubtful debts is based on the Associations policy to provide against Aged Receivables greater than 3 months.

	2016	2015
8. Trade Payables		
Trade Creditors	(32,582)	(62,472)
Total Trade Payables	(32,582)	(62,472)

	2016	2015
9. Audit Fees		
Walker Wayland	25,000	15,000
Total Audit Fees	25,000	15,000

	2016	2015
10. Commitments		
Current	9,672	7,271
Non-Current	20,384	26,944
Total Commitments	30,056	34,215

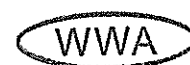
The Association has commitments under operating leases as shown above.

11. Subsequent Events

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

12. Contingent Liability

There are no contingent liabilities at balance date.



	2016	2015
13. Fixed Assets		
Furniture & Fittings		
At Cost	576,376	576,248
Less Accumulated Depreciation	(569,253)	(551,727)
Total Furniture & Fittings	7,123	24,521
Motor Vehicle		
At Cost	44,408	13,982
Less Disposal	(8,691)	-
Less Accumulated Depreciation	(15,431)	(13,982)
Total Motor Vehicle	20,286	-
Office Equipment (Inc Computer)		
At Cost	178,781	175,115
Less Accumulated Depreciation	(176,238)	(173,829)
Total Office Equipment (Inc Computer)	2,544	1,287
Plant & Equipment		
At Cost	155,168	155,168
Less Accumulated Depreciation	(151,133)	(149,531)
Total Plant & Equipment	4,034	5,637
Total Fixed Assets	33,987	31,444

