

Non-Consolidated Financial Statements

Auckland University Students Association Incorporated
For the year ended 31 December 2020

Prepared by Walker Wayland Auckland Limited

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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 2020, and the statement of financial performance, statement of movements in equity and statement of cash flows 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 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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.

ACCOUNTANTS & ADVISORS

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William Buck Audit (NZ) Limited

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 Association.

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.

A further description of our responsibilities for the audit of these 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.

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. Our opinion is not modified in respect of this matter



William Buck Audit (NZ) Limited

Auckland
2 June 2021

Association Directory

Auckland University Students Association Incorporated For the year ended 31 December 2020

Executive Officers

President

Anamika Harirajh (2021)
Emma Rogers (Appointed), August 2020 - November 2020
George Barton (Resigned), December 2019 - August 2020

Engagement Vice President

Makayla Muhundan (2021)
Emily McDonald (2020)

Treasurer

Faataualofa Abbytail So'olefai (2021)
George Barton (Acting) (2020)

Education Vice President

Alan Shaker (2021)
Emma Rogers (2020)

Welfare Vice President

Ishwanka Sharma (2021)
Anamika Harirajh (2020)

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

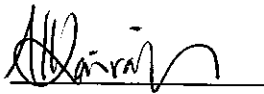
Approval of Financial Report

Auckland University Students Association Incorporated For the year ended 31 December 2020

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 2020.

APPROVED

For and on behalf of the Executives



President: Anamika Harirajh

Date 2.06.2021

Non-Consolidated Statement of Financial Performance

Auckland University Students Association Incorporated
For the year ended 31 December 2020

	NOTES	2020	2019
Income			
Advertising, Sponsorship and Sales		94,057	122,865
Hireage and Miscellaneous		31,768	26,872
Investment Based Income		918,673	805,765
Orientation Concert		237,701	160,321
University Based Income		1,032,320	856,865
Total Income		2,314,519	1,972,687
Gross Profit			
		2,314,519	1,972,687
Operating Expenses			
Advocacy		3,612	1,533
Buddies and Volunteers		17,500	9,992
Craccum		38,969	72,248
Engagement and Events		476,396	545,239
Office and Custodial Costs		306,514	237,113
Partner Funding		80,112	83,540
People Cost - Personnel	13	1,094,579	910,701
Representation		26,965	9,085
Welfare		93,720	23,899
Total Operating Expenses		2,138,367	1,893,351
Net Profit (Loss)			
		176,152	79,336

The accompanying notes form part of these financial statements.

Non-Consolidated Statement of Financial Position

Auckland University Students Association Incorporated

As at 31 December 2020

	NOTES	31 DEC 2020	31 DEC 2019
Assets			
Current Assets			
Cash and Bank		416,566	435,541
Trade receivables	5	68,702	62,080
Prepayments		50,484	73,280
Loan to Related Parties	2	3,750	3,750
Other receivables	3	4,773	8,613
Stock on Hand	12	16,549	16,549
Total Current Assets		560,824	599,813
Non-Current Assets			
Fixed Assets	11	24,473	13,872
Total Non-Current Assets		24,473	13,872
Total Assets		585,296	613,685
Liabilities			
Current Liabilities			
Trade payables		27,219	17,089
Clubs & Affiliations Control		13,220	13,220
GST Payable		3,699	49,909
Income Received in Advance		51,791	98,826
Other Liabilities	4	222,268	353,579
Finance Lease Liability		3,708	-
Total Current Liabilities		321,904	532,624
Non-Current Liabilities			
Finance lease Liability		6,179	-
Total Non-Current Liabilities		6,179	-
Total Liabilities		328,083	532,624
Net Assets		257,214	81,061
Equity			
Total Member Funds		257,214	81,061
Total Equity		257,214	81,061

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 2020

	2020	2019
Members Funds		
Opening Balance	81,061	1,725
Increases		
Net Surplus for the year		
Current year earnings	176,152	79,336
Total Net Surplus for the year	176,152	79,336
Total Increases	176,152	79,336
Total Members Funds	257,214	81,061

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 2020

	2020	2019
Cash Flows from Operating Activities		
Cash received from		
Cash received from the University	883,491	865,090
Cash received from investment	939,243	849,483
Cash received from sales	168,856	395,514
Total Cash received from	1,991,590	2,110,086
Cash applied to		
Cash paid to employees and other operating expenses	(2,003,023)	(1,882,016)
Total Cash applied to	(2,003,023)	(1,882,016)
Total Cash Flows from Operating Activities	(11,433)	228,070
Cash Flows from Investing and financing Activities		
Cash received from		
Other cash items from investing activities	231	20
Proceeds from loans	9,887	-
Total Cash received from	10,118	20
Cash applied to		
Cash paid to acquisition for property, plant and equipment	(17,441)	(2,868)
Total Cash applied to	(17,441)	(2,868)
Total Cash Flows from Investing and financing Activities	(7,323)	(2,848)
Net Cash Flows	(18,756)	225,222
Cash Balances		
Cash and cash equivalents at beginning of period	434,974	209,752
Cash and cash equivalents at end of period	416,218	434,974
Net change in cash for period	(18,756)	225,222

The cash and bank balance in the Non-Consolidated Statement of Financial Position include business credit cards balance of \$348 (2019: \$567).

Notes to the Financial Statements

Auckland University Students Association Incorporated For the year ended 31 December 2020

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
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%

	2020	2019
2. Related Parties		
Campus Radio BFM Ltd - Loan Receivable	3,750	3,750
Current Portion - University Trade Debtor	59,560	57,620
AUSA Media Trust - Payable	(9)	(9)
Total Related Parties	63,301	61,361

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 (2019: \$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 \$7,087 (2019: \$18,500).

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 \$5,000 is received monthly with total annual rent of \$60,000 received. In the 2020 year a further \$60,000 (2019: \$60,000) was received, equating to 10% of turnover exceeding of \$600,000 as agreed by both parties.

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 2020 to Dec 2020. 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 2020, distributions received from related trusts were: \$330,000 from AUSA Property Trust (2019: \$330,000), \$Nil from AUSA Bar Trust (2019: \$50,000) and \$50,000 from UBS Trust (2019: \$300,000).

	2020	2019
3. Other Receivable		
All others	4,773	8,613
Total Other Receivable	4,773	8,613

	2020	2019
4. Other Liabilities		
Accruals for Audit Fee	27,500	28,076
Accruals for Professional Consulting Fee	-	2,090
Accruals for Shadows Rent Payback	25,570	-
Funds held for Welfare	76,345	67,782
Payroll Liabilities	19,164	20,344
Provision for Holiday Pay	57,070	71,353
All Others	16,619	163,934
Total Other Liabilities	222,268	353,579

	2020	2019
5. Trade Receivable		
Accounts Receivable	11,155	4,460
University of Auckland	59,560	57,620
Provision for Doubtful Debt (12200)	(2,013)	-
Total Trade Receivable	68,702	62,080

In the 2020 year, the \$2,013 provision for Doubtful debts was based on the Association's policy to provide against Aged Receivables greater than 3 months.

	2020	2019
6. Trade paybles		
Trade Creditors	25,860	17,080
Total Trade paybles	25,860	17,080

	2020	2019
7. Audit Fees		
Audit Fees	12,000	12,000
Audit Fees - Trusts	8,500	10,000
Audit Fees - Consolidation	7,000	9,155
Audit Fee - Internal	-	7,576
Total Audit Fees	27,500	38,731
	2020	2019

8. Commitments		
Current	8,569	7,168
Non-Current	14,214	3,992
Total Commitments	22,783	11,160

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.

	2020	2019
11. Fixed Assets		
Furniture and Fittings		
At Cost	462,674	581,913
Less Accumulated depreciation	(458,066)	(576,901)
Total Furniture and Fittings	4,608	5,011
Motor Vehicles		
At Cost	13,043	13,043
Less Accumulated depreciation	(11,413)	(7,500)
Total Motor Vehicles	1,630	5,543
Office Equipment (Inc Computer)		
At Cost	202,874	184,879
Less Accumulated depreciation	(185,404)	(182,478)
Total Office Equipment (Inc Computer)	17,470	2,400
Plant and Equipment		
At Cost	155,168	155,168
Less Accumulated depreciation	(154,404)	(154,251)
Total Plant and Equipment	764	917
Total Fixed Assets	24,473	13,872

	2020	2019
12. Inventory		
Stock On Hand - AUSA Breweries	16,549	16,549
Total Inventory	16,549	16,549

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.

	2020	2019
13. People Cost - Personnel		
Redundancy	337,160	-
All Other Personnel Costs	757,419	910,701
Total People Cost - Personnel	1,094,579	910,701