

University of Canterbury Students' Association Incorporated
Financial Report
For the year ended 31 December 2011

**University of Canterbury Students' Association Incorporated
Financial Report for the year ended 31 December 2011**

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**University of Canterbury Students' Association Incorporated
Financial Report for the year ended 31 December 2011**

Directory

Nature of Operations	Students' Association
Business Location	Christchurch
IRD Number	13-050-147
Date of Incorporation	2 June 1939
Registered Office	90 Ilam Road Ilam Christchurch
President	Erin Jackson
Bankers	National Bank of New Zealand Ltd
Solicitors	Lane Neave
Auditors	Polson Higgs Christchurch

Independent Auditor's Report

To the Members of the University of Canterbury Students' Association Incorporated

Report on the Financial Statements

We have audited the financial statements of University of Canterbury Students' Association Incorporated on pages 4 to 18 which comprise the balance sheet as at 31 December 2011, the statement of comprehensive income and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executives Responsibility for the Financial Statements

The Executive is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Executive determine is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

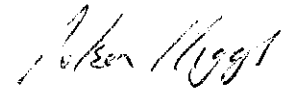
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 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 interest in, the University of Canterbury Students' Association Incorporated.

Opinion

In our opinion, the financial statements on pages 4 to 18 present fairly in all material respects the financial position of the University of Canterbury Students' Association Incorporated as at 31 December 2011 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



20 April 2012
Polson Higgs
Christchurch

This audit report relates to the financial statements of University of Canterbury Students' Association Incorporated for the year ended 31 December 2011 included on University of Canterbury Students' Association Incorporated's website. The Executive Committee are responsible for the maintenance and integrity of the University of Canterbury Students' Association Incorporated website. We have not been engaged to report on the integrity of University of Canterbury Students' Association Incorporated's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit reports refer only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited financial statements and related audit report dated 20 April 2012 to confirm the information included in the audited financial statements reported on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

University of Canterbury Students' Association Incorporated

**Statement of Comprehensive Income
For the year ended 31 December 2011**

	Note	2011 \$	2010 \$
Continuing Activities			
Operating Revenue	2	6,969,204	8,286,059
Less Operating Expenditure			
Depreciation	13	728,895	776,259
Amortisation	12	28,715	2,360
Executive Expenditure	3	312,532	336,617
Other Operating Expenditure	4	5,670,139	7,211,732
Total Operating Expenditure		<u>6,740,281</u>	<u>8,326,968</u>
Operating Surplus before Net Financing Costs		<u>228,923</u>	<u>(40,909)</u>
Less Financing Costs			
Interest Paid		13,978	40,468
Net Financing Costs		<u>13,978</u>	<u>40,468</u>
Operating Surplus/(Deficit) for the year		<u>214,945</u>	<u>(81,377)</u>
Net Surplus/(Deficit) for the year		214,945	(81,377)
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>214,945</u>	<u>(81,377)</u>

The accompanying notes form part of and are to be read in conjunction with these statements.

University of Canterbury Students' Association Incorporated

**Balance Sheet
as at 31 December 2011**

	Note	2011 \$	2010 \$
Funds of the Association			
Accumulated Fund		8,479,982	8,264,997
Student Hardship Fund Reserve		51,459	51,459
Asset Revaluation Reserve		4,657,526	4,657,526
Total Association Funds	6	<u>13,188,967</u>	<u>12,973,982</u>
These were represented by:			
Assets			
Current Assets			
Cash and Cash Equivalents	7	1,842,989	1,285,543
Prepayments		19,849	45,393
Current Portion of Term Debtor	5	4,444	4,444
Accounts Receivable	8	232,549	82,276
Accrued Revenue	9	411,013	164,953
Stock on Hand		14,139	69,841
Total Current Assets		<u>2,524,983</u>	<u>1,652,450</u>
Non Current Assets			
Investments	11	1,606,684	1,806,684
Term Debtor	5	7,419	11,864
Intangible Assets	12	96,880	3,858
Property Plant & Equipment	13	<u>9,755,457</u>	<u>10,234,732</u>
Total Current Assets		<u>11,466,440</u>	<u>12,057,138</u>
Total Assets		13,991,423	13,709,588
Less Liabilities			
Current Liabilities			
Accounts Payable	10	372,353	310,632
GST Payable		94,149	78,632
Employee Entitlements	15	306,374	294,224
Current Portion Term Liabilities	14	<u>29,580</u>	<u>52,116</u>
Total Current Liabilities		<u>802,456</u>	<u>735,604</u>
Non Current Liabilities			
Term Liabilities	14	<u>-</u>	<u>-</u>
Total Liabilities		<u>802,456</u>	<u>735,604</u>
Net Assets per the Association's Funds	6	<u>13,188,967</u>	<u>12,973,982</u>

For and on behalf of the Advisory Board

UPSA President

Date

18.04.2012

Date

The accompanying notes form part of and are to be read in conjunction with these statements.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report
For the year ended 31 December 2011

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The University of Canterbury Students' Association Incorporated ('the Association') is an incorporated society domiciled in New Zealand, registered under the Incorporated Societies Act 1908, and a registered Charity under the Charities Act 2005.

The financial statements were authorised for issue by the Executive on _____.

Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards as appropriate to Public Benefit entities. The Association is a Public Benefit entity.

The Association qualifies for Differential Reporting exemptions as it has no public accountability, and the Association is not large. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted except that Goods and Services Tax (GST) exclusive accounting has been adopted.

Under Differential Reporting, an entity is not required to present a Statement of Changes in Equity if there have been no contributions or distributions to owners, or adjustments to the opening balance of retained earnings. The Association has taken advantage of this exemption.

Basis of Measurement

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: land and buildings, and financial instruments at fair value through profit or loss.

Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is the Association's functional and presentation currency, rounded to the nearest dollar.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) *Property, plant and equipment*

Owned assets

Except for land and buildings, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and, where relevant, the costs of dismantling and removing the items and restoring the site on which they are located.

Land and buildings have been revalued to fair value (based on market evidence) as determined by an independent valuer. Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

Where material items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (continued)

Revaluations

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, the balance is expensed in the Income Statement. Any subsequent increase on revaluation of the asset that off-sets a previous decrease in value recognised in The Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that asset.

Property, plant and equipment (continued)

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in comprehensive income. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when the cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Association and the cost of the item can be measured reliably. All other costs are recognised in the Income Statement as an expense when incurred.

Depreciation

Depreciation is charged at the same rate as permitted by the Income Tax Act 2007, except for buildings which are depreciated over their estimated useful life. Depreciation is charged to the Income Statement. Land is not depreciated. The following rates have been used:

Student Association Building	4.8% - 7.8% SL	4% - 18% DV
Childcare Centre Building	4.8% SL	4% - 15% DV
Lyall Holmes Lodge	2.2% SL	
Sports Pavilion No 1	2.2% SL	
Afforestation Assets	3.0% SL	
Plant and Equipment		9 - 99% DV

The residual value of assets is reassessed annually. The useful lives and depreciation methods used for buildings are also reassessed annually.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Income Statement. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to retained earnings.

b) *Intangible assets*

Software

Software has a finite useful life. Software is capitalised and written off over the currently estimated useful lives of two to five years. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

b) Intangible assets continued

Website Development

Website development has an indefinite useful life. It is not amortised, however it is reviewed for impairment annually.

c) Financial Instruments

Financial instruments are recognised in the Balance Sheet initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

A financial instrument is recognised when the Association becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised if the Association's contractual rights to the

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Financial Instruments (continued)

Cash-flows from the financial assets expire, or if the Association transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents (including bank overdrafts), loans and borrowings, and trade and other payables.

Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity for which there is a positive intention and ability to hold to maturity.

Held-to-maturity investments are measured at amortised cost using the effective interest method, i.e. interest is accounted for as earned.

Available-for-sale financial assets

The Association's investments in shares are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss previously recognised in equity is transferred to the Income Statement.

Trade and other receivables

Trade and other receivables are measured at amortised cost, using the effective interest method, less impairment losses. Trade receivables of a short-term nature are not discounted.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value and bank overdrafts.

Trade and other payables

Trade and other payables are measured at amortised cost, using the effective interest method.

Interest-bearing borrowings

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss over the period of the borrowings on an effective interest rate method.

Fair value estimation

The fair value of financial instruments must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The fair value of forward exchange contracts is

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

Fair value estimation (continued)

determined using forward exchange market rates at the Balance Sheet date. The fair value of shares is their quoted bid-price at the reporting date.

d) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

e) Impairment

Financial assets

The Association assesses at each Balance Sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment (continued)

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. All impairment losses are recognised in the Income Statement.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. For this purpose, prolonged is regarded as any period longer than nine months and significant as more than 20 percent of the original purchase price of the equity instrument. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the value on initial recognition and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Income Statement.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted. For trade receivables, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default in payments are considered indicators that the receivable is impaired.

When the receivable is uncollectible, it is written off against the allowance account for receivables.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale, financial assets that are debt securities, the reversal are recognised in the Income Statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amounts of the Association's assets other than inventories are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is estimated at each reporting date.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Income Statement.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

Non-financial assets (continued)

The estimated recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects

Current market rates and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

A cash-generating unit is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of the other assets or groups of assets.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount and there is an indication that the impairment loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss on land and buildings carried at fair value is reversed through the Revaluation Reserve. All other impairment losses are reversed through the Income Statement.

f) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

The Association recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent the Association anticipates it will be used by staff to cover those future absences.

g) Revenue

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns, Goods and Services Tax, volume rebates and trade discounts. Revenue is recognised as follows:

Sales of goods

Revenue from the sale of goods is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods. Transfer of the risks and rewards of ownership generally occur when delivered to buyer.

Services

Revenue from services is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction.

Rental income

Rental income is recognised in the Income Statement on a straight-line basis over the term of the lease.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

Deferred revenue

Revenue received in advance is deferred until such time as it meets the requirements for revenue recognition under NZ IAS 18.

h) Income Tax

The Association is exempt from income tax due to its status as a registered charity.

i) Goods and Service Tax

With the exception of trade payables and receivables, all items are stated exclusive of Goods and Services Tax.

j) Finance Income and Expenses

Finance income comprises interest income, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on fair values of derivatives. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Association's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables), losses on the disposal of available-for-sale financial assets, and losses on derivative instruments. All borrowing costs are recognised in the Income Statement using the effective interest method.

k) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

l) Determination of fair values

A number of the Association's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment

The fair value of property is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion. Fair values are determined by independent valuers. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from the operation of that asset. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the valuation.

Trade and other receivables and trade and other payables

The fair value of trade and other receivables and trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying values of trade and other receivables and trade and other payables that are of a short-term duration are a reasonable approximation of their fair values.

Available-for-sale Financial Assets

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

m) Changes in Accounting Policies

There have been no changes in accounting policies from the prior year. All policies have been applied on a consistent basis to last year.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

NOTE 2 – Operating Revenue

a) Operating Revenue includes the following:

	2011	2010
	\$	\$
Service Levy	1,740,744	1,276,260
Rental and Vending Income	88,899	338,056
Interest Received	151,620	227,615
Grants	235,244	761

NOTE 3 - Executive Expenditure

Executive Expenditure includes executive wages and salaries of \$82,529 (2010: \$95,184).

NOTE 4 – Operating Expenditure

a) Operating Expenditure includes the following:

	2011	2010
	\$	\$
Audit Fees	14,700	14,000
Accounting and Tax Services - fees to Auditor	4,000	-
Charitable Donations	800	1,314
Bad Debts	20,054	525
Employee Benefits Expense	3,346,507	3,496,166

NOTE 5 – Discontinued Activity

The assets and business of RDU were sold effective 1 February 2007. The purchase price was financed by the Association with the final payment scheduled to be received in June 2014. Ownership of the radio frequency was retained and has been sublicensed to the purchaser. The amounts are shown in the Balance Sheet as Current Portion of Term Debtor, and Term Debtor.

	2011	2010
	\$	\$
Current Portion of Term Debtor	4,444	4,444
Non-Current Term Debtor	7,419	11,864
Total Discontinued Activity	11,863	16,308

NOTE 6 – Equity

Equity consists of the following:

	2011	2010
	\$	\$
Retained Earnings		
Balance at the beginning of the year	8,264,997	8,346,374
Operating Surplus (Loss) for the year	214,945	(81,377)
Balance at the end of the year	8,479,982	8,264,997

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

NOTE 6 – Equity (continued)

Balance at the beginning of the year	51,459	51,459
Movements for the year	-	-
Balance at the end of the year	<u>51,459</u>	<u>51,459</u>
Asset Revaluation Reserve		
Balance at the beginning of the year	4,657,526	4,657,526
Increase/(Decrease) in Asset Revaluation Reserve	-	-
Balance at the end of the year	<u>4,657,526</u>	<u>4,657,526</u>
Total Accumulated Funds at the end of the year	<u>13,188,967</u>	<u>12,973,982</u>

NOTE 7 – Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash on hand	5,213	10,105
Bank accounts	1,371,983	672,575
Short-term call deposits	465,793	602,863
Balance held at the end of the year	<u>1,842,989</u>	<u>1,285,543</u>

NOTE 8 – Accounts Receivable

	2011	2010
	\$	\$
Trade and Sundry Debtors	235,066	82,276
less Provision for Doubtful Debts	2,517	-
Net Trade Accounts Receivable	<u>232,549</u>	<u>82,276</u>

NOTE 9 – Accrued Revenue

	2011	2010
	\$	\$
UBS Dividend	500,000	50,000
Insurance Proceeds	(102,094)	-
Interest Receivable	13,107	22,103
Earthquake Insurance Claim and Preparation costs	-	92,850
Net Trade Accounts Receivable	<u>411,013</u>	<u>164,953</u>

NOTE 10 – Accounts Payable

	2011	2010
	\$	\$
Trade Creditors and Accruals	372,353	310,632
Total Accounts Payable	<u>372,353</u>	<u>310,632</u>

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

NOTE 11 – Investments

	2011	2010
	\$	\$
New Zealand Fixed Interest Investments (Held-to-maturity)		
Fonterra Notes	159,710	159,710
Sky Television Network Limited	100,000	100,000
Rabobank	100,000	100,000
The Warehouse Group	100,000	100,000
Fletcher Building Limited	-	98,442
Deutsche Bank	101,000	101,000
Infratil Limited	-	100,000
ANZ National Bank	100,000	100,000
Westpac	200,000	200,000
Bank of New Zealand	100,000	100,000
ANZ National Bank	100,000	101,370
ASB Bank	105,322	105,511
Vector Limited	100,000	100,000
Total Fixed Interest Investments	1,266,032	1,466,033
New Zealand Equity Investments		
AMP NZ Office Trust Ordinary Shares	115,397	115,396
Total New Zealand Equity Investments	115,397	115,396
Other		
Shares in University Bookshop Canterbury Limited	225,000	225,000
Other	255	255
Total Other Investments	225,255	225,255
Total Investments	1,606,684	1,806,684

The Association records its 50% shareholding in University Bookshop Canterbury Limited at cost. As the University of Canterbury Students' Association does not exercise significant influence over the financial and operating decisions of the bookshop, it is not classified as an Investment in Associate.

NOTE 12 – Intangible Assets

Intangible assets with Finite Useful Lives	2011	2010
	\$	\$
Opening Book Value	3,858	6,218
Purchases	109,437	-
Current year amortisation	28,715	2,360
Total Intangible Assets – Finite Useful Lives	84,580	3,858
Intangible assets with Indefinite Useful Lives	2011	2010
	\$	\$
Opening Book Value	-	-
Purchases	12,300	-
Impairment	-	-
Total Intangible Assets – Indefinite Useful Lives	12,300	-
Total Intangible Assets	96,880	3,858

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

NOTE 12 – Intangible Assets (continued)

Intangible Assets that have Finite Useful Lives include software, software licenses and other intangible assets that are able to be amortised based on Generally Accepted Accounting Practices prior to the transition to New Zealand International Financial Reporting Standards. These intangible assets are amortised over their estimated useful life.

Intangible Assets with Indefinite Useful Lives include the development of the HardCard website. These intangible assets are not amortised, however they are reviewed for impairment annually.

NOTE 13 – Property, Plant and Equipment

As at 31 December 2011

Category	Cost	Current Year Depreciation	Accumulated Depreciation	Carrying Value
Students' Association Building	8,238,765	411,903	1,199,373	7,039,393
Childcare Centre Buildings	983,457	48,280	122,723	860,734
Lyall Holmes Lodge	129,235	3,520	56,135	73,100
Sports Pavilion #1	19,066	304	11,279	7,788
Afforestation Asset	444,510	3,015	30,181	414,330
Plant and Equipment	3,599,692	261,873	2,239,579	1,360,113
Work in Progress	-	-	-	-
	13,414,725	728,895	3,659,269	9,755,457

As at 31 December 2010

Category	Cost	Current Year Depreciation	Accumulated Depreciation	Carrying Value
Students' Association Building	8,234,168	384,112	787,471	7,446,697
Childcare Centre Buildings	783,646	37,522	74,443	709,203
Lyall Holmes Lodge	129,235	8,339	52,615	76,619
Sports Pavilion #1	19,066	412	10,975	8,092
Afforestation Asset	444,510	3,016	27,165	417,345
Plant and Equipment	3,416,635	342,858	1,977,706	1,438,929
Work in Progress	137,846	-	-	137,846
	13,165,106	776,259	2,930,374	10,234,732

Valuation of Assets

The Students' Association Building and Childcare Centre Buildings were revalued at 31 December 2008 by CB Richard Ellis, an independent Registered Valuer. Depreciation charged against these assets up to the date of revaluation was \$384,277 for the Students' Association Building and \$52,176 for the Childcare Centre Buildings, and have been recognised as depreciation expense in the Income Statement. The next scheduled revaluation is to occur during 2011. Due to the Canterbury Earthquakes in both the 2010 and 2011 financial years, it is not possible to perform a valuation of the buildings as scheduled for 2011.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

NOTE 13 – Property, Plant and Equipment (continued)

The plant and equipment were revalued to latest valuation by an independent registered valuer - DTZ New Zealand Limited at 31 December 2003. All values were determined by reference to observable prices in an active market. Subsequent to this, there have been no further revaluations on a basis that the carrying values of plant and equipment fairly approximate open market values.

The Sports Pavilion No 1 was revalued by an independent registered valuer - DTZ New Zealand Limited at 31 December 2002. Lyall Holmes Lodge was revalued by \$62,099 in 1979.

Students' Association Building

The Association operates a Students' Association Building under a Deed of Management with the University of Canterbury subject to the conditions therein. The current deed was agreed on 20 December 2001.

The University of Canterbury and the Association have both recognised a share of the Students' Association building. During 2008, it was agreed that the University of Canterbury owns 35% of the building and the University of Canterbury Students' Association owns the remaining 65%.

Capital Work in Progress

	2011	2010
	\$	\$
Office 2007 Project	-	12,770
HardCard website	-	12,300
POS Upgrade	-	23,887
Web Hub Development	-	26,437
IELC Upgrade	-	61,491
Other	-	961
Total Capital Work in Progress	-	<u>137,846</u>

NOTE 14 – Term Liabilities

	2011	2010
	\$	\$
Total Unsecured Loan	29,580	52,116
Less Current Portion	<u>(29,580)</u>	<u>(52,116)</u>
Total Term Liabilities	-	-

The loan is with DB Breweries Limited. In 2005 the unsecured loan was set at an interest rate of 13.5% per annum, repayable in five equal instalments of principal and interest annually of \$100,727 on 1 November each year. This loan was re-negotiated in 2006 to an initial loan of \$388,000 to be payable over a four year term with interest calculated at 12.75% per annum. The loan is forgiven if certain targets are met.

NOTE 15 – Employee Entitlements

	2011	2010
	\$	\$
Wages and Salaries Accrual	93,922	118,597
Holiday Pay Accrual	107,237	101,437
Sick Leave Accrual	45,000	45,000
Other	60,215	29,190
Total Employee Entitlements	<u>306,374</u>	<u>294,224</u>

University of Canterbury Students' Association Incorporated
Notes to the Financial Report (continued)
For the year ended 31 December 2011

NOTE 16 – Capital Commitments

As at 31 December 2011 the Association had no Capital Commitments. (2010: UCSA Hub Development \$52,873, POS Development \$71,113, Early Learning Development Centre \$139,024)

NOTE 17 – Contingent Liabilities

As at 31 December 2011 there were no material contingent assets or contingent liabilities (2010: Nil)

NOTE 18 – Canterbury Earthquake

On the 4th of September 2010, 22nd February 2011, and in the months subsequent there have been significant earthquakes and aftershocks in the Canterbury area. As a result of these earthquakes and aftershocks, the Association has suffered some damage to its buildings. The buildings are insured under the University of Canterbury's insurance policy. The Student's Association building is currently not in use, and it is unclear at this stage as to the extent of damage. The Association also suffered damage to plant, stock, contents and business interruption, all of which are covered under the Association's insurance policy. To date \$763,913 has been received from insurance proceeds. Subsequent assessments have been made, and an overpayment of \$102,914 was received, which is to be repaid back to the insurers. This is shown in Note 9 against Accrued Revenue.

NOTE 19 – Events Subsequent to Balance Date

Subsequent to balance date, a contract for Compass to provide food and beverage services on behalf of the Association were in the final stages of negotiation. To keep things moving with the construction of the food court in the Undercroft, the Association has taken responsibility for the Southern Hospitality account until such time as the contract is signed. Once the contract has been signed any expense incurred by the Association will be invoiced by Association to Compass. (2010: On the 22nd February 2011, Canterbury suffered another large earthquake, which has resulted in further damage to the Associations property, plant and equipment. At this stage, the damage is not quantifiable; however the Association is satisfied that any losses will be covered by its appropriate covers).

NOTE 20 – Related Party Transactions

	2011	2010
	\$	\$
Transactions with related parties (on normal commercial terms)		
University Bookshop Canterbury Limited		
- Marketing Fee received	62,000	80,000
- Dividend received	500,000	50,000

The University of Canterbury Students' Association is a 50% shareholder in the University Bookshop Canterbury Limited. The dividend of \$500,000 was recorded as Revenue Receivable at balance date.

NOTE 20 – Tax Losses

During the 1999 financial year the Inland Revenue Department approved the Association's status as a charitable trust. Up to this point, tax losses of \$655,401 were available to carry forward subject to IRD approval.