

University of Canterbury Students' Association Incorporated
Financial Report
For the year ended 31 December 2009

University of Canterbury Students' Association Incorporated
Financial Report for the year ended 31 December 2009

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University of Canterbury Students' Association Incorporated
Financial Report for the year ended 31 December 2009
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	Steve J Jukes
Bankers	National Bank of New Zealand
Solicitors	Lane Neave
Auditors	BDO Christchurch

**AUDIT REPORT
TO THE MEMBERS OF THE
UNIVERSITY OF CANTERBURY STUDENTS' ASSOCIATION INCORPORATED**

We have audited the financial statements on pages 4 to 18. The financial statements provide information about the past financial performance of the University of Canterbury Students' Association Incorporated and its financial position as at 31 December 2009. This information is stated in accordance with the accounting policies set out on pages 7 to 12 of the financial statements.

This report is made solely to the members of the University of Canterbury Students' Association Incorporated, as a body, in accordance with the requirements of the University of Canterbury Students' Association Incorporated's constitution. Our audit has been undertaken so that we might state to the University of Canterbury Students' Association Incorporated's members those matters 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 University of Canterbury Students' Association Incorporated and the University of Canterbury Students' Association Incorporated's members as a body, for our audit work, for this report, or for the opinion we have formed.

Executive Responsibilities

The Executive is responsible for the preparation of the financial statements which fairly reflect the financial position of the Association as at 31 December 2009 and the results of its operations for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Executive.

Basis of Opinion

An audit includes examining on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Executive in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

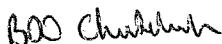
We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In addition to audit services, our firm provides other services in the areas of assisting with the compilation of the annual financial statements. We have no other relationship with or interests in the Association. These matters have not impaired our independence as auditors of the Association.

Unqualified Opinion

In our opinion the financial statements on pages 4 to 18 fairly reflect the financial position of the University of Canterbury Students' Association Incorporated as at 31 December 2009 and the results of its operations for the year ended on that date.

Our audit was completed on 26 April 2010 and our unqualified opinion is expressed as at that date.



BDO Christchurch
Christchurch

University of Canterbury Students' Association Incorporated
Statement of Comprehensive Income
For the year ended 31 December 2009

	Note	2009 \$	2008 \$
Continuing Activities			
Operating Revenue	2	8,538,357	8,317,025
Less Operating Expenditure			
Interest Paid		23,562	33,193
Depreciation	12	801,517	791,643
Amortisation		7,315	12,802
Executive Expenditure	3	392,051	371,588
Operating Expenditure	4	7,529,532	6,811,066
		<hr/>	<hr/>
Total Operating Expenditure		8,753,977	8,020,292
		<hr/>	<hr/>
Operating Surplus for the year		<u><u>(215,620)</u></u>	<u><u>296,733</u></u>

The accompanying notes form part of these Financial Statements



University of Canterbury Students' Association Incorporated
Statement of Changes In Equity
For the year ended 31 December 2009

	Note	2009 \$	2008 \$
Surplus for the year	6	(215,620)	296,733
Increase in Reserves	6	8,068	1,515,852
Total recognized revenue & expenses for the year		<u>(207,552)</u>	<u>1,812,585</u>
Accumulated Funds at the Beginning of the year		13,262,911	11,450,326
Accumulated Funds at the End of the year		<u>13,055,359</u>	<u>13,262,911</u>

The accompanying notes form part of these Financial Statements



University of Canterbury Students' Association Incorporated
 Balance Sheet
 As at 31 December 2009

	Note	2009 \$	2008 \$
Current Assets			
Cash & Cash equivalents	7	1,010,389	1,146,659
Short term Investments	11	400,000	347,029
Prepayments		49,240	32,643
Current Portion of Term Debtor	5	4,444	4,444
Accounts Receivable	8	60,985	77,162
Stock on Hand		72,382	138,821
Total Current Assets		<u>1,597,440</u>	<u>1,746,758</u>
Current Liabilities			
Accounts Payable	9	339,435	311,252
GST Payable		78,267	73,668
Employee Entitlements		229,056	260,137
Current Portion of Term Liabilities	13	83,000	79,000
Total Current Liabilities		<u>729,758</u>	<u>724,057</u>
Net Working Capital		867,682	1,022,701
Non Current Assets			
Investments	10	1,806,684	1,714,306
Term Debtor	5	16,308	20,753
Intangible assets		10,023	17,338
Property, Plant & Equipment	12	10,396,683	10,597,743
Total Non Current Assets		<u>12,229,698</u>	<u>12,350,140</u>
Non Current Liabilities			
Term Liabilities	13	<u>42,021</u>	<u>109,930</u>
Total Non Current Liabilities		42,021	109,930
Net Assets		<u>13,055,359</u>	<u>13,262,911</u>
Net Assets Represented by:			
Accumulated Funds	6	<u>13,055,359</u>	<u>13,262,911</u>

Benam Hillier

For and on behalf of the Commercial Advisory Board

26/4/2010
Date

[Signature]
UCSA President

26/04/2010
Date

The accompanying notes form part of these Financial Statements



University of Canterbury Students' Association Incorporated
Notes to the Financial Report
For the year ended 31 December 2009

Note 1 Statement of Accounting Policies

Reporting entity

The University of Canterbury Students' Association Inc ('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 of the Association have been prepared in accordance with Generally Accepted Accounting Practice.

The financial statements were authorised for issue by the Executive on 26.04.2010

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 that qualify for and apply differential reporting concessions. 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.

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: Available-for-sale instruments; and land and buildings.

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.

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 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.



University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Property, plant and equipment (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, this 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.

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 & 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 disposals 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.

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 2009

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 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 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 it is 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 includes 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.

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 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.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

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.

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.

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 is 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 assets recoverable amount is estimated. The recoverable amount is estimated at each reporting date.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Non-financial assets (continued)

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.

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 the 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.

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.

Revenue

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

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Revenue (continued)

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 the stage of 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.

Goods and Service Tax

With the exception of trade payables and receivables, all items are stated exclusive of GST.

Income Tax

The Association has obtained an exemption from income tax from the Inland Revenue due to its charitable status.

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.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Note 2 Operating Revenue

Operating Revenue includes the following:

	2009	2008
	\$	\$
Service Levy	1,249,110	1,192,624
Rental and Vending Income	291,921	236,774
Interest	189,534	203,048
Grants	10,061	10,249

Note 3 Executive Expenditure

Executive expenditure includes executive wages and salaries of \$97,151 (2008: \$96,942)

Note 4 Operating Expenditure

	2009	2008
	\$	\$
Audit fees	14,200	15,000
External Board Member fees	-	15,420
Charitable Donations	-	1,800
Lease expense	-	7,251
Bad Debts	2,279	145

All capital expenditure during 2009 has been capitalised in recognition that the costs have been met solely by the Association and that improvements made by the Association will extend beyond the year that they were carried out.

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.

	2009	2008
	\$	\$
Current debt	4,444	4,444
Non Current debt	16,308	20,753



University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Note 6 Equity

Equity consists of the following:

	2009 \$	2008 \$
Retained Earnings		
Balance at the beginning of the year	8,561,994	8,265,261
Operating surplus for the year	(215,620)	296,733
Balance at the end of the year	<u>8,346,374</u>	<u>8,561,994</u>
Student Hardship Fund Reserve		
Balance at the beginning of the year	43,391	41,478
Movements for the year	8,068	1,913
Balance at the end of the year	<u>51,459</u>	<u>43,391</u>
Asset Revaluation Reserve		
Balance at the beginning of the year	4,657,526	3,143,587
Increase/(Decrease) in Asset Revaluation Reserve	-	1,513,939
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><u>13,055,359</u></u>	<u><u>13,262,911</u></u>

Note 7 Cash and Cash Equivalents

	2009 \$	2008 \$
Cash on hand	9,970	4,370
Bank Accounts	134,999	209,601
Short-term call deposits	865,420	932,688
Balance held at the end of the year	<u><u>1,010,389</u></u>	<u><u>1,146,659</u></u>

Note 8 Accounts Receivable

	2009 \$	2008 \$
Trade & Sundry Debtors	62,016	78,193
Provision for Doubtful Debts	(1,031)	(1,031)
	<u><u>60,985</u></u>	<u><u>77,162</u></u>

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Note 9 Accounts Payable

	2009	2008
	\$	\$
Trade Creditors & Accruals	339,435	311,252
	<u>339,435</u>	<u>311,252</u>

Note 10 Investments

	2009	2008
	\$	\$
New Zealand Fixed Interest Investments (Held to Maturity)		
Fonterra Notes	159,710	159,710
Nuplex Industries Limited	-	100,000
PowerCo Limited	-	100,000
Sky Television Network Limited	100,000	100,000
Rabobank	100,000	100,000
Fletcher Building Limited	98,442	98,442
Deutsche Bank	101,000	-
Infratil Limited	100,000	100,000
ANZ National Bank	100,000	100,000
PGG Wrightsons	-	100,000
Westpac	200,000	200,000
BNZ	100,000	100,000
ANZ National Bank	101,370	-
ASB Bank Limited	105,511	-
Vector Ltd	100,000	-
	<u>1,366,033</u>	<u>1,258,152</u>
New Zealand Equity Investments		
Kiwi Income Property Trust Convertible Notes	100,000	100,000
AMP NZ Office Trust Ordinary Shares	115,396	130,899
	<u>215,396</u>	<u>230,899</u>
Other		
Shares in University Bookshop Canterbury Limited	225,000	225,000
Other	225	255
	<u>225,225</u>	<u>225,225</u>
Total Investments	<u>1,806,684</u>	<u>1,714,306</u>

The Association's records it's 50% shareholding in the University Bookshop Canterbury Limited at cost as it does not have any day to day input into the activities of the bookshop.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Note 11 Short Term Investments (> 3 mths)

	2009	2008
	\$	\$
Deutsche Bank 7.14% notes	-	101,000
Meridian Energy 7.36% notes	-	201,046
National Bank Term Deposit: Student Hardship Funds	-	44,983
Powerco Limited	100,000	-
PGG Wrightson Finance Limited	100,000	-
South Canterbury Finance Limited	200,000	-
Total Short Term Investments	<u>400,000</u>	<u>347,029</u>

Note 12 Property, Plant and Equipment

As at 31 December 2009

Category	Cost	Current Year Depreciation	Accumulated Depreciation	Carrying Value
Student Association Building	8,200,697	403,359	403,359	7,797,338
Childcare Centre Buildings	780,938	36,921	36,921	744,017
Lyall Holmes Lodge	115,547	2,542	44,276	71,271
Sports Pavilion #1	13,825	304	10,563	3,262
Afforestation Asset	100,514	3,016	24,149	76,365
Plant & Equipment	3,382,196	355,375	1,681,596	1,700,600
Work In Progress	3,830	-	-	3,830
	<u>12,597,547</u>	<u>801,517</u>	<u>2,200,864</u>	<u>10,396,683</u>

As at 31 December 2008

Category	Cost	Current Year Depreciation	Accumulated Depreciation	Carrying Value
Student Association Building	7,883,038	-	-	7,883,038
Childcare Centre Buildings	761,459	-	-	761,459
Lyall Holmes Lodge	115,547	3,222	41,734	73,813
Sports Pavilion #1	13,825	304	10,260	3,565
Afforestation Asset	100,514	3,015	21,134	79,380
Plant & Equipment	3,028,527	348,649	1,293,509	1,735,018
Work In Progress	61,470	-	-	61,470
	<u>11,964,380</u>	<u>355,190</u>	<u>1,366,637</u>	<u>10,597,743</u>

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Note 12 Property, Plant and Equipment (continued)

Valuation of Assets

The Student Association Building and Childcare Centre Buildings were revalued at 31 December 2008 by CB Richard Ellis Registered Valuer. Depreciation charged against these assets up to the date of revaluation was \$384,277 for the Student Association Building and \$52,176 for the Childcare Centre Buildings and have been recognised as depreciation expense in the Statement of Financial Performance. The next scheduled revaluation is to occur during 2011.

The plant and equipment was revalued to latest valuation by 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 the basis that carrying values of plant and equipment fairly approximate open market values.

The Sports Pavillion No 1 was revalued by DTZ New Zealand Limited at 31 December 2002. Lyall Holmes Lodge was revalued by \$62,099 in 1979.

Student Association Building

The Association operates a Student 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 University of Canterbury Students' Association have both recognised a share of the Student 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

	2009	2008
	\$	\$
Brasilia Café upgrade	-	30,142
Childcare playground upgrade	-	18,012
Main Kitchen flooring upgrade	-	13,316
Commercial Office Restructure	330	-
Administration- New Accounting Package	3,500	-
	<u>3,500</u>	<u>61,470</u>

Note 13 Term Liabilities

	2009	2008
	\$	\$
Total unsecured loan	125,021	188,930
<i>less</i> Current Portion	<u>(83,000)</u>	<u>(79,000)</u>
Total Term Liability	<u>42,021</u>	<u>109,930</u>

In 2005 the unsecured loan was set at interest rate of 13.50% per annum, repayable in five equal installments 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.

University of Canterbury Students' Association Incorporated
Notes to the Financial Report *continued*
For the year ended 31 December 2009

Note 14 Statement of Commitments

As at 31 December 2009 the Association had no commitments in respect of capital projects.
 (2008 - \$433,605)

Note 15 Statement of Contingencies

As at 31 December 2009 there were no material contingent assets or contingent liabilities.
 (2008: nil)

Note 16 Related Party Transactions

	2009	2008
	\$	\$
Transactions with related parties (on normal commercial terms)		
University Bookshop Canterbury Limited		
- Marketing fee received	75,000	80,000
- Dividend received	100,000	100,000
Boffa Miskell Limited		
- Construction & design consulting		11,450
Sheffield Limited		
- Recruitment fees paid		6,771

Prior to 2009 there were two members of the Management Board that were employees of Boffa Miskell and Sheffield Limited. Both resigned from the Management Board in 2008.

Note 17 Tax Losses

During the 1999 financial year the Inland Revenue 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.