

Massey University Students Association Inc. (MUSA)
Financial Reports
For the Year Ended 31st December 2015

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Massey University Students Association Inc. (MUSA)

Charity Directory

As at 31st December 2015

Nature of Registered Charity

Student Services Provider

Registered Charity Address

Student Centre
Tennants Drive
Turitea Campus
Palmerston North

Charities Registration Date

30 June 2008

Executive Committee

President - Nikita Skipper
Equities - Georgia Feekes
Welfare - Samantha Dowse
Administration - Keegan Fisher
Education - Ryan Keys Warner

Accountants

Greer & Wong Limited
233 Broadway Avenue
Palmerston North

Auditors

Naylor Lawrence and Gray Trading as AuditLink
200 Broadway Avenue
Palmerston North

Bankers

Westpac & ANZ
Palmerston North

Solicitors

Fitzherbert Rowe
65 Rangitikei Street
Palmerston North

Massey University Students Association Inc. (MUSA)

Statement of Comprehensive Income

For the Year ended 31st December 2015

	<i>2015</i>	<i>2014</i>
	\$	\$
REVENUE		
Administration of Service Level Agreement	8,625	676
Sundry & Other Income	8,461	6,204
Radio Media	109,210	91,114
Print Media	20,928	18,939
Events	35,341	27,336
Massey Shop	811,368	768,495
Rent Received	721,007	554,710
Hardship Grants	43,249	2,860
Clubs & Societies	107,939	95,406
Advocacy	141,291	106,155
Distance Student Services	28,682	-
Interest Received	594	253
Total Gross Income	2,036,694	1,672,147
LESS DIRECT COSTS		
ACC Expenses	1,396	1,474
Accounting Fees	17,000	16,301
Advertising & Marketing Expenses	7,355	21,408
Audit Fees	16,074	18,010
Bad Debts	176	(1)
Bank Charges	1,176	1,744
Cleaning Expenses	13,514	14,694
Commission - Debts	219	-
Computer Expenses	6,641	8,892
Conference Expenses	-	17
Cost of Sales	581,865	550,380
Donations	174	609
Eftpos Charges	2,251	2,252
Elections	266	-
Entertainers	15,735	16,155
Meeting Expenses	1,631	3,589
Swampfest Expenses	-	2,500
Equipment Hire	-	174
General Expenses	13,855	9,447
Grants	78,507	20,347
Appliance Hire	38,092	37,440
Health & Safety	-	1,065
Insurance	39,905	33,297
Interest	159,105	90,965
Lease Amortisation	16,398	16,398
Legal Fees	2,899	11,340
Levies	19,500	8,000

The statements are to be read in conjunction with the notes to the financial statements and audit report.

Massey University Students Association Inc. (MUSA)

Statement of Comprehensive Income

For the Year ended 31st December 2015

	<i>2015</i>	<i>2014</i>
	\$	\$
Lawns & Gardens	10,883	11,404
Parking	3,929	3,842
Permits	1,102	1,121
Postage	161	133
Power	13,288	18,228
Printing & Stationery	13,231	32,219
Production	-	838
Recruitment	-	1,076
Rates	60,807	41,491
Rent	21,765	26,578
R & M - Buildings	7,726	27,740
R & M - Electrical	1,980	382
R & M - Plumbing	1,055	2,005
R & M - Other	4,624	9,274
Security	108	75
Signage	130	-
Shows - NZ Based Music	522	5,241
Subscriptions	1,673	826
Subsidies	14,360	16,272
Telephone & Tolls	8,840	8,817
Tournament Expensees	2,507	6,721
Training	4,390	6,216
Transportation	400	818
Travel	7,943	3,027
Unity in Diversity	8,117	3,081
Valuations	-	2,875
Volunteer Expenses	1,208	103
Wages & Salaries	489,030	390,149
Kiwisaver	13,148	11,235
Total Direct Costs	<u>1,726,664</u>	<u>1,518,288</u>
GROSS SURPLUS FROM TRADING	<u>310,030</u>	<u>153,859</u>
Less Depreciation		
Depreciation	344,951	268,793
TOTAL COMPREHENSIVE INCOME	<u>(\$34,921)</u>	<u>(\$114,934)</u>

The statements are to be read in conjunction with the notes to the financial statements and audit report.

Massey University Students Association Inc. (MUSA)

Statement of Movements in Equity

For the Year ended 31st December 2015

	Note	2015 \$	2014 \$
EQUITY AT START OF PERIOD		3,890,819	4,005,302
SURPLUS & REVALUATIONS			
Net Surplus/(Deficit)		<u>(34,921)</u>	<u>(114,934)</u>
Total recognised revenues & expenses		(34,921)	(114,934)
OTHER MOVEMENTS			
Capital Gain on Sale		-	452
EQUITY AT END OF PERIOD		<u><u>\$3,855,898</u></u>	<u><u>\$3,890,819</u></u>

The statements are to be read in conjunction with the notes to the financial statements and audit report.

Massey University Students Association Inc. (MUSA)

Statement of Financial Position

As at 31st December 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Westpac 01 Revolving Account		-	4,222
Westpac 00 Account (Flat Rentals)		86,364	42,247
ANZ Account - Operating		218,503	45,919
Massey Hockey Club - Short Term Loan		2,500	-
Petty Cash		4,600	4,200
Accounts Receivable		22,370	26,127
Prepaid Expenses		5,251	4,201
Current Lease Prepayments		16,398	16,398
Stock on Hand		26,713	32,427
Total Current Assets		<u>382,699</u>	<u>175,741</u>
NON-CURRENT ASSETS			
Fixed Assets as per Schedule	10	5,670,876	5,612,089
Non Current Lease Prepayments		<u>160,282</u>	<u>176,680</u>
Total Non-Current Assets		<u>5,831,158</u>	<u>5,788,769</u>
TOTAL ASSETS		<u>6,213,858</u>	<u>5,964,510</u>
CURRENT LIABILITIES			
GST Due for payment	1(d)	7,680	8,958
Accounts Payable		26,779	29,829
Holiday Pay Accrual		18,589	15,545
Accounting Fee Provision		17,000	-
Sales Received in Advance		-	4,305
Accrued Expenses		15,173	15,173
PAYE Control		(792)	-
MUSA Scholarship Grants		-	2,000
Total Current Liabilities		<u>84,429</u>	<u>75,809</u>
NON-CURRENT LIABILITIES			
Westpac Loan Account	9	2,273,531	1,997,882
TOTAL LIABILITIES		<u>2,357,960</u>	<u>2,073,692</u>
NET ASSETS		<u>\$3,855,898</u>	<u>\$3,890,818</u>

The statements are to be read in conjunction with the notes to the financial statements and audit report.

Massey University Students Association Inc. (MUSA)

Statement of Financial Position

As at 31st December 2015

	Note	2015 \$	2014 \$
Represented by;			
TRUSTEES FUNDS			
Reserves		305,464	305,916
Retained Earnings		<u>3,550,434</u>	<u>3,584,903</u>
TOTAL TRUSTEES FUNDS		<u><u>\$3,855,898</u></u>	<u><u>\$3,890,819</u></u>

Trustee _____ Trustee _____

Date

Massey University Students Association Inc. (MUSA)

Notes to the Financial Statements

For the Year ended 31st December 2015

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements presented here are for the entity Massey University Students Association Inc. (MUSA).

MUSA is registered under the Incorporated Societies Act 1908 and these reports are general purpose reports prepared in accordance with Generally Accepted Accounting Policies (GAAP).

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

(a) **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used last year.

(b) **Differential Reporting**

Massey University Students Association Inc. (MUSA) is a qualifying entity in that it qualifies for Differential Reporting as it is not publicly accountable and there is no separation between the owners and the governing body.

All Differential Reporting exemptions have been applied.

(c) **Fixed Assets & Depreciation**

The entity has the following classes of fixed assets and depreciation rates;

Land	0%	DV
Buildings	0% - 100%	CP
Furniture & Fittings	10%	CP
Furniture & Fittings	10%	DV
Motor Vehicles	20%	DV
Plant & Equipment	10% - 30%	CP
Plant & Equipment	20% - 50%	DV

All fixed assets are initially recorded at cost with depreciation being deducted on all tangible fixed assets other than freehold land, in accordance with rates set out in the Income Tax Act 2007.

(d) **Goods & Services Tax**

The Statement of Financial Performance and Statement of Cashflows (where included) have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

Massey University Students Association Inc. (MUSA)

Notes to the Financial Statements

For the Year ended 31st December 2015

(e) **Income Tax**

The trust is a registered Charity, as its registration was accepted by the Charities Commission on 30th June 2008 and therefore tax exempt.

(f) **Inventories**

Inventories are recorded at the lower of cost, determined on a first in first out basis, and net realisable value.

Costs comprise direct material and labour as well as a proportion of fixed and variable production overheads.

(g) **Receivables**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

2. CONTINGENT ASSETS

At balance date there are no known contingent assets. (2014: nil)

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2014:\$0). Massey University Students Association Inc. (MUSA) has not granted any securities in respect of liabilities payable by any other party whatsoever.

4. COMMITMENTS

1) Lease Commitments

Massey University Students Association Inc. (MUSA) has lease commitments as follows;

a) A lease commitment was entered into by the Association with Massey University for the Student Association Building on 1 June 2012. An amount of \$235,469 plus GST has been paid in advance for the term of the lease and is recognised on an amortised basis over this period in the financial statements. The lease expires on 23 September 2026.

b) EFTPOS system lease with Verifone Systems Inc, is at a cost of \$140.19 (incl. GST) monthly. Current portion \$1,628, non-current portion \$3,505.

c) Photocopier lease with Fuji Xerox that commenced in December 2014 for a period of 60 months to November 2019, at a cost of \$204.86 (incl. GST) per month.

2) Capital Commitments

Massey University Students Association Inc. (MUSA)

Notes to the Financial Statements

For the Year ended 31st December 2015

The Association currently has no Capital Commitments for buildings. (2014: \$310,879 - total expected spend (\$1,500,000) less spending as at 31 December 2014 (\$1,189,121)).

5. RELATED PARTIES

All transactions between MUSA and other entities were conducted on an arm's length basis using commercial terms.

Massey University Students Association owns 100% shares of MUSA Enterprises Ltd. This company is a non-trading entity of which no transactions have occurred during the year between the company and Association.

Linsey Higgins is the sole director of MUSA Enterprises Ltd.

6. COMPARATIVE FIGURES

The 2014 comparative figures shown in the financial statements have been reclassified in the 2015 year. Therefore some categories will not correspond to that same category in the previous year but this has no effect on the net profit.

7. CLUB BANK ACCOUNTS

The Association's club bank accounts are held in MUSA's name but are not controlled by the Association or reported in the financial statements.

A total of \$49,288 is currently held in the club accounts and not reported in the Statement of Financial Position.

8. BREACH OF STANDARD ACCOUNTING PRACTICE: INVESTMENT PROPERTIES

Investment properties are required to be recorded at their net current value. The Association records these properties at their cost less accumulated depreciation in the Financial Statements. The last valuations for these properties were completed in 2014. Since this time, construction work has been completed on some properties and substantially increased their value. As such, the Association cannot accurately determine the variance between closing book values in the Financial Statements and revalued land and buildings.

9. TERM LIABILITIES

	<i>2015</i>	<i>2014</i>
	\$	\$
Westpac Loan	<u>2,273,531</u>	<u>1,997,882</u>
Total Term Liabilities	<u><u>2,273,531</u></u>	<u><u>1,997,882</u></u>

(a) Westpac Loan

Westpac secured loan is mortgaged over the properties at 37-43 Ada St, 30-34 McGiffert St, 11-17 Morris St, 28-34 Morris St, as well as all present and after acquired property.

Massey University Students Association Inc. (MUSA)

Notes to the Financial Statements

For the Year ended 31st December 2015

10. PROPERTY, PLANT & EQUIPMENT

	COST	DEPN 2015	ACC'M DEPN	2015 BOOK VALUE
Land	740,504			740,504
Buildings	6,999,571	298,635	2,162,939	4,836,632
Furniture & Fittings	70,025	6,657	34,592	35,433
Motor Vehicles	12,572	1,709	5,736	6,836
Plant & Equipment	245,128	37,950	193,657	51,471
Totals	8,067,800	344,951	2,396,924	5,670,876

	COST	DEPN 2014	LAST YEAR (2014) ACC'M DEPN	BOOK VALUE
Land	740,504			740,504
Buildings	5,441,350	231,844	1,864,300	3,577,050
Furniture & Fittings	70,025	6,874	27,934	42,091
Motor Vehicles	12,572	2,136	4,027	8,545
Plant & Equipment	210,481	27,939	155,703	54,778
Work in Progress	1,189,121			1,189,121
Totals	7,664,053	268,793	2,051,964	5,612,089

11. PRIOR PERIOD ADJUSTMENTS

It is determined that an adjustment is required in the 2014 year due to a change of lease that resulted in a write-off of fit-out expenditure as ownership was transferred to Massey University. The impact on the Financial Statements has led to a change in the 2014 year opening equity of \$795,736 and a change in the 2014 year depreciation of \$61,601 from previously disclosed figures.