

**Kunsill Studenti Universitarji**

**Annual Report and Financial Statements**

**For the year ending 31<sup>st</sup> December 2013**

**Kunsill Studenti Universitarji**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2013**

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## **Kunsill Studenti Universitarji**

### **Report of the Executive Committee**

For the year ended 31<sup>st</sup> December 2013

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#### **KSU Executive Members 2013 – 2014:**

Thomas Bugeja – President  
Becky Camilleri – Vice President  
John Gabarretta – Secretary General  
Andrea A. Attard – Financial Officer  
Sean Mallia – Public Relations Officer  
Yanica Sant - International Officer  
Thomas Naudi – International coordinator  
Malcom Zammit - Education Commissioner  
Daniel Vella Fondacaro - Education Coordinator  
Gayle Lynn Calluss - Culture & Entertainment Officer  
Luke Azzopardi - Culture & Entertainment Coordinator  
Tamara Caligari – Social Policy Commissioner  
Luana Vassallo - Social Policy Coordinator

#### **KSU Executive Members 2012-2013:**

Mario Cachia – President  
Andrew Aquilina – Vice President  
Thomas Bugeja – Secretary General  
Felicity Rayner – Financial Officer  
Andrea A. Attard – Public Relations Officer  
Timmy Borg Olivier – International Officer  
Albert Camilleri - International Co-ordinator  
John Gabarretta – Education Commissioner  
Naomi Said – Education Coordinator  
Zoe Farrugia – Culture & Entertainment Officer  
Ryan Grech – Culture & Entertainment Coordinator  
Marie Claire Gatt – Social Policy Commissioner  
Warren Sammut – Social Policy Coordinator

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The members present their report and the Kunsill's audited financial statements for the year ended 31<sup>st</sup> December 2013.

#### **Results**

During the year under review the Kunsill made a surplus of Eur2,398 (€15,312 Surplus after extra ordinary items for the year ended 31<sup>st</sup> December 2012). The results for the year are set out in the Income and Expenditure Account on page 4.

#### **Disclosure of Information to the Auditors**

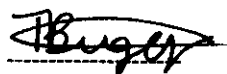
So far as each of the Executive Committee is aware, there is no relevant audit information of which the Kunsill's auditors are unaware. Each of the members has taken all the steps that he/she ought to have taken as a member in order to establish that the Kunsill's auditors are aware of any relevant information.

#### **Events after the balance sheet date**

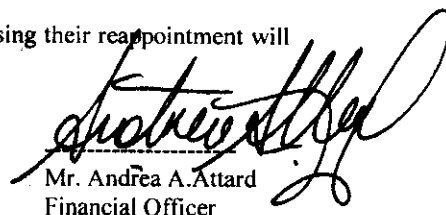
No Significant events occurred after the balance sheet date which requires mention in this report.

#### **Auditors**

Messrs. PKF (Malta) eligible, offer themselves for re-election. A resolution proposing their reappointment will be put before the Executive Committee members at the next general meeting.



Mr. Thomas Bugeja  
President



Mr. Andrea A. Attard  
Financial Officer

2<sup>nd</sup> April 2014

## **Kunsill Studenti Universitarji**

### ***Independent Auditors' Report***

To the members of Kunsill Studenti Universitarji

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We have audited the accompanying financial statements of Kunsill Studenti Universitarji, which comprises the statement of financial position as at 31<sup>st</sup> December 2013, statement of accumulated funds and income and expenditure statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### ***Executive Committees' Responsibilities for the Financial Statements***

The Committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing. 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 of 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 in 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 made by management, as well as evaluating the overall 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.

#### **Basis of Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Kunsill as at 31<sup>st</sup> December 2013, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and has been properly prepared in accordance with the Maltese Companies Act, 1995.

This report has been signed by  
**George M. Mangion**  
(Partner) for and on behalf of  
**PKF (Malta)**

PKF Malta  
Accountants and Business Advisors

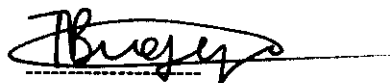
2<sup>nd</sup> April 2014

# Kunsill Studenti Universitarji

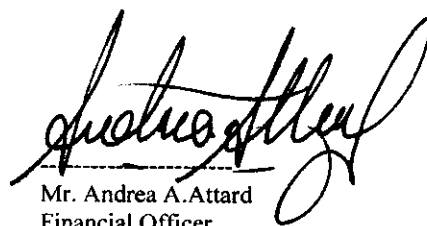
## Statement of Accumulated Funds

For the year ended 31<sup>st</sup> December 2013

INCOME/EXPENDITURE ACCOUNT	Notes	2013 EUR	2012 EUR
Income		262,828	279,304
Direct Expenses		<u>(238,070)</u>	<u>(204,570)</u>
		<b>24,758</b>	<b>74,734</b>
Administrative & Other Expenditure		(54,645)	(62,009)
Financial Gain		6,335	4,650
Other Income		25,950	9,425
<b>SURPLUS FOR THE YEAR</b>		<b><u>2,398</u></b>	<b><u>26,800</u></b>
<i>Other Extraordinary Items:</i>			
Other Income	8	-	8,126
Bad Debts	3	-	(19,614)
<b>SURPLUS FOR THE YEAR</b>		<b><u>2,398</u></b>	<b><u>15,312</u></b>



Mr. Thomas Bugeja  
President



Mr. Andrea A. Attard  
Financial Officer

2<sup>nd</sup> April 2014

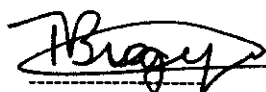
# Kunsill Studenti Universitarji

## Statement of Financial Position

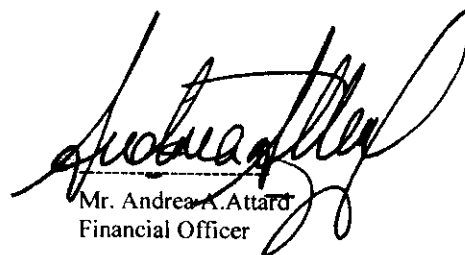
As at 31<sup>st</sup> December 2013

	Notes	2013 EUR	2012 EUR
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1	38,817	44,289
Financial Assets	2	<u>89,484</u>	<u>78,560</u>
		128,301	122,849
<b>Current Assets</b>			
Inventories		736	791
Trade receivables	3	144,330	175,427
Cash & cash equivalents	4	<u>107,072</u>	<u>100,543</u>
		252,138	276,761
<b>Total Assets</b>		<u><b>380,439</b></u>	<u><b>399,610</b></u>
<b>EQUITY AND LIABILITIES</b>			
Accumulated Funds	5	<u>273,426</u>	<u>271,028</u>
<b>Current Liabilities</b>			
Trade & other creditors	6	104,366	128,167
Vat control account		<u>2,647</u>	<u>415</u>
		107,013	128,582
<b>Total Equity and Liabilities</b>		<u><b>380,439</b></u>	<u><b>399,610</b></u>

These financial statements on pages 4 to 15 have been approved, signed and authorised for issue on the 2<sup>nd</sup> April 2014



Mr. Thomas Bugeja  
President



Mr. Andrea A. Attard  
Financial Officer

# **Kunsill Studenti Universitarji**

## ***Accounting Policies***

For the year ended 31<sup>st</sup> December 2013

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### **1. Principal Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

#### **a. Statement of Compliance**

The financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRSs).

#### **b. Basis of Preparation**

The financial statements are presented in Euro and are prepared on the historical cost basis. The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **c. Use of accounting estimates and judgements**

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Executive Committee, the accounting estimates and judgements made in the course of preparing these financial statements are not subjective or complex to a degree which would warrant the description as critical in terms of the requirement IAS 1 (revised).

### **2. Significant Accounting Policies**

#### **a. Income Recognition**

Income consists of:

Income generated from Corporate Sponsors  
Sponsorship Bay (in Kind)  
Sponsorship Go (in Kind)  
Income generated from Business & Careers Forum  
Income generated from Common Room  
Income generated from Graduation Ball  
Income generated from Freshers' Week  
Income Generated from Campus Fest  
Income generated from Retail Outlets  
Income generated from Rental of Togi

Interest is recognised when it is probable that the economic benefits associated with the transaction will flow to the Kunsill and the revenue can be measured reliably. Interest income is recognised as it accrues unless collectability is in doubt.

## **Kunsill Studenti Universitarji**

### ***Accounting Policies***

For the year ended 31<sup>st</sup> December 2013

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#### **b. Property, Plant and Equipment**

Property, Plant and Equipment are stated at their Net Book Value that is, cost less accumulated depreciation. Depreciation is calculated to write down the value of the assets over their estimated useful life. The annual rates used, which are consistent with those applied in previous years are:

Buildings & Common Room	15%
Electronic Equipment	20%
Fixtures & Fittings	20%
Office Equipment	25%
Togi	12.5%
KSU Bandalora	12.5%

#### **c. Trade Receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A Provision was made for doubtful debtors based on a 2% provision on other trade receivables.

#### **d. Impairment**

At each balance sheet date the Kunsill reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### ***Financial Assets***

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. 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. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk circumstances.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

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 cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

#### **e. Financial Instruments**

Financial assets and financial liabilities are recognized on the Kunsill's balance sheet when the Kunsill has become a party to the contractual provisions of the instruments.

#### **f. Bank Borrowings**

Finance charges are accounted for on an accrual basis and are shown with accruals to the extent that they are not settled in the period in which they arise.

#### **g. Trade & other Payables**

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.



# Kunsill Studenti Universitarji

## Notes to the Accounts

For the year ended 31<sup>st</sup> December 2013

### 1. Fixed Asset Schedule

	<b>Buildings &amp; Common Room Improvements</b>	<b>Electronic Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Office Equipment</b>	<b>Bandalora</b>	<b>Togas</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Cost</b>							
1 <sup>st</sup> January 2013	73,664	74,666	35,649	33,955	2,190	9,998	228,454
Additions	-	2,175	329	-	-	-	4,172
31 <sup>st</sup> December 2013	<u>73,664</u>	<u>76,841</u>	<u>35,978</u>	<u>33,955</u>	<u>2,190</u>	<u>9,998</u>	<u>232,626</u>
<b>Depreciation</b>							
1 <sup>st</sup> January, 2013	57,819	66,329	25,650	28,285	514	7,236	185,833
Charge for the year	2,377	1,801	1,826	1,418	210	345	7,976
31 <sup>st</sup> December 2013	<u>60,196</u>	<u>68,130</u>	<u>27,476</u>	<u>29,703</u>	<u>724</u>	<u>7,581</u>	<u>193,809</u>
<b>Net Book Value</b>							
31 <sup>st</sup> December 2013	<u>13,468</u>	<u>8,711</u>	<u>8,502</u>	<u>4,253</u>	<u>1,467</u>	<u>2,417</u>	<u>38,817</u>
31 <sup>st</sup> December 2012	<u>15,845</u>	<u>8,336</u>	<u>9,999</u>	<u>5,671</u>	<u>1,677</u>	<u>2,762</u>	<u>44,289</u>

During the year ended 31<sup>st</sup> December 2013, KSU had full access to the buildings and common room at Student House, University of Malta. However, it should be noted that KSU enjoys no ownership rights to such premises.

### 2. Financial Investment

Financial assets are measured at the market value represented by the following investments:

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
HSBC Malta Bond Fund	73,474	66,167
HSBC Maltese Assets Fund	9,668	8,258
Investments in Go PLC	6,342	4,135
	<u>89,484</u>	<u>78,560</u>

### 3. Trade & Other Receivables

The trade debtors include:

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
Sales Ledger Control Account	135,661	132,691
Less Provision for Doubtful Debts	(2,654)	(2,654)
Accrued Income	11,323	45,390
	<u>144,330</u>	<u>175,427</u>

# Kunsill Studenti Universitarji

## Notes to the Accounts

For the year ended 31<sup>st</sup> December 2013

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### 4. Cash and cash equivalents

The year-end cash and cash equivalents comprise of the following:

	2013 EUR	2012 EUR
<b>Cash at Bank</b>		
Books bank account	1,167	19
Togi bank account	9,470	6,024
HSBC Current	93,995	89,102
Current account – “Student Opportunity fund”	2,395	4,532
Cash in hand	45	866
<b>Total Cash &amp; Cash Equivalents</b>	<b>107,072</b>	<b>100,543</b>

### 5. Accumulated Equity

The Reserves are made up of the following:

	2013 EUR	2012 EUR
Accumulated Funds as at 1 <sup>st</sup> January	271,028	255,716
Surplus for the year	2,398	15,312
	<b>273,426</b>	<b>271,028</b>

### 6. Trade & Other Payables

	2013 EUR	2012 EUR
Trade Creditors	99,628	118,796
Accruals	4,738	9,371
	<b>104,366</b>	<b>128,167</b>

### 7. Financial Instruments

Financial assets include accumulated funds, and cash held at bank and in hand. Financial liabilities include creditors.

#### *Risk Management Policies*

Credit risk on amounts receivable is limited through the systematic monitoring of outstanding balances and the presentation of debtors net of allowances for doubtful debts, where applicable. Cash is placed with reputable banks.

#### *Fair Values*

The financial assets are recognised at fair value through the Profit and Loss account in accordance with IAS 39.

## **Kunsill Studenti Universitarji**

### *Notes to the Accounts*

For the year ended 31<sup>st</sup> December 2013

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#### **8. Other Extraordinary Income**

##### **Reversal of Expired cheques 2012**

KSU reconciled all the bank transactions and reversed the cheque payments that were six months or older amounting to Eur 5,795.

In 2013 there were no cheque reversals

#### **9. Comparative Information**

Certain comparative information has been reclassified to conform to the current's year disclosure for the purpose of fairer reporting.

## Kunsill Studenti Universitarji

### Income Schedules

For the year ended 31<sup>st</sup> December 2013

	Notes	2013 EUR	2012 EUR
<b><u>Income</u></b>			
Income generated from Corporate Sponsors	A	23,000	23,000
Sponsorship Bay & Go in Kind		9,490	13,250
Income generated from Careers Convention	B	12,037	28,833
Income generated from Common Room		1,291	555
Income generated from Ufficju Kultura Divertiment Events	C	114,919	83,700
Income generated from Freshers' Week	D	44,420	53,603
Income generated from Rental of Togi		3,992	2,675
Income generated from Retail Outlet	E	39,989	47,488
Income from Good Causes Fund	F	10,230	17,500
Income generated from Advertising (Pro)	G	3,460	8,684
Income from KSU Merchandise		-	16
		<u>262,828</u>	<u>279,304</u>
 <b><u>Other Income</u></b>			
		2013 EUR	2012 EUR
Interest Received on Bonds		17	14
Other General Income - Kummisjoni Internazzjonali		5,413	4,310
Decrease in Provision for Bad Debts		-	1,377
Other Income – UKD Minor Events		3,833	3,724
Court Litigation Cases	H	10,666	-
Waiver of Amounts Payable	I	6,021	-
		<u>25,950</u>	<u>9,425</u>

## Kunsill Studenti Universitarji

### Expenses Schedules

For the year ended 31<sup>st</sup> December 2013

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<u>Direct Expenses</u>	Notes	2013 EUR	2012 EUR
Careers Convention Expenses	B	9,389	17,489
Ufficju Kultura Divertiment Expenses	C	106,107	77,958
Fresher's Week Expenses	D	41,151	43,178
Pro Expenses – Advertising, Printing & Other Fees	G	31,740	21,783
Research Opportunity Fund		7,464	8,604
Students Maintenance Grant	J	(1,153)	(7,784)
Kummissjoni Internazzjonali' Expenses		12,314	6,358
Kummissjoni Edukazzjoni' Expenses		847	2,952
Kummissjoni Politika Socjali' Expenses		2,623	11,064
Other Expenses		13,868	15,017
Student Organisation Expenses		2,483	4,417
Christmas on Campus Expenses		4,195	273
Obsolete stock		72	-
Advertising Fees – Bay Radio		4,000	3,250
Unrecovered books printing expenses		-	10
Commision Payable		2,970	-
<b>Total Direct Expenses</b>		<b>238,070</b>	<b>204,570</b>

## **Kunsill Studenti Universitarji**

### ***Notes to the Schedules***

For the year ended 31<sup>st</sup> December 2013

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#### **A. Income generated from Corporate Sponsors**

Consistent with 2012, in 2013 KSU has collected Eur23,000 from corporate sponsorship.

#### **B. Income generated from Careers Convention**

Every year, KSU organise the Careers' Convention on campus. The main objective of Careers' Convention 2013 was to bring the student closer to the working environment. The income generated in 2013 decreased by Eur16,796 when compared with the previous year due to a new pricing system. Expenses related to the Careers Convention also decreased by Eur8,100 as a result of a cost cutting exercise.

#### **C. Income generated from Ufficju Kultura Divertiment Events**

KSU organise three major events, consisting of Students' Fest, Campus Fest and the Annual Graduation Ball. The income generated from these events is grouped in the 'Income generated from Ufficju Kultura Divertiment Events. Total income from these events has increased by Eur 31,219 in the year ended 31<sup>st</sup> December 2013 when compared to the income generated from these events in 2012. This increase was mainly attributed to more students attending the graduation Ball. As a direct result, total expenses also increased by Eur28,149.

#### **D. Income generated from Freshers' Week**

This refers to an activity regarding the Fresher's Week on Campus which is held on the first week of University Calendar year. A drop in income of Eur 9,183 was experienced due to the fact that, KSU did not manage to sell all the stands initially projected. Expenses also decreased by Eur 2,027 as a result of cost cutting exercise.

#### **E. Income generated from Retail Outlets**

KSU earns income from rental of retail outlets to third parties. Income from rental of outlets decreased by Eur 7,499 in 2013 when compared to income earned in 2012 mainly because one of the contracts expired and could not be renewed.

# Kunsill Studenti Universitarji

## *Notes to the Schedules*

For the year ended 31<sup>st</sup> December 2013

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### **F. Good Causes Funds**

In 2012, KSU held a conference in collaboration with the European Students Union. To reduce the expenses upon the council as well as to benefit from Government Funding, KSU applied for and obtained the Good Causes fund and the conference fund issued by the ministry of finance. The conference fund was received by KSU in December 2013. KSU is however still awaiting payment for Good causes fund.

### **G. Pro Income**

This is income generated from adverts published in the '@KSU' magazine. The income from this activity decreased by Eur 5,224 for the year ended 31<sup>st</sup> December 2013 when compared to last year.

The Pro Expenses also increased by Eur 9,957. In 2013, KSU invested in a mobile application available for Android and iphones. By means of this application all students could benefit from the services offered through their smart phones. KSU also incurred the expenses of postage and printing of the @KSU magazine. A series of debates were organised during the general elections and this put a further burden on the PRO expenditure due to the logistical expenses incurred.

### **H. Court Litigation Cases**

This amount related to a court case in favour of KSU. An income account was created to clear the transactions. The income recognized amounts to Eur 10,666.

### **I. Waiver of Amounts Payable**

In 2013, KSU wrote off amounts due to creditors. These Creditors are old balances and never asked for payment. The balances amounting to Eur 6,021 have been written off.

### **J. Students' Maintenance Grants**

This is the service provided by KSU towards a number of students who experience difficulties to cash in their Smart Card. In 2013, this expense has decreased from 2012 by Eur6,631 as the ministry is taking care of all the paper work.

## Kunsill Studenti Universitarji

### *Expenses Schedules*

For the year ended 31<sup>st</sup> December 2013

<b><u>Administrative &amp; Other Expenditure</u></b>	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
Accounting & Auditing Fees	2,294	3,251
Administration Expenses	1,691	4,233
Office expenses	10,832	18,055
Executive expenses	445	1,365
Salaries & National Insurance Contributions	19,065	16,881
Legal fees	(146)	-
Depreciation	7,976	9,387
ESU Board Meeting 63 Expenses	5,175	5,849
ESN Malta Expenses	1,000	925
Rent a Laptop Expenses	-	2,063
Expenses - Junior College Fund	2,178	-
Togi Rental	4,135	-
<b>Total Administrative &amp; Other Expenditure</b>	<b><u>56,645</u></b>	<b><u>62,009</u></b>
<b><u>Financial Gain</u></b>	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
Bank charges	(55)	(78)
Profit on HSBC Malta Asset Fund	1,421	341
Profit on GO Plc Shares	2,554	730
Profit on the Fund held with HSBC Plc	2,415	3,657
<b>Total Financial Gain</b>	<b><u>6,335</u></b>	<b><u>4,650</u></b>