

Kunsill Studenti Universitarji

Annual Report and Financial Statements

For the year ending 31st December 2012

Kunsill Studenti Universitarji
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2012

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Kunsill Studenti Universitarji

Report of the Executive Committee

For the year ended 31st December 2012

KSU Executive Members 2011-2012:

Stefan Balzan – President
David Camilleri – Vice President
Mario Cachia – Secretary General
Ruth Caruana – Finance Officer
Thomas Bugeja – Public Relations Officer
Luke Buttigieg – Education Coordinator
Jonathan Falzon – Education Commissioner
Danica Caruana – International Officer
Michela Boffa – International Coordinator
Sara Ellul – Culture & Entertainment Officer
Simon Mifsud – Culture & Entertainment Coordinator
Anton Abela - KPS Coordinator
Isabelle Camilleri - KPS Commissioner

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

The members present their report and the Kunsill's audited financial statements for the year ended 31st December 2012.

Results

During the year under review the Kunsill made a surplus (after extra ordinary items) of €15,312 (€10,219 for the year ended 31st December 2011). 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.

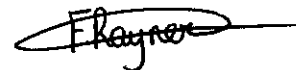
Auditors

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. Mario Cachia
President

9th April 2013



Ms. Felicity Rayner
Financial Officer

Kunsill Studenti Universitarji

Independent Auditors' Report

To the members of Kunsill Studenti Universitarji

We have audited the accompanying financial statements of Kunsill Studenti Universitarji, which comprises the statement of financial position as at 31st December 2012, 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.

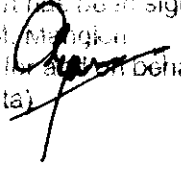
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 31st December 2012, 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. Mangan
(Partner) for and on behalf of
PKF (Malta)



PKF Malta
Accountants and Business Advisors

9th April 2013

Kunsill Studenti Universitarji

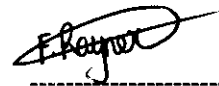
Statement of Accumulated Funds

For the year ended 31st December 2012

INCOME/EXPENDITURE ACCOUNT	Notes	2012 EUR	2011 EUR
Income		279,304	268,135
Direct Expenses		<u>(204,570)</u>	<u>(222,069)</u>
		74,734	46,066
Administrative & Other Expenditure		(62,009)	(69,624)
Financial Income/(Expenditure)		993	(4,331)
Other Income		13,082	7,760
		<u>26,800</u>	<u>(20,129)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		26,800	(20,129)
<i>Other Extraordinary Items:</i>			
Other Income	9	8,126	50,497
Bad Debts	3	(19,614)	(20,149)
		<u>15,312</u>	<u>10,219</u>
SURPLUS FOR THE YEAR		15,312	10,219

Mr. Mario Cachia
President

9th April 2013



Ms. Felicity Rayner
Financial Officer

Kunsill Studenti Universitarji

Statement of Financial Position

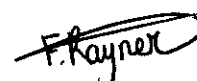
As at 31st December 2012

	Notes	2012 EUR	2011 EUR
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1	44,289	45,887
Financial Assets	2	<u>78,560</u>	<u>68,940</u>
		122,849	114,827
Current Assets			
Inventories		791	801
Trade receivables	3	175,427	177,342
Cash & cash equivalents	4	100,543	43,237
Vat control account		<u>-</u>	<u>3,618</u>
		276,761	224,998
Total Assets		<u>399,610</u>	<u>339,825</u>
EQUITY AND LIABILITIES			
Accumulated Funds	5	<u>271,028</u>	<u>255,716</u>
Current Liabilities			
Trade & other creditors	6	128,167	80,338
Bank overdraft	4	-	3,771
Vat control account		<u>415</u>	<u>-</u>
		128,582	84,109
Total Equity and Liabilities		<u>399,610</u>	<u>339,825</u>

These financial statements on pages 4 to 15 have been approved, signed and authorised for issue on the 9th April 2013.



Mr. Mario Cachia
President



Ms. Felicity Rayner
Financial Officer

Kunsill Studenti Universitarji

Accounting Policies

For the year ended 31st December 2012

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 Careers Convention
- Income generated from Common Room
- Income generated from Ufficju Kultura Divertiment Events
- Income generated from Freshers' Week
- Income generated from Rental of Togi
- Income generated from Retail Outlet
- Income generated from Advertising (Pro)

Interest arising from the use by others of the Kunsill resources 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 31st December 2012

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

A provision is made for doubtful debtors based on a 2% provision on other trade receivables. Bad debts are written off during the year in which they are identified.

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 31st December 2012

1. Fixed Asset Schedule

	Buildings & Improvements	Electronic Equipment	Furniture & Fittings	Office Equipment	Bandalora	Togas	Total
Cost	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 st January 2012	73,664	73,803	28,836	33,842	2,190	9,998	222,332
Additions	-	863	6,813	113	-	-	7,790
31 st December 2012	<u>73,664</u>	<u>74,666</u>	<u>35,649</u>	<u>33,955</u>	<u>2,190</u>	<u>9,998</u>	<u>230,122</u>
Depreciation							
1 st January, 2012	55,023	64,327	23,570	26,410	274	6,841	176,445
Charge for the year	2,796	2,002	2,080	1,875	240	395	9,388
31 st December 2012	<u>57,819</u>	<u>66,329</u>	<u>25,650</u>	<u>28,285</u>	<u>514</u>	<u>7,236</u>	<u>185,833</u>
Net Book Value							
31 st December 2012	<u>15,845</u>	<u>8,336</u>	<u>9,998</u>	<u>5,671</u>	<u>1,677</u>	<u>2,762</u>	<u>44,289</u>
31 st December 2011	<u>18,640</u>	<u>9,476</u>	<u>5,266</u>	<u>7,432</u>	<u>1,916</u>	<u>3,157</u>	<u>45,887</u>

During the year ended 31st December 2012, KSU had full access to the buildings 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 represented by the following investments:

	2012	2011
	EUR	EUR
HSBC Malta Bond Fund	66,167	57,618
HSBC Maltese Assets Fund	8,258	7,917
Investments in Go PLC	4,135	3,405
	<u>78,560</u>	<u>68,940</u>

3. Trade & Other Receivables

The trade debtors include:

	2012	2011
	EUR	EUR
Sales Ledger Control Account	132,691	181,373
Less Provision for Doubtful Debts	(2,654)	(4,031)
Accrued Income (include cash in transit, bank corporate sponsorship and donation from Good Causes Fund).	45,390	-
	<u>175,427</u>	<u>177,342</u>

Trade receivables amounts to Euro 132,691 as at 31st December 2012 after writing off Eur 19,614 as bad debts. In previous years, Members of the Kunsill were prudent in writing debts as bad, and therefore doubtful debts were not being written off. The effect of this policy is reflected in the high level of debtors and the corresponding bad debts written off during the year ended 31st December 2012. The Kunsill is in the opinion that debts amounting to Eur 19,614 will not be recovered because some of these debts are old originating in 2008, and the Kunsill has lost contact with them.

Kunsill Studenti Universitarji

Notes to the Accounts

For the year ended 31st December 2012

4. Cash and cash equivalents

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

	2012	2011
	EUR	EUR
Cash at Bank		
Books bank account	19	-
Togi bank account	6,024	3,391
HSBC Current	89,102	28,515
Current account – “Student Opportunity fund”	4,532	9,964
Cash in hand	866	1,367
Total Cash & Cash Equivalents	100,543	42,237
Bank Overdraft – Books bank account	-	(3,771)
	100,543	39,446

5. Accumulated Equity

The Reserves are made up of the following:

	2012	2011
	EUR	EUR
Accumulated Funds as at 1 st January	255,716	245,497
Surplus/(Deficit) for the year	15,312	10,219
	271,028	255,716

6. Trade & Other Payables

	2012	2011
	EUR	EUR
Trade Creditors	118,796	72,070
Accruals	9,371	8,268
	128,167	80,338

7. Financial Instruments

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

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 31st December 2012

8. Sponsorship

KSU has entered into a contractual agreement with HSBC for the provision of sponsorship. During the year 2012, HSBC agreed to sponsor KSU with Eur 23,000, however no payment has been made to date.

9. Other Extraordinary Income

Reversal of Expired cheques

In order to continue following the prudence concept, KSU reconciled all the bank transactions and reversed the cheques that were six months or older. The total of all cheques that were reversed was equivalent to Eur 5,795.

Favourable judgement by the Kunsill against Victor Pace on behalf of Promolab

In 2012, KSU received extraordinary income from Victor Pace on behalf of Promolab following a court judgement which ruled that the latter had to pay Eur 2,331 in total. This is recognised as income in the current year.

10. 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 31st December 2012

	Notes	2012 EUR	2011 EUR
<u>Income</u>			
Income generated from Corporate Sponsors	1	23,000	28,500
Sponsorship Bay (in Kind)		13,250	3,000
Income generated from Careers Convention	2	28,833	21,509
Income generated from Common Room		555	2,599
Income generated from Ufficju Kultura Divertiment Events	3	83,700	77,260
Income generated from Freshers' Week	4	53,603	56,100
Income generated from Rental of Togi		2,675	3,470
Income generated from Retail Outlet	5	47,488	43,964
Income from Good Causes Fund	6	17,500	20,000
Income generated from Advertising (Pro)	7	8,684	11,733
Income from KSU Merchandise		16	-
		<u>279,304</u>	<u>268,135</u>
<u>Other Income</u>			
		2012 EUR	2011 EUR
Interest Received on Bonds		14	177
Commission Received		-	415
Realised Gain on the Fund held with HSBC Plc		3,657	1,514
Other General Income - Kummisjoni Politika Socjali'		4,310	5,654
Decrease in Provision for Bad Debts		1,377	-
Other Income		3,724	-
		<u>13,082</u>	<u>7,760</u>

Kunsill Studenti Universitarji

Expenses Schedules

For the year ended 31st December 2012

<u>Direct Expenses</u>	Notes	2012 EUR	2011 EUR
Careers Convention Expenses	2	17,489	12,391
Ufficju Kultura Divertiment Expenses	3	77,958	76,079
Fresher's Week Expenses	4	43,178	42,403
Pro Expenses – Advertising, Printing & Other Fees	7	21,783	16,612
Student Opportunity Fund		-	14,400
Resource Fund Expenses		8,604	1,487
Students Maintenance Grant	8	(7,784)	9,027
Kummissjoni Internazzjonali' Expenses		6,358	6,173
Kummissjoni Edukazzjoni' Expenses		2,952	1,788
Kummissjoni Politika Socjali' Expenses		11,064	18,032
Other Expenses		15,017	13,996
Student Organisation Expenses		4,417	2,745
Christmas on Campus Expenses		273	1,402
Obsolete stock		-	905
Advertising Fees		3,250	3,000
Unrecovered books printing expenses		10	1,629
Total Direct Expenses		204,570	222,069

Kunsill Studenti Universitarji

Notes to the Schedules

For the year ended 31st December 2012

1. Income generated from Corporate Sponsors

KSU has collected Eur 28,500 from corporate sponsorship in 2011, whilst the income in 2012 has dropped to Eur 23,000. The main reason is that in 2012 KSU had only one corporate sponsorship.

2. Income generated from Careers Convention

Every year, KSU organise the Careers' Convention on campus. The main objective of Careers' Convention 2012 was to bring the student closer to the working environment and the income generated amounted to Eur 28,833 showing a slight decrease when compared with the previous year.

3. Income generated from Ufficju Kultura Divertiment Events

Every year, KSU organise three major events, consisting of Students' Fest, Campus Fest and the annual Graduation Ball. In 2012 a new event consisting of car treasure hunt was added to the events to help generate more income. 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 6,440 in the year ended 31st December 2012 when compared to the income generated from these events in 2011.

4. Income generated from Freshers' Week

This refers to an activity regarding the Freshers' week on Campus which is held on the first week of University Calendar year.

5. Income generated from Retail Outlets

KSU owns four retail outlets, two of which are being rented out to third parties in 2012.

6. Good Causes Funds

In 2012, KSU has held a conference in collaboration with European Students Union. KSU succeeded to apply with the Ministry of Education and Ministry of Finance for the sum of Eur 17,500 as a donation.

Kunsill Studenti Universitarji

Notes to the Schedules

For the year ended 31st December 2012

7. Pro Income

This is a source of income for KSU; to raise funds from adverts published in the '@KSU' magazine. The income arisen from this activity amounts to Eur 8,684 for the year ended 31st December 2012. The expenses related to this income amounted to Eur 21,783, resulting in a loss of Eur 13,099.

8. Students' Maintenance Grants

This is the service provided by KSU towards a number of students who experience difficulties to cash in their Smart Card. The grant usually covers supplies to students who apply for such maintenance approved grants.

Kunsill Studenti Universitarji

Expenses Schedules

For the year ended 31st December 2012

<u>Administrative & Other Expenditure</u>	2012	2011
	EUR	EUR
Accounting & Auditing Fees	3,251	2,778
Administration Expenses	4,233	13,604
Office expenses	18,055	10,462
Executive expenses	1,365	7,166
Salaries & National Insurance Contributions	16,881	17,202
Legal fees	-	4,827
Depreciation	9,387	10,178
Increase in Provision for Bad Debts	-	1,407
Doubtful debts written off	-	2,000
ESU Board Meeting 63 Expenses	5,849	-
ESN Malta Expenses	925	-
Rent a Laptop Expenses	2,063	-
	<hr/>	<hr/>
Total Administrative & Other Expenditure	<u>62,009</u>	<u>69,624</u>
<u>Financial Income/(Expenditure)</u>	2012	2011
	EUR	EUR
Bank charges	(78)	(95)
(Profit)/Loss on HSBC Malta Asset Fund	341	(917)
(Profit)/Loss on GO Plc Shares	730	(3,319)
	<hr/>	<hr/>
Total Financial Income/(Expenditure)	<u>993</u>	<u>(4,331)</u>