

Kunsill Studenti Universitarji
Annual Report and Financial Statements
For the year ending 31st December 2011

Kunsill Studenti Universitarji
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2011

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Kunsill Studenti Universitarji
Report of the Executive Committee
For the year ended 31st December 2011

KSU Executive Members 2010-2011:

Carl Grech – President
James Cassar – Vice President
Karl Agius – Secretary General
Martina Galea – Finance Officer
Rachel Cassar – Public Relations Officer
Roberta Rizzo – Education Coordinator
Angelo Micallef – Education Commissioner
Larkin Zahra – International Officer
Francesca Scicluna – International Coordinator
Mario Cachia – Culture & Entertainment Officer
Stephanie Soler – Culture & Entertainment Coordinator
Matthew Bonnett – KPS Coordinator
Michela Boffa – KPS Commissioner

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

The members present their report and the Kunsill's audited financial statements for the year ended 31st December 2011.

Results

During the year under review the Kunsill made a surplus (after extra ordinary items) of €10,219 (a deficit of €653 for the year ended 31st December 2010). 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.

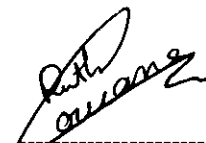
Auditors

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. Stefan Balzan
President

21st March 2012



Ms. Ruth Caruana
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 2011, 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

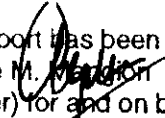
Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 2011, 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. 
(Partner) for and on behalf of
PKF (Malta)

PKF Malta
Accountants and Business Advisors

21st March 2012

Kunsill Studenti Universitarji


Statement of Accumulated Funds

For the year ended 31st December 2011

INCOME/EXPENDITURE ACCOUNT	Notes	01/01/11 31/12/11 EUR	01/01/10 31/12/10 EUR
Income		268,135	225,680
Direct Expenses		<u>(222,069)</u>	<u>(152,729)</u>
		46,066	72,951
Administrative & Other Expenditure		(69,624)	(78,532)
Financial Expenditure		(4,331)	(622)
Other Income		7,760	5,550
		<u>(20,129)</u>	<u>(653)</u>
DEFICIT FOR THE YEAR		(20,129)	(653)
<i>Other Extraordinary Items:</i>			
Other Income	9	50,497	-
Bad Debts	3	(20,149)	-
		<u>10,219</u>	<u>(653)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		10,219	(653)

STATEMENT OF ACCUMULATED FUNDS

	Note	31/12/11 EUR	31/12/10 EUR
Accumulated Fund as at 1st January		245,497	254,737
Surplus/(Deficit) for the year		10,219	(652)
Prior year adjustments	5	-	(8,588)
		<u>255,716</u>	<u>245,497</u>



Mr. Stefan Balzan
President

21st March 2012



Ms. Ruth Caruana
Financial Officer

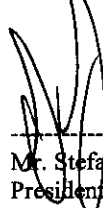
Kunsill Studenti Universitarji

Statement of Financial Position

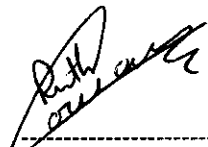
As at 31st December 2011

	Notes	31/12/2011 EUR	31/12/2010 EUR
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1	45,887	50,998
Financial Assets	2	68,940	66,770
		<u>114,827</u>	<u>117,768</u>
Current Assets			
Inventories		801	905
Trade receivables	3	177,342	128,564
Cash & cash equivalents	4	43,237	84,704
Vat control account	10	3,618	-
		<u>224,998</u>	<u>214,173</u>
Total Assets		<u>339,825</u>	<u>331,941</u>
EQUITY AND LIABILITIES			
Accumulated Funds	5	<u>255,716</u>	<u>245,497</u>
Current Liabilities			
Trade & other creditors	6	80,338	76,911
Bank overdraft	4	3,771	9,533
		<u>84,109</u>	<u>86,444</u>
Total Equity and Liabilities		<u>339,825</u>	<u>331,941</u>

These financial statements on pages 4 to 15 have been approved, signed and authorised for issue on the 21st March 2012.



Mr. Stefan Balzan
President



Ms. Ruth Caruana
Financial Officer

Kunsill Studenti Universitarji

Accounting Policies

For the year ended 31st December 2011

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)
- 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 2011

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 2011

1. Fixed Asset Schedule

	Buildings & Improvements	Electronic Equipment	Furniture & Fittings	Office Equipment	Bandalora	Togas	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Cost							
1 st January 2011	73,663	72,603	27,668	33,686	-	9,645	217,265
Additions	-	1,200	1,168	156	2,190	353	5,067
31 st December 2011	73,663	73,803	28,836	33,842	2,190	9,998	222,332
Depreciation							
1 st January, 2011	51,733	61,958	22,253	23,933	-	6,390	166,267
Charge for the year	3,290	2,369	1,317	2,477	274	451	10,178
31 st December 2011	55,023	64,327	23,570	26,410	274	6,841	176,445
Net Book Value							
31 st December 2011	18,640	9,476	5,266	7,432	1,916	3,157	45,887
31 st December 2010	21,930	10,645	5,415	9,753	-	3,255	50,998

During the year ended 31st December 2011, 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:

	2011 EUR	2010 EUR
HSBC Malta Bond Fund	57,618	51,212
HSBC Maltese Assets Fund	7,917	8,834
Investments in Go PLC	3,405	6,724
	68,940	66,770

3. Trade & Other Receivables

The trade debtors include:

	2011 EUR	2010 EUR
Sales Ledger Control Account	181,373	131,188
Less Provision for Doubtful Debts	(4,031)	(2,624)
	177,342	128,564

Trade receivables amounts to Euro 181,373 as at 31st December 2011 after writing off Eur 20,149 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 2011. The Kunsill is in the opinion debts amounting to Eur 20,149 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 2011

4. Cash and cash equivalents

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

	2011 EUR	2010 EUR
Cash at Bank		
Books bank account	-	5,113
Togi bank account	3,391	4,826
HSBC Current	28,515	65,114
Current account – “Student Opportunity fund”	9,964	9,391
Cash in hand	1,367	260
Total Cash & Cash Equivalents	42,237	84,704
Bank Overdraft – Books bank account	(3,771)	-
Other Bank Account	-	(9,533)
	39,446	75,171

5. Accumulated Equity

The Reserves are made up of the following:

	2011 EUR	2010 EUR
Accumulated Funds as at 1 st January	245,497	254,737
Surplus/(Deficit) for the year	10,219	(652)
Prior Year Adjustments	-	(8,588)
	255,716	245,497

6. Trade & Other Payables

	2011 EUR	2010 EUR
Trade Creditors	72,070	73,546
Accruals	8,268	3,365
	80,338	76,911

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 2011

8. Sponsorship

KSU has entered into a contractual agreement with various third parties for the provision of sponsorships. The main sponsors of KSU are HSBC, Deloitte, Gasan Enterprises and Bay Radio. During the year 2011, Deloitte and Gasan Enterprises cancelled their contracts with KSU

9. Other Income

Favourable judgement by the Kunsill against Office Electronics Limited

In 2011, KSU received extraordinary income from Office Electronics Limited following a court judgement which ruled that the latter had to pay Eur 27,772 in total. This is recognised as income in the current year.

Payment Received for Retail Outlet

In 2009 KSU had a debtor amounting to Eur 22,725 for a retail outlet, which was believed to be bad. In the same year supplier, Micah took over the retail outlet with the condition of paying the debt of the previous owner in monthly instalments. The repayment of this debt was recognised as income in the current year.

10. VAT Liability

In 2011 Vat liability was fully settled in agreement with the Vat department and is in line with Vat returns.

11. Contingent Assets

The Kunsill has obtained a favourable judgement against 4site Company Limited, on the 18th October 2011. The judgement of the Court of Magistrates, which has not been appealed by 4site Company Limited, condemns such company to pay the sum of Eur5,900 as well as interest according to law as well as all expenses. No payment has been made to date.

Also, the Kunsill has obtained another favourable judgement against Victor Pace trading under the name of Promolab, on the 28th November, 2011. The judgement of the Court of Magistrates, which has not been appealed by Mr. Pace, condemns him to pay the sum of Eur 8,549.77 as well as interest from the 6th July 2011 until date of effective payment, as well as all expenses. No payment has been made to date.

12. Contingent Liabilities

A warrant of prohibitory injunction was sought in the First Hall of the Civil Court by Aaron Micallef and Michelle Mahoney against the Kunsill. This did not refer to a money claim and was decided in favour of the Kunsill on the 13th of September 2011.

No actions are currently open in court.

13. 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 2011

	Notes	2011 EUR	2010 EUR
<u>Income</u>			
Income generated from Corporate Sponsors	1	28,500	60,659
Sponsorship Bay (in Kind)		3,000	10,000
Income generated from Careers Convention	2	21,509	27,425
Income generated from Common Room		2,599	3,719
Income generated from Ufficju Kultura Divertiment Events	3	77,260	37,699
Income generated from Freshers' Week	4	56,100	54,528
Income generated from Rental of Togi		3,470	4,825
Income generated from Retail Outlet	5	43,964	26,825
Good Causes Fund	6	20,000	-
Income generated from Advertising (Pro)	7	11,733	-
		268,135	225,680

	2011 EUR	2010 EUR
<u>Other Income</u>		
Interest Received on Bonds	177	347
Commission Received	415	55
Realised Gain on the Fund held with HSBC Plc	1,514	2,472
Other General Income - Kummisjoni Politika Socjali'	5,654	2,676
	7,760	5,550

Kunsill Studenti Universitarji

Expenses Schedules

For the year ended 31st December 2011

<u>Direct Expenses</u>	Notes	2011 EUR	2010 EUR
Careers Convention Expenses	2	12,391	16,786
Ufficju Kultura Divertiment Expenses	3	76,079	38,544
Fresher's Week Expenses	4	42,403	47,115
Pro Expenses – Advertising, Printing & Other Fees	7	16,612	-
Student Opportunity Fund		14,400	15,709
Students Maintenance Grant	8	9,027	712
Euro Milano Expenses		-	1,897
Kummissjoni Internazzjonali' Expenses		6,173	8,671
Kummissjoni Edukazzjoni' Expenses		1,788	1,916
Kummissjoni Politika Socjali' Expenses		18,032	2,144
Other Expenses		15,483	4,831
Student Organisation Expenses		2,745	3,440
Christmas on Campus Expenses		1,402	964
Obsolete stock		905	-
Advertising Fees		3,000	3,000
Mobile Expenses		-	7,000
Unrecovered books printing expenses		1,629	-
Total Direct Expenses		<u>222,069</u>	<u>152,729</u>

Kunsill Studenti Universitarji

Notes to the Schedules

For the year ended 31st December 2011

1. Income generated from Corporate Sponsors

Income generated from corporate sponsors consists of cash collected from a number of companies, have signed a sponsorship agreement with KSU. In the year ended 31st December 2010, KSU has collected Eur 60,659 from corporate sponsorship, whilst been a tough year the income in 2011 from corporate sponsorships has dropped considerably to Eur 28,500. The main reason is that: two main corporate sponsors have terminated their contribution to KSU while others were not renewed.

2. Income generated from Careers Convention

Every year, KSU organise the Careers' Convention on campus. The main objective of Careers' Convention 2011 was to bring the student closer to the working environment. The income generated from the Careers Convention for 2011 amounted to Eur 21,509 which has slightly decreased when compared with the income generated in the Careers Convention for 2010.

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. Income generated from these three events is grouped in the 'Income generated from Ufficju Kultura Divertiment Events. Total income from these events has increased by Eur 39,561 in the year ended 31st December 2011 when compared to the income generated from these events in 2010 as follows:

4. Income generated from Freshers' Week

This refers to 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, three of which are being rented out to third parties in 2011.

6. Good Causes Funds

In 2010, KSU has applied for the 'Good Causes Funds', and in 2011, it has successfully received Eur20,000 as a grant from the Ministry of Finance as a contribution towards the educational project aimed to help university students with their financial needs. The amount was received in the year ending 2011 and is included as income for the year ended 31st December 2011.

Kunsill Studenti Universitarji

Notes to the Schedules

For the year ended 31st December 2011

7. Pro Income

This is a new source of income for KSU; in 2011, the Committee took the opportunity to raise funds from adverts published in the '@KSU' magazine. The income arisen from this activity amounts to Eur 11,733 for the year ended 31st December 2011. The expenses related to this income amounted to Eur 16,612, resulting in a loss of Eur 4,879.

8. Students' Maintenance Grants

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

Kunsill Studenti Universitarji

Expenses Schedules

For the year ended 31st December 2011

<u>Administrative & Other Expenditure</u>	2011	2010
	EUR	EUR
Accounting & Auditing Fees	2,778	1,243
Administration Expenses	13,604	24,517
Office expenses	10,462	18,475
Executive expenses	7,166	4,021
Salaries & National Insurance Contributions	17,202	13,315
Legal fees	4,827	35
Depreciation	10,178	11,419
Increase in Provision for Bad Debts	1,407	337
Doubtful debts written off	2,000	5,170
Total Administrative & Other Expenditure	69,624	78,532
<u>Financial Expenditure</u>	2011	2010
	EUR	EUR
Bank charges	95	49
Loss on HSBC Malta Asset Fund	917	-
Loss on GO Plc Shares	3,319	573
Total Financial Expenditure	4,331	622