

**Otago University Students' Association Incorporated**  
**Financial Report**  
**for the year ended 31 December 2024**

# Otago University Students' Association Incorporated

## Financial Report - 31 December 2024

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## Otago University Students' Association Incorporated Directory

<b>President</b>	Keegan Wells
<b>Vice President</b>	Emily Williams
<b>Executive Officers</b>	<p>Abby Clayton (resigned: 15/07/2024), Daniel Leamy (elected: 01/08/2024), Stella Lynch, Tara Shepherd, Hanna Friedlander, Ibuki Nishida, Emma Jackson, Liam White and Stella McCurdy (resigned: 31/07/2024)</p> <p>President, vice president and executive officer terms run for the calendar year 1 January 2024 to 31 December 2024.</p>
<b>Ex Officio Executive Officers</b>	<p>Gemella Reynolds (Tumuaki – Te Rōpū Māori) and Tele Likiliki (President – University of Otago Pacific Island Students' Association)</p> <p>Ex Officio members are elected in their own elections but are also part of OUSA Executive.</p>
<b>Registered Office</b>	<p>University Union Building 640 Cumberland Street Dunedin</p>
<b>Group Auditors</b>	<p>Audit Professionals Limited PO Box 620 Dunedin</p>
<b>Solicitors</b>	<p>Anderson Lloyd Private Bag 1959 Dunedin</p>
<b>Bankers</b>	<p>ASB Business Banking Dunedin</p>

**Otago University Students' Association Incorporated**  
**Statement of Service Performance**  
**31 December 2024**

**Statement of Service Performance**

The Otago University Students' Association Incorporated (OUSA) is a Tier 2 registered charity and committed to transparency and accountability. The table below provides a summary of the services provided by OUSA in the past year, including the outputs and outcomes achieved. We are proud of the support and services we have provided to our members and will continue to strive to improve in the future.

**Services Provided:**

OUSA provides a wide range of services to students at the University of Otago. Some of the main services provided during the year 2024 included:

**Representation and Advocacy:** OUSA advocates for the rights and interests of students on campus and works closely with the university administration, government officials, and other stakeholders to ensure that student voices are heard and that their needs are met.

**Clubs and Societies:** OUSA supports a wide range of clubs and societies on campus, providing funding, resources, and support to help students pursue their interests and passions.

**Events and Activities:** OUSA organises a wide range of events and activities throughout the year, including orientation week events, concerts, and other social and cultural events.

**Support Services:** OUSA provides support services to students, including advice and advocacy, mental health and well-being support, and food bank services.

**Outputs and Outcomes:**

OUSA's main outputs and outcomes for the year 2024 are summarised in the table below:

Service	Outputs 2024	Outputs 2023	Outcomes 2024
Annual Student Survey to plan and develop future strategies.	2,267 respondents.	2,728 respondents.	Improved engagement of stakeholders and better delivery of services to them.
Student Support Services - Hardship Grants.	\$18,920	\$17,259	Reduced financial stress for students.
Grants to Affiliated Clubs.	\$50,608	\$46,619	Enhanced student engagement and sense of community.
Elected Executive Meetings.	30	30	Discussed matters affecting various student communities, activities and advocacy.



**Otago University Students' Association Incorporated**  
**Corporate Governance Statement**  
**For the year ended 31 December 2024**

**Corporate Governance Statement**

The Executive is responsible for preparing the consolidated financial statements and service performance information and ensuring that they comply with generally accepted accounting practice and fairly present the consolidated financial position of the Economic Entity as at 31 December 2024 and the results of its consolidated operations and cash flows for the year ended on that date.

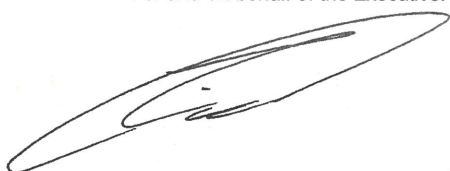
The Executive considers that the consolidated financial statements of the Economic Entity have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgement and estimates and that all relevant financial reporting and accounting standards have been followed. The Executive considers that the service performance measures are a faithful representation of the Economic Entity's service performance.

The Executive believes that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the consolidated financial position of the Economic Entity and facilitate compliance of the consolidated financial statements with the Financial Reporting Act 2013.

The Executive considers that it has taken adequate steps to safeguard the assets of the Economic Entity and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the consolidated financial statements.

**The Executive is pleased to present the financial report of the Otago University Students' Association Incorporated for the year ended 31 December 2024.**

For and on behalf of the Executive.



President

*Liam P. White*

Date: 14/05/25



Finance Officer

*Daniel Leamy*

Date: 15.05.2025

## ***Independent Auditor's Report***

to the members of Otago University Students' Association Incorporated

### **Our Opinion**

We have audited the statement of service performance and consolidated financial statements contained in the financial report of Otago University Students' Association Incorporated (the 'Association'). The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of comprehensive revenue and expense, the consolidated statement of changes in net assets/equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements that include a summary of significant accounting policies and other explanatory information.

In our opinion:

- (a) the consolidated financial statements of the Association present fairly, in all material respects, the financial position of the Association as at 31 December 2024 and its financial performance and cash flows for the year ended on that date; and
- (b) the statement of service performance of the Association presents fairly, in all material respects, the service performance for the year ended 31 December 2024 in that the service performance information is appropriate and meaningful and prepared in accordance with the Association's measurement bases or evaluation methods

in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) issued by the New Zealand Accounting Standards Board.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the New Zealand Auditing Standard (NZ AS 1) *The Audit of Service Performance Information* (NZ). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, the Association.

### **Information Other than the Statement of Service Performance, Consolidated Financial Statements and Auditor's Report**

Other information is included in the Financial Report with the statement of service performance, consolidated financial statements and the independent auditor's report. This is the Directory and Corporate Governance Statement. The Executive is responsible for this other information. Our opinion on the consolidated financial statements and statement of service performance does not cover other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements and statement of service performance, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and service performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report any misstatement of other information. We have nothing to report in this regard.

### **Executive's Responsibilities for the Consolidated Financial Statements**

The Executive is responsible, on behalf of the Association for:

- (a) the preparation and fair presentation of the consolidated financial statements and overall presentation, structure and content of the service performance information in accordance with Public Benefit Entity Standards;
- (b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with Public Benefit Entity Standards; and
- (c) such internal control as the Executive determines is necessary to enable the preparation of the consolidated financial statements and service performance report information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the Executive is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and statement of service performance as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and service performance information.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board website: [https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page7.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx)

This report is made solely to the Association's members. Our audit work has been undertaken so that we might state to the members those matters which we are required to state 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 Association and the Association's members, for our audit work, for this report or for the opinions we have formed.

*Audit Professionals Limited*  
Chartered Accountants  
18 May 2025

Dunedin

**Otago University Students' Association Incorporated**  
**Consolidated Statement of Comprehensive Revenue and Expense**  
**For the year ended 31 December 2024**

		<b>Economic Entity</b>	
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Total Operating Revenue</b>	<b>3</b>	<b>11,067,909</b>	<b>10,071,099</b>
<b>Total Operating Expenses</b>	<b>4</b>	<b>(11,888,516)</b>	<b>(10,494,576)</b>
<b>Operating (Deficit) before Share of Equity Accounted Investments</b>		<b>(820,607)</b>	<b>(423,477)</b>
Share of Equity Accounted Investment Surplus	10	<b>140,534</b>	<b>122,267</b>
<b>(Deficit)</b>		<b>(680,073)</b>	<b>(301,210)</b>
Other Comprehensive Revenue and Expense		<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>(680,073)</b>	<b>(301,210)</b>
<b>Total Comprehensive Revenue and Expense Attributable To:</b>			
Otago University Students' Association Incorporated		<b>(680,073)</b>	<b>(301,210)</b>
		<b>(680,073)</b>	<b>(301,210)</b>

*These statements are to be read in conjunction with the Notes attached and the Independent Auditor's Report*

**Otago University Students' Association Incorporated**  
**Consolidated Statement of Changes in Net Assets/Equity**  
**For the year ended 31 December 2024**

Economic Entity	Other Reserves	Defunct Club Reserves	Accumulated Comprehensive Revenue and Expense	Total Equity
	\$	\$	\$	\$
<b>Balance as at 1 January 2024</b>	6,029,320	-	4,341,480	10,370,800
<b>Comprehensive Revenue and Expense</b>				
Net (Deficit) for the Year	-	-	(680,073)	(680,073)
Other Comprehensive Revenue and Expense	-	-	-	-
<b>Total Comprehensive Revenue and Expense</b>	-	-	(680,073)	(680,073)
<b>Balance as at 31 December 2024</b>	6,029,320	-	3,661,407	9,690,727

Economic Entity	Other Reserves	Defunct Club Reserves	Accumulated Comprehensive Revenue and Expense	Total Equity
	\$	\$	\$	\$
<b>Balance as at 1 January 2023</b>	6,029,320	-	4,642,690	10,672,010
<b>Comprehensive Revenue and Expense</b>				
Net (Deficit) for the Year	-	-	(301,210)	(301,210)
Other Comprehensive Revenue and Expense	-	-	-	-
<b>Total Comprehensive Revenue and Expense</b>	-	-	(301,210)	(301,210)
<b>Balance as at 31 December 2023</b>	6,029,320	-	4,341,480	10,370,800

These statements are to be read in conjunction with the Notes attached and the Independent Auditor's Report



**Otago University Students' Association Incorporated**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2024**

		<b>Economic Entity</b>	
		<b>Actual</b>	<b>Actual</b>
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		1,195,575	1,597,483
Trade and Other Receivables (From Exchange Transactions)		451,896	518,259
Prepayments		185,191	197,388
Inventories	5	746,621	729,317
Property Held For Sale	15	268,918	-
<b>Total Current Assets</b>		<b>2,848,201</b>	<b>3,042,447</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6	8,111,928	8,441,286
Intangible Assets	7	16,430	17,955
Investment in Joint Venture	10	1,107,842	1,139,801
<b>Total Non-Current Assets</b>		<b>9,236,200</b>	<b>9,599,042</b>
<b>Total Assets</b>		<b>12,084,401</b>	<b>12,641,489</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables (From Exchange Transactions)		658,171	655,591
Loans and Overdraft	11	1,065,890	976,369
GST Payable		154,708	153,009
Employee Entitlements		376,346	275,615
Income in Advance		-	12,092
Accruals		138,559	198,013
<b>Total Current Liabilities</b>		<b>2,393,674</b>	<b>2,270,689</b>
<b>Total Liabilities</b>		<b>2,393,674</b>	<b>2,270,689</b>
<b>Net Assets</b>		<b>9,690,727</b>	<b>10,370,800</b>
<b>EQUITY</b>			
Reserves	9	6,029,320	6,029,320
Accumulated Revenue and Expenses		3,661,407	4,341,480
<b>Total Equity</b>		<b>9,690,727</b>	<b>10,370,800</b>

These statements are to be read in conjunction with the Notes attached and the Independent Auditor's Report

**Otago University Students' Association Incorporated**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2024**

	<b>Economic Entity</b>	
	<b>Actual</b>	<b>Actual</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from Activities and Levies	11,086,566	10,019,932
Interest Received	44,765	35,320
<b>Cash Inflows from Operating Activities</b>	<b>11,131,331</b>	<b>10,055,252</b>
Payments to Suppliers and Employees	(11,334,304)	(10,103,633)
<b>Cash Outflows from Operating Activities</b>	<b>(11,334,304)</b>	<b>(10,103,633)</b>
<b>Net Cash Flow (to)/from Operating Activities</b>	<b>(202,973)</b>	<b>(48,381)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(288,456)	(190,715)
<b>Net Cash Flow (to) Investing Activities</b>	<b>(288,456)</b>	<b>(190,715)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	89,521	828,821
<b>Net Cash Flow from Financing Activities</b>	<b>89,521</b>	<b>828,821</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(401,908)</b>	<b>589,725</b>
Add: Opening Cash Brought Forward	1,597,483	1,007,758
<b>Cash, Cash Equivalents, and Bank Overdrafts at the End of the Year</b>	<b>1,195,575</b>	<b>1,597,483</b>

These statements are to be read in conjunction with the Notes attached and the Independent Auditor's Report

## 1 Statement of Accounting Policies

### 1.1 Reporting Entity

Otago University Students' Association Incorporated ('the Association') is a registered charity under the Charities Act 2005 and an Incorporated Society registered under the Incorporated Societies Act 1908. The Association is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). These financial statements for the year ended 31 December 2024 comprise the Association (the 'Parent') and its controlled entities (together referred to as the 'Economic Entity').

### 2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the opening balances and reporting period to 31 December 2024, unless otherwise stated.

#### 2.1 Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently for the periods presented in these financial statements. Certain comparatives have been restated to align with current period presentation.

##### Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Economic Entity qualifies as a Tier 2 reporting entity as, for the two most recent reporting periods it has had between \$5m and \$30m operating expenditure.

The consolidated financial statements have been approved by the Executive on page 4.

##### Measurement Base

The financial statements have been prepared on a historical cost basis.

##### Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$). The functional currency is New Zealand dollars.

#### 2.2 Basis of Consolidation

##### Controlled Entities

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Otago University Students' Association Incorporated as at 31 December 2024 and the results of all controlled entities for the year then ended. Otago University Students' Association Incorporated and its controlled entities together are referred to in these financial statements as the Economic Entity or the consolidated entity.

Controlled entities are all those entities over which the Economic Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent controls another entity.

Controlled entities which form part of the Economic Entity are consolidated from the date on which control is transferred to the Parent. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Economic Entity. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Economic Entity. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

(continued)

## 2 Summary of Significant Accounting Policies (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Economic Entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Economic Entity's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the controlled entity of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive revenue and expense.

### Joint Ventures

Joint ventures are those entities over whose activities the Economic Entity has joint control, established by a binding agreement and requiring unanimous consent for strategic financial and operating decisions.

Joint ventures that are structured in a separate vehicle are classified jointly-controlled-entities and are accounted for using the equity method.

The financial statements include the Economic Entity's share of the surplus or deficit and other comprehensive revenue and expense of its equity accounted jointly-controlled-entities, after adjustments to align the accounting policies with those of the Economic Entity, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Economic Entity's share of losses exceeds its interest in its jointly-controlled-entities, the carrying amount of the investment, including any long term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Economic Entity has an obligation or has made payments on behalf of the investee.

## 2.3 Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Economic Entity, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Economic Entity's revenue streams must also be met before revenue is recognised.

### (i) Revenue from Exchange Transactions

#### Membership Fees and Subscriptions

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time that period covering the membership or subscription occurs. Membership and subscription fees are included in service revenue.

#### Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and net of returns.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods (beer sales, book sales, etc.), and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.



(continued)

## 2 Summary of Significant Accounting Policies (continued)

### Rendering of Services

Service income is recognised as revenue throughout the period of delivery of the service. Service income includes an annual agreed levy between the University of Otago and the Economic Entity. This is based on University of Otago's estimate of the services they employ the Economic Entity to provide over a year. Service levy income is recognised as revenue as received unless there are unfulfilled conditions under the agreement in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

### (ii) Revenue from Non-Exchange Transactions

Non-exchange transactions are those where the Economic Entity receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

The following specific recognition criteria in relation to the Economic Entity's non-exchange transaction revenue streams must also be met before revenue is recognised.

### Grants and Donations

The recognition of non-exchange revenue from Grants and Donations depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Economic Entity to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Economic Entity to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

### Dividend and Interest Revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time-proportionate basis using the effective interest rate method.

The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount of the financial asset.

The effective interest rate is used to calculate the amortised cost of a financial asset and to allocate interest income over the relevant period.

## 2.4 Foreign Currency Translations

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive revenue and expense.

## 2.5 Income Tax

The Economic Entity is exempt from tax under the Income Tax Act 2007. The Economic Entity is a registered charity with the Charities Services and have approved charitable status with the Inland Revenue Department.

## 2.6 Leases

Operating leases are leases in which a significant portion of the risks and rewards are retained by the lessor. Lease payments are recorded as expenses in the statement of comprehensive revenue and expense.

(continued)

## 2 Summary of Significant Accounting Policies (continued)

### 2.7 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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 changes in value.

### 2.8 Trade and Other Receivables

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The Economic Entity applies PBE IPSAS 41 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance to be recognised from initial recognition of the trade receivables.

### 2.9 Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on an average basis and includes expenditure incurred in acquiring inventories and bringing them to a location and condition available for sale. No inventories are specifically pledged as security for liabilities. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale, exchange or distribution and after allowances are made for obsolescence.

### 2.10 Property, Plant and Equipment

Property, plant and equipment is initially measured at cost and subsequently stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items plus the value of other directly attributed costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Economic Entity and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive revenue and expense during the financial period in which they are incurred. Land is not depreciated.

Work in progress is recognised at cost less impairment and is not depreciated. Costs includes all expenses directly related to specific contracts. Building work in progress is not depreciated until commissioned.

#### (i) Depreciation

Depreciation of property, plant and equipment, other than freehold land and capital work in progress is calculated to write off the cost of the assets over their estimated useful lives at the following rates.

Class of Asset Depreciated	Depreciation Rates
Freehold Buildings	4% Diminishing Value
Freehold Building Alterations	10% - 40% Diminishing Value
Commercial Land and Buildings	2% - 7% Straight Line
Fixtures and Fittings	4% - 50% Diminishing Value
Plant and Equipment	4% - 67% Diminishing Value
Motor Vehicles	25% - 30% Diminishing Value

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(continued)

## 2 Summary of Significant Accounting Policies (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive revenue and expense.

### 2.11 Intangible Assets

Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is the fair value at the date of acquisition.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses and are reviewed annually for impairment losses. Amortisation of intangible assets is provided on a straight-line or diminishing value basis that will write off the cost of the intangible asset to estimated residual value over their useful lives. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment and are carried at cost less accumulated impairment losses.

Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Impairment losses resulting from impairment are reported in the statement of comprehensive income and expense.

Realised gains and losses arising from the disposal of intangible assets are recognised in the statement of comprehensive revenue and expense in the year in which the disposal occurs.

Intangible assets comprise:

#### Trademarks

Acquired trademarks are capitalised based on the costs incurred to acquire and bring to use the trademark. Costs are amortised using the straight line method over their estimated useful lives (not exceeding 20 years).

#### Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee related costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Economic Entity's website are recognised as an expense when incurred.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of Intangible Asset	Estimated Useful Life	Amortisation Rates
Computer software	2 - 5 years	20% - 50% Diminishing Value
Trademarks	10 - 20 years	5% - 10% Straight Line

### 2.12 Impairment of Non-Financial Asset

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.



(continued)

## 2 Summary of Significant Accounting Policies (continued)

### 2.13 Trade and Other Payables

Accounts payable and other payables represent liabilities for goods and services provided to the Economic Entity prior to the end of financial year which are unpaid at balance date. The amounts are unsecured and are usually paid within 30 days of recognition. Accounts payable are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

### 2.14 Accruals

Accrued expenses are costs incurred but not yet paid. This includes accounting and audit fees incurred and not yet paid.

### 2.15 Employee Entitlements

Liabilities for wages and salaries, including non monetary benefits and annual leave that is to be settled within 12 months of the reporting date are recognised as current liabilities. The current liabilities are 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.

### 2.16 Goods and Services Tax (GST)

The Economic Entity is registered for GST. The statement of financial performance has 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 receivables and payable, which include GST invoiced.

### 2.17 Statement of Cash Flows

The statement of cash flows is prepared exclusive of Goods and Services Tax (GST), which is consistent with the method used in the statement of financial performance. Cash and cash equivalents comprise cash on hand and demand deposits, and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and includes all call borrowing such as bank overdrafts used by the Economic Entity as part of their day-to-day cash management.

The cash flows are classified into three sources:

#### **Operating Activities:**

'Operating activities' represents all transactions and other events that are not investing or financing activities, and includes receipts and repayments of occupancy advances.

#### **Investing Activities:**

'Investing activities' are those activities relating to the acquisition and disposal of property, plant & equipment, investments, intangible assets and development.

#### **Financing Activities:**

'Financing activities' are those activities relating to changes in the debt capital structure of the Economic Entity.

### 2.18 Use of Judgement and Accounting Estimates

The Economic Entity measures Property, Plant and Equipment (2.10) at cost less any depreciation and impairment. In the previous year, impairment indicators were identified due to the redevelopment running over budget upon completion in December 2022. Where an impairment indicator is identified an impairment test is required by comparing fair value to the current carrying value. An independent valuation from Tay & Tay was obtained for the property at 378 Great King Street. The best evidence of fair value was deemed to be the capitalisation of income approach. The calculation uses cash flow projections based on financial budgets approved by management. Income was capitalised at the following rates based on observable market inputs:

Commercial Property - 6.50%

Residential Property - 6.00%

The valuation resulted in an impairment of the property of \$1.74 million which has been recognised in prior years in accordance with the accounting policies.

(continued)

## 2 Summary of Significant Accounting Policies (continued)

For the current year ended 2024, no further indicators of impairment have been identified for Property, Plant, and Equipment assets. Consequently, the previously assessed valuation remains unchanged, and the assets continue to be carried at their reassessed value post-impairment.

### 2.19 Investments

The Economic Entity recognises financial assets on the date that they become party to the contractual agreement.

Subsequent to initial recognition all financial assets are measured at fair value. Gain or losses arising from the change in these fair values are included in the statement of comprehensive revenue and expense.

The fair values of financial assets that are traded in active markets are based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets is the current bid price.

### 2.20 Financial Instruments

The Economic Entity initially recognises financial instruments when the Economic Entity becomes a party to the contractual provisions of the instrument.

The Economic Entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Economic Entity is recognised as a separate asset or liability.

The Economic Entity derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Economic Entity also derecognises financial assets and financial liabilities when there have been significant changes to the terms and / or the amount of contractual payments to be received / paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Economic Entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Economic Entity classifies financial assets into the following categories: those measured at amortised cost and those measured at fair value through surplus or deficit.

The Economic Entity classifies financial liabilities into the following category: Amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument and is primarily determined by the purpose for which the financial instruments were acquired.

#### Financial Assets Measured at Amortised Cost

All financial assets held by the Economic Entity in the years reported have been designated into one classification, "those measured at amortised cost" as they are assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Those measured at amortised cost comprise cash and cash equivalents and trade and other receivables. They are measured at amortised cost less any impairment losses.

Interest revenue from these financial assets is included in interest revenue using the effective interest rate method. Any gains or losses arising from derecognition is recognised directly in the statement of comprehensive revenue and expense.

#### Amortised Cost Financial Liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

(continued)

## 2 Summary of Significant Accounting Policies (continued)

Financial liabilities classified as amortised cost comprise trade and other payables, bank loans and overdraft, and GST payable.

### Impairment of Financial Assets

The Economic Entity assesses on a forward looking basis the expected losses associated with its debt instruments carried at amortised cost and fair valued through the statement of comprehensive revenue and expense. For trade receivables, the Economic Entity applies the simplified approach permitted by PBE IPSAS 41, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

### 2.21 Changes in Accounting Policies

There have been no new accounting policies adopted during the period. All policies have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Economic Entity.

Otago University Students' Association Incorporated  
Notes to the Consolidated Financial Statements  
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(continued)

### 3 Revenue from Exchange and Non-Exchange Transactions

	Economic Entity	
	Actual	Actual
	2024	2023
	\$	\$
<b>Exchange</b>		
Service Revenue from University of Otago	4,267,099	4,065,770
Service Revenue	2,729,563	2,982,369
Sale of Goods	3,940,950	2,918,343
UBS Token Write Down	55,703	30,868
Interest Revenue	35,614	35,320
Bad Debts Recovered	-	50
Other Gains/(Losses)	-	1,436
<b>Total Exchange</b>	<b>11,028,929</b>	<b>10,034,156</b>
<b>Non-Exchange</b>		
COVID-19 Wage Subsidy and Government Funding	-	4,800
Donations	38,980	32,143
<b>Total Non-Exchange</b>	<b>38,980</b>	<b>36,943</b>
<b>Total Exchange and Non-Exchange</b>	<b>11,067,909</b>	<b>10,071,099</b>

### 4 Operating Expenses

	Economic Entity	
	Actual	Actual
	2024	2023
	\$	\$
<b>Operating Expenses Includes:</b>		
Bad Debts	43	-
Cost of Goods Sold	2,598,341	1,899,855
Depreciation and Amortisation	350,422	345,948
Director Fees	74,771	118,010
Donations	41,384	4,781
Grants to Clubs	50,608	45,656
Honoraria to Board Members	168,901	178,125
Interest	6,196	3,864
Lease of Photocopier	12,120	12,120
Loss on Disposal of Assets	-	1,809
Audit Fees	60,070	70,677
NZ Union of Students' Associations Levy	8,677	45,425
Professional Fees	84,366	81,017
Salaries and Wages	4,888,274	4,269,658
Student Job Search Levy	15,000	15,000
Building Lease, Levy, Management and Maintenance	235,145	244,120
Write Down of Commercial and Investment Property	3,000	129,115
Write Down of Investment In Joint Venture	172,493	160,695

**Otago University Students' Association Incorporated**  
**Notes to the Consolidated Financial Statements**  
**31 December 2024**

(continued)

**5 Inventories**

	<b>Economic Entity</b>	
	<b>Actual</b>	<b>Actual</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Inventory</b>		
Inventories on Hand	767,453	743,465
Allowance for Obsolete Stock	(20,832)	(14,148)
<b>Total Inventory</b>	<b>746,621</b>	<b>729,317</b>



Otago University Students' Association Incorporated  
Notes to the Consolidated Financial Statements  
31 December 2024

(continued)

6 Property, Plant and Equipment

Economic Entity 2024	Opening Cost	Opening Accumulated Depreciation & Impairment	Opening Net Book Value	Additions	Disposals	Transfers To Held For Sale	Current Year Depreciation	Impairment	Closing Cost	Closing Accumulated Depreciation & Impairment	Closing Net Book Value
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Freehold Land	161,984	-	161,984	-	-	122,784	-	-	39,200	-	39,200
Commercial Land and Buildings	6,955,303	(1,993,058)	4,962,245	-	-	-	(75,510)	-	6,955,303	(2,068,568)	4,886,735
Freehold Buildings	7,340,540	(4,384,971)	2,955,569	209,181	-	146,134	(186,166)	-	7,403,587	(4,571,137)	2,832,450
Plant and Equipment	789,255	(582,767)	206,488	60,660	-	-	(53,995)	-	849,915	(636,762)	213,153
Fixtures and Fittings	387,825	(240,111)	147,714	19,155	-	-	(31,944)	-	406,980	(272,055)	134,925
Motor Vehicles	45,665	(38,379)	7,286	-	-	-	(1,821)	-	45,665	(40,200)	5,465
<b>Total</b>	<b>15,680,572</b>	<b>(7,239,286)</b>	<b>8,441,286</b>	<b>288,996</b>	<b>-</b>	<b>268,918</b>	<b>(349,437)</b>	<b>-</b>	<b>15,700,650</b>	<b>(7,588,723)</b>	<b>8,111,928</b>
<b>Economic Entity 2023</b>											
Freehold Land	161,984	-	161,984	-	-	-	-	-	161,984	-	161,984
Commercial Land and Buildings	6,826,188	(1,826,188)	5,000,000	129,115	-	-	(37,755)	(129,115)	6,955,303	(1,993,058)	4,962,245
Freehold Buildings	7,345,046	(4,201,077)	3,143,969	6,293	(267)	-	(194,426)	-	7,340,540	(4,384,971)	2,955,569
Plant and Equipment	914,845	(669,456)	245,389	99,987	(65,042)	-	(73,846)	-	789,255	(582,767)	206,488
Fixtures and Fittings	378,099	(217,791)	160,308	99,311	(74,629)	-	(37,276)	-	387,825	(240,111)	147,714
Motor Vehicles	62,448	(51,005)	11,443	-	(1,512)	-	(2,645)	-	45,665	(38,379)	7,286
<b>Total</b>	<b>15,688,610</b>	<b>(6,965,517)</b>	<b>8,723,093</b>	<b>334,706</b>	<b>(141,450)</b>	<b>-</b>	<b>(345,948)</b>	<b>(129,115)</b>	<b>15,680,572</b>	<b>(7,239,286)</b>	<b>8,441,286</b>

The freehold land is located at 84 Albany Street, Dunedin (OUSA Clubs and Societies Building). The freehold buildings are located at 84 Albany Street, Dunedin; 640 Cumberland Street, Dunedin (OUSA Main Office); and 65 Magnet Street, Dunedin (OUSA Aquatic Centre).

The commercial land and buildings are located at 378 Great King Street, Dunedin (University Book Shop and Residential Apartments).

(continued)

## 7 Intangible Assets

Movements in the carrying value for each class of intangible asset are as follows:

### Economic Entity

	Computer software	Trademark	Licence to Operate	Total
<b>Cost or valuation</b>				
Balance as at 1 January 2024	81,037	15,769	25,000	121,806
Additions	-	-	-	-
Disposals	-	-	(25,000)	(25,000)
<b>Balance as at 31 December 2024</b>	<b>81,037</b>	<b>15,769</b>	<b>-</b>	<b>96,806</b>
	<b>Computer software</b>	<b>Trademark</b>	<b>Licence to Operate</b>	<b>Total</b>
<b>Accumulated amortisation and impairment</b>				
Balance as at 1 January 2024	(77,226)	(1,625)	(25,000)	(103,851)
Amortisation charge	(1,525)	-	-	(1,525)
Disposals	-	-	25,000	25,000
<b>Balance as at 31 December 2024</b>	<b>(78,751)</b>	<b>(1,625)</b>	<b>-</b>	<b>(80,376)</b>
<b>Net Book Value</b>				
As at 31 December 2023	3,811	14,144	-	17,955
As at 31 December 2024	2,286	14,144	-	16,430

The licence to operate related to the NZ Post franchise fees, which was fully depreciated in previous years and has been written off in 2024.

## 8 Investment in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note (2.2). All subsidiaries are incorporated in New Zealand.

University Book Shop (Otago) Limited ("UBS") - 100% owned (2023: 100%) - operates the University Bookshop. The balance date is 31 December. Their financial statements are audited. For the 2024 financial year UBS annual accounts are for a 15 month period. The comparative financial period is 12 months. UBS has changed its balance date to align with the financial reporting period of its parent company and other subsidiaries within the Economic Entity.

OUSA Commercial Limited and OUSA Holdings Limited are both 100% owned. These entities were first incorporated in the 2022 year and have had no change in ownership.

**Otago University Students' Association Incorporated**  
**Notes to the Consolidated Financial Statements**  
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**9 Reserves**

	<b>Economic Entity</b>	
	<b>Actual</b>	<b>Actual</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Total Reserves	<b>6,029,320</b>	<b>6,029,320</b>

**Purpose of Each Reserve Fund**

During 2012, Otago University Students' Association Incorporated transferred \$6,029,320 from retained earnings to reserves to earmark a Component of Equity for future purposes. \$2,000,000 is for a Service Level Agreement Contingency to cover risk of not concluding a Service Level Agreement, \$1,529,320 for a Renovations Reserve to fund a large portion of the renovations plan along with funding from other sources, \$1,500,000 for a Future Students Investment Fund for long term investment in future generations and \$1,000,000 for likely capital commitments in subsidiaries in future.

**10 Investments in Joint Venture**

	<b>Actual</b>	<b>Actual</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Economic Entity</b>		
Shares at Cost	<b>1,737,360</b>	<b>1,737,360</b>
Plus: Opening Share of Surpluses	<b>1,178,229</b>	<b>1,255,154</b>
Less: Accumulated Impairment	<b>(1,775,788)</b>	<b>(1,814,285)</b>
	<b>1,139,801</b>	<b>1,178,229</b>
Plus: Share of Surplus in the Current Year:		
- University Union Limited	<b>140,534</b>	<b>122,267</b>
Less: Write Down of Investments in Joint Venture		
- University Union Limited	<b>(172,493)</b>	<b>(160,695)</b>
	<b>1,107,842</b>	<b>1,139,801</b>
The Interest in Joint Venture Comprises:		
- University Union Limited (Non Current)	<b>1,107,842</b>	<b>1,139,801</b>

At 31 December 2024 the Parent's Investment in Joint Venture comprises shares in University Union Limited - 50% shares (2023: 50%) owns and maintains the University Union building. The balance date is 31 December. It is audited by Crowe. This entity is incorporated in New Zealand.

**Otago University Students' Association Incorporated**  
**Notes to the Consolidated Financial Statements**

**31 December 2024**

(continued)

**11 Loans and Overdraft**

	Economic Entity	
	Actual 2024	Actual 2023
	\$	\$
ASB Bank - Credit Facility	991,218	791,271
Westpac Current Account	-	73,933
Westpac Mastercard	4,893	4,151
Current Portion of Small Business Cashflow Loan	15,722	15,180
Non Current Portion of Small Business Cashflow Loan	2,538	20,898
Monument Premium Funding Limited Loan	51,519	70,936
	<u>1,065,890</u>	<u>976,369</u>

University Book Shop (Otago) Limited has a Westpac Mastercard limit of \$15,000 and the Westpac Current Account has an overdraft limit of \$100,000 which is secured over the company stock and plant (2023: Westpac Mastercard limit of \$15,000 and Westpac Current Account overdraft limit of \$100,000). The Small Business Cashflow (Loan) Scheme (SBCS) has been introduced to support businesses and organisations struggling because of loss of actual or predicted revenue as a result of COVID-19. The annual interest rate is 3% beginning from the date of the loan being provided. As the loan was not fully paid back within two years, interest was charged from 27 June 2022.

Otago University Student's Association has a Monument Premium Funding Limited loan. The Monument Premium Funding Limited loan is for a 10 month period at an annual rate of interest of 14.52% per annum (2023: 14.13%). Otago University Student's Association ASB loan facility was transferred to OUSA Commercial Limited.

OUSA Commercial Limited has a bank loan and a loan facility agreement with ASB. The ASB facility agreement is for a maximum of \$1,100,000 and at a floating interest rate, the facility is subject to an annual review. The ASB bank loan facility is secured by a registered first mortgage over the property of 378 Great King Street, Dunedin. The interest rate for the year was 7.74% per annum (2023: 8.21% per annum).

**12 Commitments**

**Capital Commitments**

University Union Limited signed a Memorandum of Understanding ("MoU") between the Company and University of Otago relating to the apportionment of costs for the replacement of the conservatory which is attached to the University Union building. This Memorandum outlines that University Union Limited is committed to paying \$1,119,996 plus GST for the total cost of the project. As at 31 December 2024 \$289,127 plus GST has been accrued in respect of work carried out to 31 December 2024. Per the MoU the Company is committed to pay the balance \$830,869 plus GST as at balance date (2023: Nil).

The Otago University Students' Association Incorporated had \$1,586,876 of capital commitments as at 31 December 2024 for the Clubs and Societies building (2023: Nil).

The University Bookshop (Otago) Limited (UBS) has no capital commitments at the end of its reporting date (2023: Nil).

**Otago University Students' Association Incorporated**  
**Notes to the Consolidated Financial Statements**  
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(continued)

## 12 Commitments (continued)

### Operating leases as lessee

The University Union Limited has entered into a non-cancellable operating lease with the University of Otago for a period of 50 years less one day commencing 1 July 2002 and expiring 30 June 2052 for the lease of the land. The annual rental is \$149,400 plus GST. Rentals are reviewed every three years and the next review is due 1 July 2026.

There is a lease commitment in the Entities books for the lease of a photocopier, eftpos, and property (2023: photocopier and property).

	Economic Entity	
	Actual 2024	Actual 2023
	\$	\$
Not later than one year	24,969	39,496
Later than one year and not later than five years	8,755	30,690
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>33,724</b>	<b>70,186</b>

### Operating leases as lessor

Investment property is leased under operating leases. The lease is for 378 Great King Street, Dunedin, and consists of 6 residential apartments on separate 12 month fixed term leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Economic Entity	
	Actual 2024	Actual 2023
	\$	\$
Not later than one year	219,700	210,000
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>219,700</b>	<b>210,000</b>

## 13 Contingencies

There are no contingent liabilities or contingent assets at 31 December 2024 for the Economic Entity (2023: Nil).



(continued)

#### 14 Related party transactions

The joint venture entity identified in note 10 is a related party of the Economic Entity.

*Transactions with joint venture entity and other related parties:*

OUSA provided building levies to University Union Limited for \$118,486 (2023: \$106,772 ). There was no outstanding balances at year end (2023: Nil).

Honoraria paid to Executive Officers of the Association and directors fees to directors of the subsidiary companies are disclosed in note 4.

Paul Allison, a Director, is a Council Member of Otago Polytechnic, which purchased no goods from the Group (2023: \$12,796). Paul is no longer a Council Member effective the 2024 Financial Year.

#### *Key management personnel compensation*

The Economic Entity has a related party relationship with their key management personnel. Key management personnel include the directors and senior management.

	Economic Entity	
	Actual 2024	Actual 2023
<b>Council members</b>		
Number of persons recognised as key management personnel	31	35
Full-time equivalent members	15	17
Remuneration	<u>\$1,538,313</u>	<u>\$1,588,457</u>

#### 15 Events occurring after the balance date

There were no subsequent events occurring after balance date which require adjustment to the financial statements. However, it is noted that the property held for sale (5 Ethel Benjamin Place) at 31 December 2024 with a book value of \$268,918 sold on March 2025 for \$805,000.

In accordance with PBE IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets, University Bookshop (Otago) Ltd has identified a contingent liability arising from a system error that resulted in the miscalculation of Goods and Services Tax (GST) on zero-rated transactions over multiple years. The issue is currently under review, and the exact amount of the potential liability has not been determined as at the balance date.

University Bookshop (Otago) Ltd will address this matter through a voluntary disclosure to the Inland Revenue Department (IRD). Based on the information available, management does not anticipate that the potential liability will be material to the financial statements. No provision has been recognised in the financial statements as the amount cannot be measured with sufficient reliability at this stage.