

Company Registration No. 5711851
Charity Registration No. 1117431

**The University of Chicago Foundation
Limited**

Company limited by shares

Report and Financial Statements

30 June 2009

TUESDAY



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The University of Chicago Foundation Limited
Company Registration No. 5711851

Report and financial statements 2009

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The University of Chicago Foundation Limited
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Officers and professional advisers

Reference and Administration information

Directors

Mr N Chinniah
Ms B A Harris
Mr R J Schiller

The directors are the trustees of the charity for Charity Act purposes

Secretary

WCPHD Secretaries Limited

Registered office

5th Floor
Alder Castle
10 Noble Street
London
EC2V 7QJ

Bankers

HSBC plc
60 Queen Victoria Street
London
EC2N 4TR

Auditors

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

The University of Chicago Foundation Limited
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Directors' report

The Directors present their annual report for the year ended 30 June 2009 under the Companies Act 2006 together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Companies Act and the Charities SORP 2005. The audited accounts will be filed with the Registrar of Companies.

Reference and administrative information

The Charity (Company registration 5711851, Charity Commission Registration 1117431) is a subsidiary of The University of Chicago Booth School of Business, incorporated in the United States of America, which was founded in 1898. The registered office of the Charity is listed on page 1 together with the particulars of the Charity's professional advisers.

The Charity is a charitable company limited by shares.

Directors and charity trustees

The University Directors are the charity Trustees of The University of Chicago Foundation Limited ("the Charity"). They have all served in office throughout the year except where indicated. Together with past Directors who served in the period as indicated, they are:

Mr N Chinniah
Ms B A Harris
Mr R J Schiller

The affairs of the Charity are governed by the Board of Trustees, the chairperson of which is Ms B A Harris. The trustees meet once per year and oversee the management of the Charity.

Structure, governance and management

Governing Document

The Charity is governed by its Memorandum and Articles of Association dated 16 February 2006.

Recruitment and Training of Directors

The University of Chicago is empowered to make appointment of Directors for The University of Chicago Foundation Limited. For the period from 1 July 2008 through 30 June 2009, the Charity had three Directors, Mr N Chinniah, Ms B A Harris and Mr R J Schiller. The performance of the trustees is evaluated annually.

Throughout the period from 1 July 2008 through 30 June 2009 Mr N Chinniah held the position of Vice President for Administration and Chief Financial Officer, Finance and Administrator at The University of Chicago. As Vice President for Administration and Chief Financial Officer Mr Chinniah oversees all financial activity at The University which provides the requisite qualifications as a Director in the Charity. By virtue of his appointment to this position he was appointed as a Director for the Charity.

Throughout the period from 1 July 2008 through 30 June 2009 Ms B A Harris held the position of Vice President and General Counsel at The University of Chicago. Ms Harris' position as head of all legal affairs for The University provides the requisite qualification as a Director of the Charity. By virtue of her appointment to this position she was appointed as a Director for the Charity.

Throughout the period from 1 July 2008 through 30 June 2009 Mr R J Schiller held the position of Vice President, Alumni Relations and Development at the University of Chicago. Mr Schiller's position as head of all Alumni Relations and Development activity at The University.

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Directors' report (continued)

provides the requisite qualifications as a Director of the Charity. By virtue of his appointment to this position he was appointed as a Director for the Charity.

Should any of these Directors resign their position at The University of Chicago, the successor to that position would take their place as a Director of the Charity. Training needs of new Directors are assessed and met as necessary. Upon appointment each trustee receives a copy of the UK Charity Commissions' publications "The Essential Trustee: What you need to know" and "Charity Reporting and Accounting: The Essentials" and agrees to follow them. Further training needs of new Directors are assessed and met as necessary. Ongoing training is provided as relevant changes are made to the Charity Commission's "Companies Act 2006".

Organisational Management

The Charity is managed by the University of Chicago's department of Alumni & Constituent Relations. These employees engaged in this management are employees of the University of Chicago, not of the Charity. The Director of the Alumni Relations and Development London Office has authority over the day to day affairs of the Charity, including the procurement of goods and services for the Charity and the negotiation and execution of contracts. The Director for the period from 1 July 2008 through 30 June 2009 was Ms S Nason. Ms Nason reports to the Alumni Relations and Development Office Director of the Charity, Mr R Schiller, has ultimate responsibility for the Alumni Relations and Development Office. He reports directly to the President of the University of Chicago. Due to the small size and nature of the Charity there is currently no internal audit function, however this is continually under review and will be updated accordingly as the Charity grows.

Risk Management

The principal risks of the Charity are integrated with the principal risks of the University and are not managed separately. Accordingly, the principal risks and uncertainties of the The University of Chicago, which include those of the Charity, are discussed in the group's annual report which does not form part of this report. In addition, the trustees continually assess the major risks to which the Charity is exposed and are satisfied that the systems in place mitigate exposure to major risks.

Object, aims, objectives and activities

Charitable objects

The University of Chicago provides programs and activities to offer a rich and diverse educational environment for its students to pioneer research that pushes the boundaries of current knowledge. A critical element of this activity is the necessary funding. The primary objective of the Charity is to advance education, in particular by providing grants to The University of Chicago and to other educational institutions to assist in the advancement of education of students attending the institution. This increased support will advance university initiatives through provision of resources for unrestricted operating expenses, special projects (i.e. capital needs) and endowments towards specific purposes (i.e. financial aid, scholarships, professorships and research). This purpose directly contributes to the benefit of giving an education to the public.

Objectives for the year

The main objectives of the Charity for the year ended June 2009 were

- To support the public benefit initiatives of the University of Chicago
- Raise funds for the University of Chicago to further advance the education programs and activities available to the public in the UK

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Directors' report (continued)

- Offer UK citizens an avenue for giving with increased benefits for them

Strategies to achieve the period's objectives

Ensure that donors are aware of the benefits of giving through the Charity, benefits such as Gift Aid and tax-efficient giving from other parts of Europe

Principal activities of the year

Continue to offer and expand giving opportunities for UK and European donors to the University of Chicago

Review of achievements and performance for the year

Operational performance of the Charity

The Charity continues to be effective and efficient in raising funds for the University of Chicago's programmes and activities

Financial review and results for the year

Fundraising progress for the year successfully exceeded the cost of doing business. This financial year 2009 cost per pound raised ratio is approximately 33p/£1 raised. We would like to improve this ratio in coming years. Given that the Charity is still new and growing, we believe this can be achieved as the Charity gains more momentum in Europe.

Reserves policy

The trustees aim to maintain a balance on unrestricted funds, if possible, which equates to at least three months unrestricted payments, equivalent to £4,000, to cover emergency situations which may arise from time to time. The balance of £101,454 held on unrestricted funds at the year end exceeds this target. In the coming year the Charity plans to spend this excess in meeting its objectives. These unrestricted funds will be used at the discretion of the Foundation Directors in support of the following objectives as directed in the Foundation's written resolution:

- 1 Endowed Scholarships – College
- 2 Endowed Scholarships – Other
- 3 Endowed Professorships
- 4 Programmatic Support
- 5 Annual Support
- 6 GSB – The Zonis International Scholars Fund

Future plans

Continue to provide an avenue for giving from the UK and across Europe to support the programmes and activities of The University of Chicago

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives

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Directors' report (continued)

In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

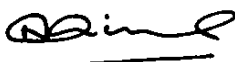
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors on 8 Feb. 2010
and signed on its behalf by 

The University of Chicago Foundation Limited
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Directors' report (continued)

The University of Chicago Foundation Limited
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**Independent auditors' report to the members of
The University of Chicago Foundation Limited**

We have audited the financial statements of The University of Chicago Foundation Limited for the year ended 30 June 2009 set out on pages 8 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 405 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Directors' report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

The University of Chicago Foundation Limited
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Independent auditors' report to the members of
The University of Chicago Foundation Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 30 June 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements

Emphasis of matter - Prior period financial statements

In forming our opinion on the financial statements, which is not qualified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditors to state that the corresponding figures contained within these financial statements are unaudited.

A. Mead

A Mead (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Date *8 March 2010*

The University of Chicago Foundation Limited
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Statement of financial activities (including the income and expenditure account)
Year ended 30 June 2009

		2009 £	Unaudited Restated 2008 £
	Notes		
Incoming resources			
<i>Incoming resource from generated funds</i>			
Voluntary Income		38,409	74,207
Investment Income		832	961
Total incoming resources		<u>39,241</u>	<u>75,168</u>
Resources expended			
<i>Charitable activities</i>	3	(6,011)	(169)
<i>Governance costs</i>	2	(6,875)	-
Total resources expended		<u>(12,886)</u>	<u>(169)</u>
Net movement in funds (being the net income for the year)		<u>26,355</u>	<u>74,999</u>
Funds balances at 30 June 2008		<u>74,999</u>	<u>-</u>
Funds balances at 30 June 2009		<u>101,354</u>	<u>74,999</u>

All results are from continuing operations

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the statement of financial activities

All funds are unrestricted

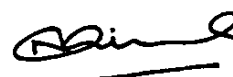
The University of Chicago Foundation Limited
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Balance sheet
30 June 2009

		2009	Unaudited Restated 2008
	Notes	£	£
Current assets			
Debtors	4	211,178	-
Cash at bank and in hand		109,630	75,099
		<u>320,808</u>	<u>75,099</u>
Creditors amounts falling due within one year	5	(6,875)	-
Net current assets		<u>313,933</u>	<u>75,099</u>
Creditors amounts falling due after more than one year	6	(212,479)	-
Net assets		<u>101,454</u>	<u>75,099</u>
Funds			
Unrestricted Funds	7	101,354	74,999
Share capital	9	100	100
		<u>101,454</u>	<u>75,099</u>

All assets and liabilities relate to general unrestricted funds

Approved by the Board of Directors on 8 Feb 2009 and signed on its behalf by



The University of Chicago Foundation Limited
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Cash flow statement
Period ended 30 June 2009

		2009	Unaudited
	Notes	£	2008
			£
Net incoming resources before other recognised gains and losses	10	33,699	74,038
Returns on investments and servicing of finance			
Investment income receipts		832	961
Increase in cash	11	<u>34,531</u>	<u>74,999</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		<u>34,531</u>	<u>74,999</u>
Movement in net funds in the year	11	<u>34,531</u>	<u>74,999</u>
Net funds at 30 June 2008	11	<u>75,099</u>	<u>100</u>
Net funds at 30 June 2009	11	<u><u>109,630</u></u>	<u><u>75,099</u></u>

The University of Chicago Foundation Limited
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Notes to the accounts
Year ended 30 June 2009

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of accounts preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005)

These accounts have been prepared on the going concern basis. The trustees have obtained a letter of support from The University of Chicago, and therefore believe the Charity is financially secure for the foreseeable future

Fund accounting

Unrestricted funds are general funds that are available for use at the directors' discretion in furtherance of the objectives of the Charity

Incoming resources

Voluntary income represents amounts received in the year from fundraising gifts. Investment income represents amounts received in the year from bank interest

Resources expended

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for The University of Chicago Foundation Limited directors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability

Taxation

As a registered charity, The University of Chicago Foundation Limited is exempt from taxation on its income and gains falling within s505 Income and Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes. No tax charge has arisen in the year ended 30 June 2009

Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the period end exchange rates. All differences are taken to the profit and loss account

Related party transactions

The Charity has taken advantage of the exemption under FRS 8 'Related Party Transactions' not to disclose transactions with The University of Chicago as it's a wholly owned subsidiary

The University of Chicago Foundation Limited
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Notes to the accounts
Year ended 30 June 2009

2. Expenditure

	2009	Unaudited 2008
	£	£
Governance expenditure includes		
Audit of these financial statements	2,875	-
Accountancy	4,000	-
	<u>6,875</u>	<u>-</u>

No Directors or persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charity

3 Analysis of total resources expended

	Total £
Charitable activities	
University fundraising	4,011
Support costs	2,000
	<u>6,011</u>
Governance costs	<u>6,875</u>
Total	<u>12,886</u>

During the year the Charity did not employ any staff directly. The support costs relate to staff time recharged from the University of Chicago Booth School of Business in the UK, as detailed in note 12.

4. Debtors

	2009	Unaudited 2008
	£	£
Prepayments	555	-
Amounts receivable from University of Chicago Booth School of Business in the UK	210,623	-
	<u>211,178</u>	<u>-</u>

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Notes to the accounts
Year ended 30 June 2009

5 Creditors amounts falling due within one year

	2009	Unaudited 2008
	£	£
Accruals	6,875	-
	<u>6,875</u>	<u>-</u>

6 Creditors amounts falling due after more than one year

	2009	Unaudited 2008
	£	£
Amounts due to The University of Chicago US	212,479	-
	<u>212,479</u>	<u>-</u>

7 Movement in unrestricted funds

	Unaudited 1 July 2008	Income	Expenditure	30 June 2009
General Fund	74,999	39,241	(12,886)	101,354
	<u>74,999</u>	<u>39,241</u>	<u>(12,886)</u>	<u>101,354</u>

8 Guarantees and contingent liabilities

The Charity has entered into no guarantee arrangements

9 Share Capital

	2009	Unaudited Restated 2008
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Called up, allotted and fully paid		
100 ordinary shares of £1 each	100	100

100% of the share capital is owned by the University of Chicago

The charitable status of the Charity prohibits the University from being entitled to any dividends and any money contributed for share capital forms part of the unrestricted funds of the Charity

The University of Chicago Foundation Limited
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Notes to the accounts
Year ended 30 June 2009

The unaudited 2008 financial statements failed to include the share capital so it had been restated in the current year

10 Reconciliation of net incoming resources to net cash inflow from operations

	2009	Unaudited 2008
	£	£
Net incoming resources	26,355	74,999
Non-operating cash flows eliminated		
- Investment income	(832)	(961)
Increase in debtors	(211,178)	-
Increase in creditors	219,354	-
Net cash inflow from operations	33,699	74,038

11 Analysis of changes in net cash resources and debt

	Unaudited as at 1 July 2008 £	Cash flow £	As at 30 June 2009 £
Cash	75,099	34,531	109,630

12 Related party transactions

During the year the University of Chicago in the US incurred costs on behalf of the Charity which amounted to £212,479 (2008 Nil) During the year the Charity incurred costs on behalf of the University of Chicago Booth School of Business in the UK of £212,623 (2008 £nil) The University Of Chicago Booth School of Business in the UK recharged £2,000 of support costs to the Charity during the year which related to staff time spent in relation to the Charity

Ms B A Harris was also a trustee of the University of Chicago Booth School of Business in the UK, during the year no fees were paid

13 Ultimate Holding Company

The Directors consider The University of Chicago, a company registered in The United States of America to be the ultimate holding company