



The University of Auckland Foundation

Charities Commission Registration Number: CC10985

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***THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008***

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FOUNDATION INCORPORATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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***THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
DIRECTORY
AS AT 31 DECEMBER 2008***

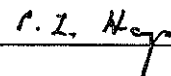
TRUSTEES	Mr. Geoff Ricketts Mr. Peter Hays Dr. John Matthews Dr. Don Turkington Mr. Hugh Fletcher Dr. Ian Parton Ms Denese Henare
AUDITORS	WHK Gosling Chapman Partnership P.O. Box 158 Auckland
SOLICITORS	Brookfields Lawyers Taylor Grant Tesiram
BANKERS	Bank of New Zealand
PRINCIPAL ACTIVITY	The raising and stewardship of funds for charitable purposes as defined by the Trust Deed.
TRUST ADDRESS	University House 19A Princes Street Auckland

**THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2008**

	Notes	Group		Foundation	
		2008 \$,000	2007 \$,000	2008 \$,000	2007 \$,000
NON CURRENT ASSETS					
Financial Assets		58,350	42,960	48,433	42,960
Total non current assets		58,350	42,960	48,433	42,960
CURRENT ASSETS					
Cash and cash equivalents		2,752	540	1,482	540
Receivables		-	1	-	1
Total current assets		2,752	541	1,482	541
TOTAL ASSETS	6	61,102	43,501	49,915	43,501
Less:					
CURRENT LIABILITIES					
Payables		406	1	401	1
Committed Funds		544	-	-	-
Total current liabilities		950	1	401	1
NET ASSETS		60,152	43,500	49,514	43,500
Represented by:		60,152	43,500	49,514	43,500
Trust equity	7	60,152	43,500	49,514	43,500



Chairman



Trustee

07/04/09

**THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Group		Foundation	
		2008 \$,000	2007 \$,000	2008 \$,000	2007 \$,000
<i>Trust equity at the beginning of the year</i>		43,500	29,455	43,500	29,455
<i>SOMF equity at consolidation</i>	3	10,735	-	-	-
Net Surplus for the year		5,917	14,045	6,014	14,045
<i>Total recognised revenue/expense for the year</i>		5,917	14,045	6,014	14,045
<i>Trust equity at the end of the year</i>		<u>60,152</u>	<u>43,500</u>	<u>49,514</u>	<u>43,500</u>

The attached Auditors' Report and Notes form an integral part of these Financial Statements.

**THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Group		Foundation	
		2008 \$,000	2007 \$,000	2008 \$,000	2007 \$,000
Revenue:					
Gifts and legacies received	4(a)	11,073	14,579	10,014	14,579
Investment Gain/(Loss):					
Interest received	4(a)	2,854	1,391	2,546	1,391
Change in Financial Assets	4(e)	(3,961)	269	(4,355)	269
		<u>(1,107)</u>	<u>1,660</u>	<u>(1,809)</u>	<u>1,660</u>
Total Revenue		<u>9,966</u>	<u>16,239</u>	<u>8,205</u>	<u>16,239</u>
Less:					
Expenses:					
Administration Expenditure	8	<u>205</u>	<u>1</u>	<u>170</u>	<u>1</u>
Total Expenses		<u>205</u>	<u>1</u>	<u>170</u>	<u>1</u>
Surplus before grants and scholarships		<u>9,761</u>	<u>16,238</u>	<u>8,035</u>	<u>16,238</u>
Less Grants and scholarships	4(b)	3,844	2,193	2,021	2,193
Net Surplus		<u>5,917</u>	<u>14,045</u>	<u>6,014</u>	<u>14,045</u>

The attached Auditors' Report and Notes form an integral part of these Financial Statements.

**THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Group		Foundation	
		2008 \$,000	2007 \$,000	2008 \$,000	2007 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash was provided from :</i>					
Gifts and legacies received		10,920	11,669	9,876	11,669
Interest received		2,626	1,050	2,340	1,050
Investment Distributions received		26	-	-	-
		<u>13,572</u>	<u>12,719</u>	<u>12,216</u>	<u>12,719</u>
<i>Cash was applied to :</i>					
Grants and scholarships		(2,958)	(2,193)	(1,679)	(2,193)
Payments to suppliers		(198)	(1)	(1)	(1)
Net GST		27	1	27	1
		<u>(3,129)</u>	<u>(2,193)</u>	<u>(1,653)</u>	<u>(2,193)</u>
Net cash inflows from operating activities	12	<u>10,443</u>	<u>10,526</u>	<u>10,563</u>	<u>10,526</u>
CASH FLOWS TO INVESTING ACTIVITIES					
<i>Cash was provided from:</i>					
Realisation of financial assets		24,799	66,342	22,615	66,342
		<u>24,799</u>	<u>66,342</u>	<u>22,615</u>	<u>66,342</u>
<i>Cash was applied to :</i>					
Purchase of financial assets		(33,424)	(76,407)	(32,236)	(76,407)
		<u>(33,424)</u>	<u>(76,407)</u>	<u>(32,236)</u>	<u>(76,407)</u>
Net cash outflows to investing activities		<u>(8,625)</u>	<u>(10,065)</u>	<u>(9,621)</u>	<u>(10,065)</u>
Net increase in cash balances		<u>1,818</u>	<u>461</u>	<u>942</u>	<u>461</u>
Add: beginning cash and cash equivalents		540	79	540	79
Add: SOMF cash and cash equivalents at consolidation		394	-	-	-
Ending cash and cash equivalents		<u>2,752</u>	<u>540</u>	<u>1,482</u>	<u>540</u>

The attached Auditors' Report and Notes form an integral part of these Financial Statements.

**THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1 REPORTING ENTITY

The University of Auckland Foundation Incorporated (Foundation) and The University of Auckland School of Medicine Foundation (SOMF), together being the consolidated entity are each charitable entities domiciled in New Zealand and registered under the Charities Act 2005. The Foundation was established by deed of trust dated 28 November 2002 and a variation to the trust deed establishing the School of Medicine Foundation granted the Foundation the power to appoint the SOMF Trustees. This power of appointment was formally accepted with effect from 1 January 2008.

The consolidated entity is designated as a public benefit entity for the purpose of complying with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The financial statements of the consolidated entity for the year ended 31 December 2008 were authorised for issue by the Trustees on 7 April 2009.

The principal activity of the consolidated entity is to assist in the raising and to undertake the stewardship of, funds for charitable purposes as defined by the respective deeds of trust, being every purpose that is charitable at law in New Zealand and includes: the advancement of education and health care, assistance of students to pursue courses of study at The University of Auckland and the general advancement of the University.

2 BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for public benefit entities.

(b) Basis of Measurement

The financial statements have been prepared on a historical cost basis except that Financial Assets (all of which comprise financial assets at fair value through profit or loss), are measured at fair value.

The methods used to measure fair value are discussed further in Note 6.

(c) Functional and Presentational Currency

These financial statements are presented in New Zealand dollars (NZD) which is the consolidated entity's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars.

(d) Use of Estimates and Judgments

The process of applying accounting policies requires the Foundation to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods affected.

The Foundation has made critical accounting estimates and judgments when preparing these financial statements as described in Note 6.

3 BASIS OF CONSOLIDATION

The group financial statements have been prepared by combining the financial statements of entities that comprise the consolidated entity, these entities are the Foundation and SOMF. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

SOMF is a member of the consolidated group with the Foundation as the Foundation has the power to appoint its trustees.

On the 27 February 2008 the Foundation formally accepted the power of appointment of SOMF Trustees, with effect from 1 January 2008. The audited statements of SOMF closest to that date were as at 31 March 2008, at which date the SOMF's trust equity amounted to \$10.735 million. This equity is represented by net assets at fair values as follows:

**THE UNIVERSITY OF AUCKLAND
FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<i>31-Mar-08</i> <i>\$,000</i>
<i>Non Current Assets</i>	
Financial Assets	10,494
<i>Current Assets</i>	
Cash and cash equivalents	425
<i>Total Assets</i>	10,919
<i>Current Liabilities</i>	
Payables	184
<i>Total Liabilities</i>	184
<i>Net Assets</i>	10,735

The group financial statements include information and results for SOMF for the period 1 April to 31 December 2008.

In preparing the consolidated financial statements, all intragroup balances and transactions, and unrealised gains arising from consolidation have been eliminated.

4 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Revenue recognition

Gifts and legacies are recognised when the control of cash, financial assets or other donated assets passes to the Foundation or SOMF.

Interest income is recognised on an accrual basis using the effective interest method. Distribution income earned on equity group investments in unit trusts and group investment funds is recognised in the change in fair values of such trusts or funds.

(b) Grants and Scholarships

The payment of grants and scholarships are made in terms of the trusts under which funds are held. Expenditure is recognised at the time that the request for payment or grant application has been approved.

(c) Income tax

Each of the consolidated entities is registered as a charitable entity under the Charities Act 2005 and is exempt from income tax.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances held in the operating bank accounts which form part of the consolidated entities day to day cash management.

(e) Financial Assets

Financial assets comprise cash and cash equivalents, bank term deposits and receivables which are managed by the consolidated entity and fixed interest, bonds and equities which are actively managed by managers appointed by the consolidated entity, through investment in unit trusts and group investment funds.

Financial assets are recognised when the consolidated entity becomes party to a financial contract.

All financial assets are designated as being at fair value through profit or loss and are stated in these financial statements at fair value. Any gain or loss is recognised in the statement of financial performance.

The change in financial assets recorded in the statement of financial performance is a combination of realised and unrealised gains and losses

**THE UNIVERSITY OF AUCKLAND
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(f) Fair Value

Financial assets are valued at fair value. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value in relation to investments held in unit trusts and group investment funds is based on the Net Asset Value (NAV) unit price excluding adjustments for buy/sell spreads.

(g) Payables and Committed Funds

Trade Payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

Committed funds are recognised when the consolidated entity is obliged to make distributions resulting from the approval of grants and scholarships.

(h) GST

All items in the financial statements are exclusive of GST with the exception of receivables and payables which are stated with GST included. The net amount of GST recoverable or payable is included as part of receivables or payables in the statement of financial position.

The Statement of Cash Flows has been prepared on a net GST basis. That is the cash receipts and payments are presented exclusive of GST. A net GST presentation has been chosen to be consistent with the presentation of the statement of financial performance and the statement of financial position.

(i) Cash flows

The following are the definition of terms used in the Statement of Cash Flows:

- i) Operating activities include all transactions and other events that are not investing or financing activities.
- ii) Investing activities are those activities relating to the acquisition, holding and disposal of fixed and financial assets, (being investments not falling within the definition of cash or cash equivalents).
- iii) Financing activities are those activities that result in changes in the size and composition of capital structure. This includes any debt and equity not falling within the definition of cash and cash equivalents.

5 FINANCIAL ASSETS

(a) Credit Risk

Credit risk represents the risk that a counterparty will default on its contractual obligations to the consolidated entity. The consolidated entity manages financial assets which subject it to credit risk, consisting of bank balances, bank term deposits and accounts receivable. The maximum exposure to credit risk at the balance date is the carrying amount of those financial assets detailed in Note 6.

To reduce the credit exposure of the group the consolidated entity has invested in diversified asset classes and within each of these classes there is a maximum limit that can be invested any one institution or entity.

There is limited credit risk in respect of financial assets comprising the call accounts and term deposits held with New Zealand registered banks that have credit ratings of Moody's Aa2 and Standard and Poors AA or greater. The credit ratings are monitored periodically by the trustees for impairment.

The investments in corporate debt securities and interest rate swaps managed by AMP Capital Investors as part of the New Zealand Fixed Interest Fund have a limited credit risk. The managers practice is to invest in high grade debt and short-maturity credit securities. Any investment in unrated debt requires the approval by their Sydney based Credit Investment Committee. Individual exposure is normally limited to 5% with higher concentrations of 10% for very short term securities and those issued by local banks.

International Fixed Interest investments held equally with Tower Asset Management and ING have a limited credit risk. The weighted average credit rating of assets invested must not be less than an A- rating as measured by Standard and Poors or Moody's equivalent rating. Any derivative exposure may only be used for efficient portfolio management purposes or to provide protection against exchange rate risk.

The Foundation has a limited credit risk associated with the forward contracts entered into, to hedge the international fixed interest investments and international or Australian equity investments. The investment managers ING, Tower Asset Management

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and Brook Asset Management have contracts with New Zealand registered banks that have credit ratings of Moody's Aa2 and Standard & Poors AA or greater. Alliance Bernstein have contracts with approved counterparties (primarily banks) that meet their specified criteria.

(b) Currency Risk

The consolidated entity holds investments in international fixed interest and equities through unit trusts and group investment funds. These investments are denominated in foreign currencies and accordingly are exposed to currency risk. Forward contracts have been entered into to hedge the currency risk associated with the holding of these international equities.

International Fixed Interest investments managed by Tower Asset Management and ING are 100% hedged.

The Foundation's international equity investments are managed by Alliance Bernstein which are 50% hedged, while SOMF's international equity investments are managed by AMP Capital Investors and are not hedged.

Additionally the Foundation holds investments with Brook Asset Management in Australasian shares, (shares listed on either the New Zealand and/or Australian Stock Exchanges). The equities denominated in Australian currency are 77% hedged at the balance date of these financial statements.

(c) Market Risk

The Foundation invests in accordance with Strategic Asset Allocation policies in two diversified portfolios of financial assets, the current use and endowment portfolios. These asset allocations recognise the risk and expected returns associated with the nature of the equity held. The Foundation's current use portfolio is for equity required in the short term and has investments in highly liquid assets such as bank term deposits, while its endowment portfolio is invested for the long term in growth and income assets.

SOMF has a single investment portfolio which has a mixture of equity required in both the short term and to generate income for the longer term. As such it is invested in a balance of liquid and growth assets to meet its short term and long term expectations.

All portfolios have policies that acknowledge that market values of equities will fluctuate, as will the fair values of sovereign stock, corporate securities and bank term deposits due to changes in market interest rates. While some foreign currency associated with international fixed interest and equities is hedged, the consolidated entity accepts the market risk. The Board of Trustees and its Investment Committee monitor this risk quarterly, on the receipt of a reports from the investment advisors Mercers (NZ) Ltd and AMP Capital Investors.

Over the longer term, changes to the interest rates will have an impact on the consolidated entity's investment earnings. As at the 31 December 2008 it is estimated that a general increase of one percentage point in interest would increase the consolidated entity's earnings by \$880,000 and a decrease of one percentage point in interest rates would decrease the entity's earnings by \$880,000. It has been assumed all term deposits would be invested at the weighted average return of 7.0% as at 31 December 2008, upon maturity any change to the interest rate is applied to this weighted average rate and all other variables are constant.

Changes in equity prices will have an impact on the consolidated entity's investment earnings. As at the 31 December 2008 it is estimated that a general increase of ten percentage points in the equity indexes would increase the entity's earnings by \$1,040,000 and a decrease of ten percentage points in the equity indexes would decrease the entity's earnings by \$1,040,000. It has been assumed that all variables are held constant and all the consolidated entity's equity instruments will move in correlation to the change in the index.

Currency fluctuations will impact on the consolidated entity's investment earnings. As at 31 December 2008 it is estimated that a ten percent strengthening of the NZD against all traded currencies would result in a decrease in the entity's earnings of \$370,000 and ten percent weakening of the NZD against all traded currencies would result in an increase of the entity's earnings of \$400,000. It has been assumed that the hedges undertaken by the investment managers are 100% effective and that all other traded variables remain constant. Significant traded currencies that represents more than 5% of the total unhedged investments as at 31 December 2008 are as follows:

**THE UNIVERSITY OF AUCKLAND
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Significant Traded Currency	NZD Value as at 31/12/08 \$,000	Exchange Rate as at 31/12/08 \$(NZ)	Hedged by Manager %	Sensitivity	
				10% Strengthening NZD exchange rate \$,000	10% Weakening NZD exchange rate \$,000
United States (USD)	5,116	0.57	58.9%	(191)	234
Great Britain (GBP)	1,283	0.40	66.5%	(39)	48
Europe (EUR)	3,242	0.40	83.9%	(47)	58
Japan (JPY)	2,160	51.59	84.1%	(31)	38
Australia (AUD)	751	0.83	73.8%	(18)	22
				<u>(326)</u>	<u>400</u>

(d) Liquidity Risk

Liquidity risk represents the consolidated entity's ability to meet its obligations. The consolidated entity evaluates its liquidity requirements on an ongoing basis. The consolidated entity generates sufficient cash flows from its operating activities to meet its obligations. In general these obligations are undertaken at the discretion of the consolidated entity and are not contractual obligations.

6 TOTAL ASSETS

All of the consolidated entity's assets comprise financial assets at fair value through profit or loss. These are recognised in the Statement of Financial Position at their fair values, as follows:

	Group		Foundation	
	2008 \$,000	2007 \$,000	2008 \$,000	2007 \$,000
Non Current Assets				
Bank of New Zealand Treasury Call Account	224	637	224	637
Bank of New Zealand term deposits	9,621	24,018	4,134	24,018
Australia New Zealand Bank term deposits	7,449	4,041	7,449	4,041
Auckland Savings Bank term deposits	5,178	-	5,178	-
Westpac Banking Corporation term deposits	7,779	-	7,779	-
Hong Kong Shanghai Banking Corporation term deposits	6,043	-	6,043	-
NZ Fixed Interest	4,865	1,368	1,667	1,368
International Fixed Interest	6,276	-	6,276	-
Australasian Equities	3,365	3,680	3,007	3,680
International Equities	7,550	6,417	6,676	6,417
Edith Winstone Blackwell Specified Investment	-	2,799	-	2,799
	<u>58,350</u>	<u>42,960</u>	<u>48,433</u>	<u>42,960</u>
Current Assets				
Cash and cash equivalents at the Bank of New Zealand	2,752	540	1,482	540
Receivables	-	1	-	1
	<u>2,752</u>	<u>541</u>	<u>1,482</u>	<u>541</u>
Total Assets	<u>61,102</u>	<u>43,501</u>	<u>49,915</u>	<u>43,501</u>

In establishing fair values of the NZ Fixed Interest, International Fixed Interest, International Equities and Australasian Equities recorded above, the reports from the respective Fund Managers have been received. Their assessment of NAV of the unit trust or group investment fund through which investments are held on behalf of the Foundation, have been adopted as representing fair value.

The Foundation held an investment portfolio as at 31 December 2007 gifted by the Edith Winstone Blackwell Trust, which included investment with New Zealand Asset Management in international equities and trading funds. These investments have

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been liquidated in 2008 with the proceeds invested in the current use and endowment pools as directed by the trustees.

Given the short-term nature of the bank term deposits their carrying amount is considered a reasonable approximation of their fair values.

7 TRUST EQUITY

Trust equity comprises funds received from various sources both as endowments and current use funds. The funds are required to be applied for specific purposes as summarised below. The equity is restricted until applied for the specific purpose.

	Group		Foundation	
	2008 \$,000	2007 \$,000	2008 \$,000	2007 \$,000
Restricted Equity				
Scholarships	5,424	5,484	5,039	5,484
Capital Expenditure	1,431	2,437	1,395	2,437
Chairs	8,308	4,662	5,082	4,662
Faculty / Staff	3,340	2,826	3,328	2,826
Prizes	330	304	330	304
Research	7,945	1,472	2,948	1,472
Special Programs	2,227	1,322	1,344	1,322
Fellowships	7,190	7,268	6,320	7,268
Other	23,957	17,725	23,728	17,725
Total Trust Equity	<u>60,152</u>	<u>43,500</u>	<u>49,514</u>	<u>43,500</u>

Restricted Equity classified as 'Other' is made up of funds that are restricted in use to a specific University department but there is no restriction to area within that department these funds can be applied to. The trustees or their delegated authorities assess each application for funding to ensure that they are consistent with the Foundation's charitable purpose and the donor's intentions.

8 ADMINISTRATION EXPENDITURE

	Group		Foundation	
	2008 \$,000	2007 \$,000	2008 \$,000	2007 \$,000
Expenditure				
Staff Resources	145	-	121	-
Operating Expenses	40	1	34	1
Audit Fees	20	-	15	-
	<u>205</u>	<u>1</u>	<u>170</u>	<u>1</u>

9 RELATED PARTIES

The Foundation was granted the power to appoint the SOMF trustees with the execution of the variation to the Trust Deed Establishing The University of Auckland School of Medicine Foundation. This power of appointment was formally accepted with effect from 1 January 2008.

Dr John Mathews is a trustee on both the Foundation and SOMF boards.

There have been no transactions between the Foundation and SOMF for the year.

The Foundation and SOMF are independent Charitable Trusts with The University of Auckland being their main beneficiary from their charitable activities.

The University Council appoints two of the seven trustees to the Foundation. The current trustees are Messrs Hugh Fletcher and Ian Parton.

Professor Iain Martin is the Dean of the Faculty of Medical and Health Sciences and Professor Stuart McCutcheon is the Vice Chancellor at University of Auckland and trustees on the SOMF board.

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A deed of agreement dated the 8 March 2006 established the Foundation as the custodian of the investments held by the University under specific trusts, bequests and gifts. The Foundation throughout 2008 has managed and monitored these investments. The University, in accordance with this Deed of Agreement, has the discretion to donate services and revenue to the Board of the Foundation to assist with the performance of its functions and duties. In 2008 the Foundation received a gift \$153,000 in kind for the administration services from the University reduced by the contribution of investment management provided by the Foundation.

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At 31 December the total liability to The University of Auckland was \$886,000. This consisted of \$544,000 of committed funds allocated for research and fellowships at the University and \$342,000 of approved grants awaiting disbursement.

10 CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities. The Foundation has not granted any securities in respect of liabilities payable by any other party whatsoever (2007 \$nil).

11 CAPITAL EXPENDITURE COMMITMENTS

There are no capital expenditure commitments at balance date (2007-Nil).

12 RECONCILIATION OF OPERATING CASH FLOWS AND NET SURPLUS

	Group		Foundation	
	2008	2007	2008	2007
	\$,000	\$,000	\$,000	\$,000
<i>Net Surplus</i>	5,917	14,045	6,014	14,045
<i>Adjustment for Non Cash Items:</i>				
Gifts in kind	(153)	(2,910)	(153)	(2,910)
Unrealised loss on investments	3,987	(269)	4,355	(269)
Services in kind	153		153	
Net interest accrued bank accounts and term deposits	(228)	(341)	(207)	(341)
<i>Adjust for Non Cash Movements in other Working Capital Items:</i>				
Increase/(Decrease) in Payables	767	1	401	1
<i>Net Cash Flows from Operating Activities</i>	10,443	10,526	10,563	10,526

13 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of the financial statements, certain standards and interpretations have been issued but are not yet effective. These will not have a material impact on the amounts reported in these financial statements but will change the current presentation and disclosures as follows:

NZ IAS 1 Presentation of Financial Statements (revised 2007) is effective for annual reporting periods beginning on or after 1 January 2009.

The revised standard requires information in the financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. It gives the Trustees the option of presenting items of income and components of other comprehensive income either in a single statement of comprehensive income with subtotals or in two separate statements (a statement of financial performance followed by a statement of comprehensive income). Other revisions include impacts on the presentation in the statement of changes in equity and new presentation requirements for restatements or reclassifications of items in financial statements.

The trustees intend to adopt this standard for the year ending 31 December 2009 and to present a single statement of comprehensive income.