

Company Registration No. 5711851

Charity Registration No. 1117431

The University of Chicago Foundation Limited

Annual report and financial statements

for the year ended 30 June 2019

The University of Chicago Foundation Limited
Company Registration No. 5711851
Charity Registration No. 1117431

Annual report and financial statements 2019

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The University of Chicago Foundation Limited

Company Registration No. 5711851

Charity Registration No. 1117431

Officers and professional advisers

Directors

Mr J R Kroll

Ms K Taylor

Mr I Samstein

Ms. S Marine

The Directors are the Trustees of the Charity for The Charities Act purposes.

Company secretary

Sisec Limited

21 Holborn Viaduct

London

EC1A 2DY

Registered office

21 Holborn Viaduct

London

EC1A 2DY

Banker

HSBC plc

60 Queen Victoria Street

London

EC2N 4TR

Auditor

KPMG LLP

15 Canada Square

London

E14 5GL

Charity number: 1117431

Company number: 5711851

The University of Chicago Foundation Limited

Company Registration No. 5711851

Charity Registration No. 1117431

Strategic and Directors' report

The Directors present their annual report for the year ended 30 June 2019 under the Companies Act 2006 together with the audited accounts for the year, and confirm that the latter complies with the requirements of the Act, the Charities (Accounts and Reports) Regulations 2011 and the Charities SORP (FRS 102).

Reference and administrative information

The Charity (Company Registration: 5711851, Charity Commission Registration: 1117431) is a subsidiary of the University of Chicago, 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 Directors are the Charity Trustees of the University of Chicago Foundation Limited ("the Charity"). They have all served in office throughout the year.

Mr J R Kroll
Ms K Taylor
Mr I Samstein
Ms S Marine

The affairs of the Charity are governed by the Board of Trustees. 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 trustees for the University of Chicago Foundation Limited. For the period from 1 July 2018 through 30 June 2019, the following served as Trustees; Ms. K Taylor, Ms. S Marine, Mr I Samstein and Mr. J R Kroll.

Throughout the period from 1 July 2018 through 30 June 2019 Ms. K Taylor held the position of Vice President and General Counsel at the University of Chicago. Ms. K Taylor's position as head of all legal affairs for the University provides the requisite qualification for a Director of the Charity. By virtue of her appointment to this position at the University, she was appointed as a trustee for the Charity.

Throughout the period from 1 July 2018 through 30 June 2019 Mr. J R Kroll held the position of Senior Advisor for Finance and Administration at the University of Chicago. His capacity in this position provides the requisite qualifications to be a Director of the Charity.

Throughout the period from 1 July 2018 through 30 June 2019 Ms. S Marine held the position of Vice President of Alumni Relations and Development. Her capacity in this position provides the requisite qualifications to be a Director of the Charity.

The University of Chicago Foundation Limited

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Strategic and Directors' report (continued)

Structure, governance and management (continued)

Recruitment and Training of Directors (continued)

Should any of these Directors resign their position at the University of Chicago, the successor to that position would take their place as a trustee of the Charity pending final approval from the remaining board members. Training needs of new trustees are assessed and met as necessary. Upon appointment, each trustee receives a copy of the UK Charity Commission's publication "The essential trustee: what you need to know, what you need to do" and "Charity Reporting and Accounting: The Essentials" and agrees to follow them. Ongoing training is provided as relevant changes are made to the either Charity Commission guidance and requirements or applicable legislation.

Organisational management

The Charity is managed by the University of Chicago's department of Alumni Relations and Development ("ARD"). The employees engaged in this management are employees of the University of Chicago, not of the Charity. ARD employees are responsible for day-to-day expense management and the Trustees are responsible for the strategic oversight of the Charity. ARD employees stationed in Chicago are responsible for 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. All financial activity is approved by ARD financial operations staff. All staff engaged in the oversight and approval of activity ultimately report to Ms. S Marine, Charity Director and Vice President for Alumni Relations and Development at the University of Chicago. Due to the small size and nature of the Charity there is currently no internal audit function. This is continually under review and will be updated accordingly as the Charity grows. While no specific internal audit exists, there is segregation of duties to help reduce financial risk to the Foundation. Currently, all accounting for the Foundation is handled by the University's ARD office while signing authority for payments is the responsibility of the University's central Financial Services department. The individuals who approve payments and have bank account authorization privileges are not the same individuals who request the payments, monitor monthly activity and manage the bank accounts. Additionally, the Charity engages a consultant in the UK to act as a Charity administrator. This administrator is a point of contact on the ground in London and an advisor in matters related to gift aid, Transnational Giving Europe and other like matters.

Risk management

The Directors have reviewed the major risks to which the Charity is exposed, in conjunction with the overall annual review of the risks and uncertainties of the University of Chicago. Directors are content with the procedures that have been established to mitigate those risks. The following risks are managed by the Charity:

1. Economic health of prospect pool
2. University of Chicago Foundation continues to be viewed as a worthwhile home for philanthropic support
3. Programs and initiatives supported by the Foundation remain enticing to donors

The Foundation, through the University of Chicago, is continually identifying new prospects for solicitation. This is done in part through extensive research efforts. Additionally, as more students matriculate to and graduate from the University of Chicago, new prospects, in the way of students and parents, are identified. The pool is a group of prospective donors that is constantly changing as new prospects are identified and moved into the pool and current prospects are reevaluated for their ability and willingness to give and kept in the pool or moved out of it accordingly. A close relationship with the University also ensures that the objectives of the Foundation will continue to be viewed as a worthwhile home for

philanthropic support and that programs and initiatives supported by the Foundation remain enticing to donors. The relationship between the University and the Foundation is critical for the Foundation to manage the risks identified above. As long as Foundation and University objectives remain aligned, the risks identified above will be minimized and the philanthropic interests of the prospect pool will align with the goals of the charity.

The University of Chicago Foundation Limited

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Strategic and Directors' report (continued)

Structure, governance and management (continued)

Aims, objectives and activities

Charitable objectives

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 the 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 2019 were:

1. To support the public benefit initiatives of the University of Chicago
2. To raise funds for the University of Chicago to further advance the education programs and activities available to the public in the UK
3. To offer UK citizens an avenue for giving with increased personal benefits
4. To keep UK based Alumni connected to the University of Chicago in a meaningful way

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. Stay connected with University alumni and friends to ensure university initiatives and mission are clearly conveyed to these groups. Identify "lost" alumni and friends to help increase network of potential supporters of the Charity and the University.

Principal activities of the year

The University of Chicago sponsored a number of alumni relations and donor cultivation events in the United Kingdom. Alumni from many divisions and schools of the University of Chicago were represented. These events gave the Charity an opportunity to connect with prospects while communicating Charity objectives to prospective donors.

Review of achievements and performance for the year

Operational performance of the Charity

The Foundation targets alumni and friends of the University of Chicago, including parents, spouses of alumni, former faculty and prior non-alumni donors. The fundraising team managed events and organized solicitations throughout the year to advance the objectives of the Charity. These events and activities, along with one to one meetings with donors build

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Strategic and Directors' report (continued)

Review of achievements and performance for the year (continued)

Operational performance of the Charity (continued)

connections within the University of Chicago community while fostering an environment which encourages philanthropic affiliation with the Charity.

Financial review and results for the year

Fundraising progress for the year successfully exceeded the cost of doing business. For the fiscal year £2,685,428 (2018: £4,338,704) was raised by the Charity from alumni and friends. Expenses totalled £10,784 (2018: £10,785) which includes governance costs, support costs and bank fees.

The cost per pound raised ratio is less than 1p/£1 raised. This marks the ninth consecutive year where this ratio was less than 5p/£1 raised. The Charity hopes and expects to sustain this ratio into the foreseeable future.

During the fiscal year the Charity was able to make charitable donations to the University of Chicago for objectives laid out in the Foundation's written resolutions. Donations made by the Charity during this fiscal period totalled £5,724,321 (2018: £1,263,814). Charitable activity in a given year is directly related to the fundraising progress in that given year. As a result, fluctuation in the level of charitable activity can be expected as fundraising fluctuates. Charitable activities in FY19 were split among the following written resolutions as detailed below:

1. Endowed Scholarships – College:	£1,517,166
2. Endowed Scholarships – Other:	£nil
3. Programmatic Support:	£3,826,714
4. Annual Fund Support:	£64,641
5. Endowed Professorships:	£315,800

Reserve policy

The Charity's primary objective is to collect and distribute grants to the University of Chicago and to other educational institutions. In considering the target reserves to be held by the Charity, the Trustees recognize that administrative and operational costs are nominal and largely non contractual and that the Charity does not seek to retain funds for growth or future projects. They have determined that reserves should be minimal at any period end, only reflecting a short term timing difference between receipt of income and payment of a grant and to maintain adequate funds to cover nominal annual expenses. At 30 June 2019 the Charity reports a surplus of £52,038 (2018: £3,069,313) against reserves. The Charity is supported in its day-to-day obligations through its parent company, the University of Chicago. The University has committed to providing support to the Charity to enable it to meet its short term commitments as they fall due.

Future plans

Future plans include continuing to provide an avenue for giving from the UK and across Europe to support the programs and activities of the University of Chicago. To do this, the Charity, in cooperation with the University of Chicago will host alumni and student events to encourage engagement with the University. These events will include annual receptions for new students, faculty lectures and private dinners with key prospects.

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. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Continuing to support the initiatives laid out in the Charity's written

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Strategic and Directors' report (continued)

Public Benefit (continued)

resolutions, including granting scholarships, granting professorships and offering other areas of financial support to higher education institutions, is continuing to support the public benefit of advancement of education. These funds will provide both formal education as well as research which add to the collective knowledge and understanding of specific areas of study.

Disclosure of information to auditor

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 Charitable company's auditor is 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 Charitable company's auditor is aware of that information.

Statement of Directors' responsibilities in respect of the trustees' annual report and the financial statements

The Directors are responsible for preparing the Director's Report, the Strategic 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 are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 expenditure over income 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;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Strategic and Directors' report (continued)

Auditor

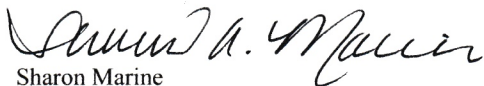
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

KPMG LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board



Sharon Marine

Director

University of Chicago Foundation Limited

21 Holborn Viaduct

London

EC1A 2DY

May 22 2020

**Independent auditor's report to the members of
The University of Chicago Foundation Limited**
Company Registration No. 5711851
Charity Registration No. 1117431

Opinion

We have audited the financial statements of University of Chicago Foundation Limited ("the charitable company") for the year ended 30 June 2019 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes to the financial statements, including the accounting policies in note 1.

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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model, including the impact of Brexit, and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Strategic and Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic and Directors' Report, which constitutes the Directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Independent auditor's report to the members of
The University of Chicago Foundation Limited**
Company Registration No. 5711851
Charity Registration No. 1117431

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6 the trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company'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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 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 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square London,
E14 5GL

05 June 2020

The University of Chicago Foundation Limited

Company Registration No. 5711851

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Statement of financial activities (including income and expenditure account)

Year ended 30 June 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Income							
Donations	3	251,846	2,433,583	2,685,429	307,559	4,038,561	4,346,120
Investments		18	-	18	7	-	7
Total income		<u>251,864</u>	<u>2,433,583</u>	<u>2,685,447</u>	<u>307,566</u>	<u>4,038,561</u>	<u>4,346,127</u>
Expenditure on:							
Raising funds	4	(368)	-	(368)	(369)	-	(369)
Charitable activities	4	(249,656)	(5,452,698)	(5,702,354)	(318,528)	(982,520)	(1,301,048)
Total expenditure		<u>(250,024)</u>	<u>(5,452,698)</u>	<u>(5,702,722)</u>	<u>(318,897)</u>	<u>(982,520)</u>	<u>(1,301,417)</u>
Net movement in funds		<u>1,840</u>	<u>(3,019,115)</u>	<u>(3,017,275)</u>	<u>(11,331)</u>	<u>3,056,041</u>	<u>3,044,710</u>
Reconciliation of funds							
Total funds brought forward		<u>13,272</u>	<u>3,056,041</u>	<u>3,069,313</u>	<u>24,603</u>	<u>-</u>	<u>24,603</u>
Total funds carried forward		<u>15,112</u>	<u>36,926</u>	<u>52,038</u>	<u>13,272</u>	<u>3,056,041</u>	<u>3,069,313</u>

All income and expenditure derive from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

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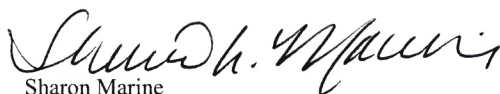
Balance sheet
At 30 June 2019

	Notes	2019 £	2018 £
Current assets			
Cash at bank and in hand		52,138	3,084,930
		<u>52,138</u>	<u>3,084,930</u>
Creditors: amounts falling due within one year	5	-	(15,517)
Net assets		<u>52,138</u>	<u>3,069,413</u>
The funds of the Charity			
Unrestricted funds	6	15,112	13,272
Restricted funds	6	36,926	3,056,041
Share capital	9	100	100
		<u>52,138</u>	<u>3,069,413</u>

The notes on pages 13 to 19 form part of these financial statements.

The financial statements of The University of Chicago Foundation Limited (registered number: 5711851) were approved by the Board of Directors and authorised for issue on *May 22*, 2020.

Signed on behalf of the Board of Directors


 Sharon Marine
 Director

The University of Chicago Foundation Limited

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Cash flow statement

Year ended 30 June 2019

		2019 £	2018 £
	Note		
Cash provided by/(used in) operating activities	10	(3,032,809)	3,047,704
Cash flows from investing activities			
Interest Received		18	7
Cash provided by investing activities		18	7
(Decrease)/ increase in cash and cash equivalents in the year		(3,032,792)	3,047,711
Cash and cash equivalents at the beginning of the year		3,084,930	37,219
Total cash and cash equivalents at the end of the year		52,138	3,084,930
Reconciliation to cash at bank and in hand:			
Cash at bank and shown in the charity's balance sheet		52,138	3,084,930

The University of Chicago Foundation Limited

Company Registration No. 5711851

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Notes to the financial statements

Year ended 30 June 2019

1. Accounting policies

General information and basis of accounting

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

Basis of preparation

The financial statements have been prepared under the historic cost basis of accounting, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of The University of Chicago Foundation Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates.

The Directors believe that the Charity will not be significantly impacted by any economic downturn that may result from the COVID-19 pandemic. The Directors believe that the income of the Charity will continue to considerably exceed the cost of generating revenue throughout an economic downturn or recession. The day to day operations of the Charity were managed on a remote basis and have not been affected by office closures resulting from COVID-19 prevention measures.

Going concern

The financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate. This is because the income considerably exceeds the cost of generating the income each year, and the trustees have broad discretion on the amount and timing of the payment of grants.

Fund accounting

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

Income

Donations represent amounts received in the year; none relates to either donated services, facilities or any other source. Investments represent amounts received in the year from bank interest. Income is recognised when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

Expenditure is accounted for on a commitment 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. Detailed disclosures concerning how support costs were split are not made on the basis of them not being material.

Charitable activity is in compliance with the Foundation's grant making policy. Gifts from donors must be in accordance with the Foundation's resolutions. As gifts are received, they may be granted to the University of Chicago with specific instructions for use according to the donor's intent. The Foundation relies on the University's internal controls to verify donor's intent is realized.

The University of Chicago Foundation Limited

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Notes to the financial statements (continued)

Year ended 30 June 2019

1. Accounting policies (continued)

Taxation

The University of Chicago Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 Statement of financial activities.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

The University of Chicago Foundation Limited

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Notes to the financial statements (continued)

Year ended 30 June 2019

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019	Unrestricted funds £	Restricted funds £	Total 2018 £
Donations and gifts	251,846	2,433,583	2,666,913	307,559	4,038,561	4,346,120

4. Expenditure

	Total 2019 £	Total 2018 £
Raising funds		
Bank fees	368	369
Support costs	-	-
	368	369
Charitable activities		
Grants awarded	5,724,321	1,263,814
Currency (gain)/loss	(32,383)	26,818
	5,691,938	1,290,632
Governance costs		
Audit services	6,516	6,516
Accountancy	3,900	3,900
	10,416	10,416
Total	5,702,722	1,301,417

The audit firm only received fees in respect to audit services.

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

During the year the Charity did not employ any staff support directly. All grants made by the Charity were awarded to the University of Chicago in the United States.

The University of Chicago Foundation Limited

Company Registration No. 5711851

Charity Registration No. 1117431

Notes to the financial statements (continued)

Year ended 30 June 2019

5. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	-	15,517
	-	15,517

6. Analysis of charitable funds

	30 June 2018 £	Income £	Expenditure £	30 June 2019 £
Unrestricted funds	13,272	251,864	(250,024)	15,112
Restricted funds:				
Harberger Professorship In Economics ¹	-	299,527	(299,527)	-
Odyssey Scholarship Expendable ²	-	55,203	(50,517)	4,686
Onsi Sawiris Endowment Fund ³	3,056,041	1,340,088	(4,396,129)	-
Sawiris Odyssey Scholarship Expendable ⁴	-	420,420	(420,420)	-
Henry Ritchotte International Studies Fund ⁵	-	94,212	(75,584)	18,628
Haddad Family International Odyssey Fund ⁶	-	165,297	(165,297)	-
Summer Assistant Psych ⁷	-	5,861	-	5,861
Predy Family Fund ⁸	-	3,090	-	3,090
Class of 1999 Odyssey ⁹	-	3,057	(3,057)	-
CLI – Student Organizations - Fencing ¹⁰	-	46,828	(42,167)	4,661
Total restricted funds	3,056,041	2,433,583	(5,452,698)	36,926
Total funds	3,069,313	2,685,447	(5,702,722)	52,038

¹Arnold C. Harberger Professorship in Economics

The University of Chicago Foundation receive donations which are gifted to the University of Chicago School of Business, the expendable income from this fund is used to provide seed funding for a larger effort to establish and maintain a professorship in its Department of Economics to be known as the Arnold C. Harberger Professorship.

²Odyssey Scholarship Expendable

This fund provides expendable scholarship support to the Odyssey Scholarship Program, which provides supplemental College aid grants to undergraduate students who would otherwise have to accept student loans in order to attend the University of Chicago.

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Notes to the financial statements (continued)

Year ended 30 June 2019

³ Onsi Sawiris Endowment Fund

Onsi Sawiris has given £3,056,041 to the University of Chicago Foundation as part of an ongoing series of donations to the university and its affiliates. The University of Chicago Foundation received the money in the year ended 30 June 2018, and after the end of the year transferred the money to the University of Chicago School of Business for investment in its endowment funds. The university will use the income from that fund to support academic initiatives for Egyptian students or students of Egyptian origins at the University. Such support shall include, but is not limited to full tuition, fees, insurance, and travel.

⁴ Sawiris Odyssey Scholarship Expendable

This fund supports the Trustee Odyssey Challenge, encouraging members of the University community to make expendable gifts in support of the Odyssey Scholarship Program.

⁵ Henry Ritchotte International Studies Fund

This fund provides support for new research in international studies in the social sciences, with a particular emphasis on collaborative mixed methods research.

⁶ Haddad Family International Odyssey Fund

Expendable income from the fund is used to provide scholarships known as "Haddad Family International Odyssey Scholarships" to international students in the College who qualify for financial aid under the College's financial aid policy.

⁷ Summer Assistant in Psychology Fund

The purpose of this fund is to provide support for undergraduate students who will work as summer part-time research assistants studying childhood autism in the Department of Psychology under Professor Amanda Woodward.

⁸ Preddy Family Fund

The purpose of this fund is to provide support to strengthen and expand programming and initiatives developed, overseen, and executed by the University's Sexual Misconduct Student Advisory Board and its partners across campus.

⁹ Class of 1999 Odyssey

The purpose of this fund is to provide scholarship support to undergraduate students in the College.

¹⁰ CLI – Student Organizations - Fencing

The purpose of this fund is to provide support for the fencing club at the University, including but not limited to competition expenses and coaching.

The University of Chicago Foundation Limited

Company Registration No. 5711851

Charity Registration No. 1117431

Notes to the financial statements (continued) Year ended 30 June 2019

7. Analysis of assets and liabilities between funds

	Unrestricted funds £	Endowment and restricted funds £	Total £
Cash at bank	15,212	36,926	52,138
As at 30 June 2019	15,212	36,926	52,138
As at 30 June 2018	13,372	3,056,041	3,069,413

8. Guarantees and contingent liabilities

The Charity has entered into no guarantee arrangements.

9. Share capital

	2019 £	2018 £
Allotted, called-up and fully paid		
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.

10. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income per statement of financial activities	(3,017,276)	3,044,710
Deduct gains on investments	(18)	(7)
Decrease in debtors	-	-
Increase in creditors	(15,515)	3,001
Cash provided by/(used in) operating activities	(3,032,809)	3,047,704

The University of Chicago Foundation Limited

Company Registration No. 5711851

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Notes to the financial statements (continued)

Year ended 30 June 2019

11. Related party transactions

During the year the University of Chicago in the US incurred costs on behalf of the Charity which amounted to £10,416 (2018: £10,416). The University of Chicago in the US recharged £nil (2018: £nil) of support costs to the Charity during the year which related to staff time spent in relation to the Charity. During the year the University of Chicago in the US has gifted £25,932 (2018: £7,416) to the Charity. The balance at the year end was £nil (2018: £nil).

Grants made in the year totalled £5,724,321 (2018: £1,295,432) and were all paid to the University of Chicago in the US during the year.

12. Events after the end of the reporting period

There were no significant events after the balance sheet date.

13. Ultimate parent company

The Directors consider The University of Chicago, a company registered in The United States of America to be the ultimate parent company. University of Chicago is the smallest and largest group in which the results of the charity are consolidated. Copies of the University's financial statements are available upon request in writing to 5801 South Ellis Avenue, Chicago, Illinois 60637, USA.