

DRAFT

**UQ ENDOWMENT FUND LIMITED
(ABN: 44 014 623 276)**

AS TRUSTEE FOR

UQ ENDOWMENT FUND

(A PUBLIC FUND)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

OBJECTIVES AND PHILOSOPHIES OF THE FUND

Objectives of the Trust

To provide endowment for the University of Queensland (“the University”) by encouraging high net worth individuals, corporations and government to gift capital funds for investment and thereby create substantial recurring revenue for scholarships, research, chairs of learning and any other activity that supports excellence in education at, and for, the University of Queensland.

Our goal is to be a leading university endowment fund judged on:

1. Efficiency and creativity in managing the donated money.
2. Achieving rates of returns on investments commensurate with acceptable risk and the perpetual nature of the fund.
3. Creating an environment that gives support and comfort to potential donors.

Philosophy of the Trust

The guiding principles for the Trust are:

1. Independence from University Administration
2. Management and Control
3. Transparency

1. Independence from University Administration

The Board comprises five persons who have demonstrated success in their chosen field, are willing to contribute their time at no cost, who consider it an honour to work in a trustee position and would provide to the wider University Community and potential donors a sense of comfort in making donations. The Board composition is required to be one representative of the University Senate, one representative of the office of the Vice Chancellor of University of Queensland, and three responsible persons (primarily Fellow Alumni).

2. Management and Control

Performance based criteria such as low administration costs, rates of return on investment that exceed comparable benchmarks, creative investment policies, management of distribution by setting goals and protocols whereby funding is based on performance and a general requirement that recipients adopt appropriate business principles.

3. Transparency

Communication with all stakeholders, existing and potential, by regular publication of financial results, identification of donated money and distributions, audits, disclosure of corporate investment policies and utilization of all communication channels within the University and beyond.

MESSAGE FROM THE CHAIRMAN

The Fund's long term objective is to provide substantial benefit to the University of Queensland. It is hoped that the University community and its stakeholders share our vision that substantial endowment is required if the University is to maintain its premier status as one of the world's leading universities.

The Fund's long term objective is to provide substantial benefit to the University of Queensland. It is important to the success of the Fund and thereby the University that its community and stakeholders share the vision that substantial endowment is necessary for the University is to continue maintain its premier status as one of the world's leading universities.

Endowment is a function of the funds provided by stakeholders. Through endowment current students alumni and staff may actively support participation in the great tradition of the colleges, sporting clubs, union and the vast array of other extra-curricular activities of the University's clubs and societies.

Since inception to 30th June 2015, the following donations and distributions have been made by the various funds – Wotif Scholarship Fund, Graeme Wood Discretionary Fund, Frank Finn Fund, and Rodney Wylie Eminent Visiting Fellowship Fund.

	Wotif Scholarship Fund	Graeme Wood Discretionary Fund	Frank Finn Fund	Rodney Wylie Eminent Visiting Fellowship Fund
Donations	17,050,000	28,000,000	600,000	200,000
Distributions:				
Young Achievers Programme	6,000,000			
Substance Abuse Fund		2,400,000		
Global Change Institute		15,000,000		
Research Fellowship - Brain Institute		544,703		
Frank Finn Scholarships			67,400	
Rodney Wylie Fellowships				100,000
TOTALS	\$ 6,000,000	\$17,944,703	\$ 67,400	\$100,000

Commentary

The Wotif Scholarship Fund has been used solely to fund the University of Queensland Young Achievers Programme that provides scholarships to children commencing Year 11 at public high schools in South East Queensland. Selection criteria – financial hardship, distance hardship, first in family, indigene. Since inception in 2009 approximately 540 scholarships have been granted.

The Graeme Wood Discretionary Fund has donated \$15,000,000 to fund the Global Change Institute, a negative impact building, developed with the objective of bringing together all the Faculties and Institutes of the University of Queensland to creatively and strategically place UQ as a world leadership institution. It also funds research into substance abuse, and together with equal contributions from Queensland Masons, funds a research fellowship at the University of Queensland Brain Institute.

The Frank Finn Research Fellowship funds one or two post-graduate students in the business/economics faculties.

The Rodney Wylie Eminent Visiting Fellowship has funded three outstanding visitors.

I express my gratitude to all my fellow board members who made significant contributions to the success of the fund in particular Graeme Wood who continues as a member of the Board after relinquishing the role of Chairman.

David Goffage
Chairman

BOARD OF DIRECTORS

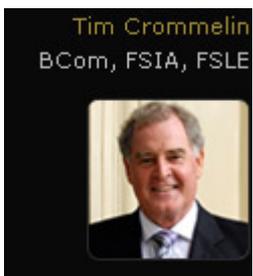
Graeme Wood
BEcon, MISys



Graeme Wood revolutionised the travel industry in Australia when he created the concept for, and co-founded, Wotif.com in 2000. The Wotif Group now employs more than 500 people in offices around the world.

Graeme's philanthropic interests cover the arts, the environment, youth development and medical research. His not-for-profit businesses engage young people in experiential learning in the environment (wildmob.org) and the Arts (artology.org.au). His Board memberships include the Global Change Institute at the University of Queensland and the Centre for Public Integrity in Washington DC.

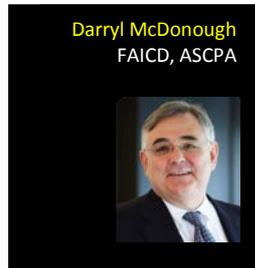
In 2008, Graeme was named Queenslander of the Year, in 2011 he received a Doctorate of Economics honoris causa from the University of Queensland and was made a Member of the Order of Australia in the Australia Day 2012 Honours.



Tim Crommelin is the Executive Chairman of RBS Morgans Limited (a Participant of the ASX Group). He worked for Corser Henderson and Hale in the stockbroking industry from 1968 to 1974 whilst studying for his Commerce Degree. In 1974, he was appointed General Manager of the Girdis Group of Companies (Property Development and Investment) before joining Morgan Stockbroking Ltd (now Morgans Financial) in 1986.

Mr Crommelin is on the following Boards:

- Chairman, AP Eagers Limited
- Director, Senex Energy Limited
- Director, Australian Cancer Research Foundation
- Director, Abney Limited
- Director, The Brisbane Lions Foundation
- Member of the Senate, University of Queensland
- Chairman, Morgans Holdings
- Director, Morgans Foundation



Darryl McDonough who is a solicitor and partner of Australia's leading commercial law firm Clayton Utz is currently transitioning to a non-executive director career.

During the past 20 years, Mr McDonough has held board positions on listed and unlisted public companies and private companies; was a commissioner of the Queensland Government Commission of Audit in 1996 and deputy chair and chair of the Queensland Competition Authority. He is an ex Queensland state president of the Australian Institute of Company Directors. He is currently chair of ASX listed GWA Group Limited.

Mr McDonough holds degrees in law and accounting from the Queensland University of Technology and a Doctor of Legal Science from Bond University.

He is a Fellow of Australian Institute of Company Directors and of the Australian Society of Certified Practising Accountants.

Max Lu

BE, ME *Northeastern*
(China),
PhD *Qld*, FAA, FTSE,
FIChemE



Professor Max Lu is Provost and Senior Vice-President at the University of Queensland (UQ)

Professor G.Q. Max Lu is the standing deputy to the Vice-Chancellor and President of the University, providing leadership for the University's overall strategic planning, academic quality, budget and infrastructure management.

His line management responsibilities include six faculties and four research institutes. Working with the Executive Deans and Institute Directors, Professor Lu provides executive leadership of the academic, research and financial performance of the academic

enterprise. He is supported by the Pro-Vice-Chancellor in managing the Gatton Campus and the UQ Art Museum.

Prior to taking up the role as Provost and Senior Vice-President in March 2014, Professor Lu had served as Deputy Vice-Chancellor (Research) since 2009 and as acting Senior Deputy Vice-Chancellor from December 2011 to October 2012. Professor Lu held the position of Pro-Vice-Chancellor (Research Linkages) from October 2008 to April 2009, following his service as the Foundation Director of the ARC Centre of Excellence for Functional Nanomaterials for 7 years.

After completing his PhD, Professor Lu spent three years in Singapore as Lecturer at Nanyang Technological University. Since 1994, he had held positions of Senior Lecturer, Associate Professor, Professor and Chair of Nanotechnology in Chemical Engineering at UQ. He won the prestigious ARC Federation Fellowship twice (2003 and 2008).

Professor Lu has served on numerous government committees and advisory boards including those under the Prime Minister's Science, Engineering and Innovation Council (2004, 2005 and 2009) and ARC College of Experts (2002-2004). He is the past Chairman of the Institution of Chemical Engineers (IChemE) Australia Board and former Director of the Board of Australian Academy of Technological Sciences and Engineering (ATSE). His other previous board memberships include Australian Synchrotron, Uniseed, National Emerging Technologies Forum, Research Data Storage Infrastructure, Queensland China Council, Stem Cells Australia, and Translational Research Institute. He is currently a member of the Brisbane Lord Mayor's Economic Development Steering Committee, and the International Scientific Advisory Committee of the Great Barrier Reef Foundation.

Professor Lu's research expertise is in the fields of materials chemistry and nanotechnology. He has made seminal contributions to science and innovation in nanomaterials and their applications in clean energy and environmental technologies. With over 500 journal publications in high impact journals including *Nature*, *J. Am. Chem. Soc.*, *Angew. Chem.*, *Adv. Materials*, he is also co-inventor of more than 20 international patents. Professor Lu is a Thomson Reuters Highly Cited Researcher in both Materials Science and Chemistry (with over [30000 citations](#) and [h-index of 89](#)). He has received numerous awards nationally and internationally including the China International Science and Technology Award, Orica Award, RK Murphy Medal, Le Fevre Prize, ExxonMobil Award, [Chemeca Medal](#), and [Top 100 Most Influential Engineers in Australia](#). He was named as a [Queensland Great](#) in 2013, and won the inaugural [Australia-China Achievement Award \(Education\)](#) in 2014.

Professor Lu is an elected Fellow of Australian Academy of Science, Australian Academy of Technological Sciences and Engineering, IChemE, Engineers Australia and the Royal Society of Chemistry.



David Goffage is Manager Director in the Equity Capital Markets business at Merrill Lynch in Sydney. Prior to joining Merrill Lynch in 2010, David spent 12 years in Australia with ABN AMRO and Bankers Trust and three years in London with Credit Suisse.

In these roles, David has extensive experience in capital markets and has been a senior adviser to Governments, boards and executive teams in a variety of industries. David has worked on over 100 equity capital markets transactions raising over \$100 billion in equity capital.

David has a Bachelor of Commerce degree from the University of Queensland and Bachelor of Laws (Honours) degree from the University of Queensland. He has completed the Charter Financial Analyst (CFA) Program.

CORPORATE GOVERNANCE

The Board of UQ Endowment Fund Limited (“the Company”) recognizes the importance of good corporate governance and establishing the accountability of the Board and Management.

The Company is committed to best practice in the area of corporate governance and considers its governance framework to be substantially consistent with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (with 2010 amendments) as they relate to not for profit entities.

Our corporate governance statements emphasise the core concepts of integrity, honesty, selflessness, ethical and responsible decision making, and managing risk. The corporate governance principles and practices adopted by the Company are summarized below and are centred on the Board, its committees and the principles that govern their interaction with all stakeholders, including donors, University Senate, Students, Alumni, Teaching and Administration, staff, and friends of the University.

Investment Policy

The Board is ultimately responsible for the management of funds and the investment of those funds. The Board will make investment decisions within the framework of the Trust’s Investment Objective but is not limited in the advice it wishes to seek. The current objective is to obtain a real return of 10% per annum. The Board may outsource the management of funds in part or whole to specialist investment managers, but such actions do not discharge the Board’s responsibility. The Board has appointed two of its members as an Investment Committee.

Distribution Policy

The Board is responsible for ensuring that the distribution of funds occurs on a regular basis and is consistent with either:

- a) The donor’s intentions in the case of earmarked funds, or
- b) The purposes of the trust in the case of discretionary donations.

Funds are distributed on the basis of goal setting and protocols whereby funding is based on performance with non-performance resulting in the cancellation of funding.

Fund Raising Policy

The Board has a responsibility for coordinating fundraising activities with the University. Proposed activities will be presented to the University in detail, with the Board receiving periodic plans for consideration. The members are expected to participate from time-to-time especially in relation to profiling key events, and engaging high wealth individuals, alumni and friends of the University.

BOARD OF DIRECTORS – ROLE OF THE BOARD

The Board is responsible for the overall corporate governance of the Trust. The Board recognizes the need for the highest standards of behaviour and accountability. The Board has final responsibility for the management of the Trust's business and affairs.

The Board is responsible for:

- overseeing the Trust including:
 - defining the objectives and goals of the Trust; and
 - establishing the guiding principles and philosophy of the Trust;
- monitoring the Trust's financial performance, including adopting annual budgets and approving the Trust's financial statements;
- monitoring and approving the investments of the Fund;
- reviewing and ratifying the Trust's risk management system, internal compliance and control systems, codes of conduct and legal compliance;
- selecting and (where appropriate) removing the Chief Executive Officer and reviewing the performance of staff; and
- ratifying the appointment and (where appropriate) removal of the Accountant and the Company Secretary.

COMPOSITION OF THE BOARD

The Board is currently comprised of five Directors, all of whom are independent, and considered to be responsible persons.

- David Goffage (Chairman), Graeme Wood and Tim Crommelin are alumni of the University of Queensland.
- Darryl McDonough acts in his capacity as responsible person.
- Max Lu who represents the Vice Chancellor's office.

MEETINGS OF THE BOARD

The Board met on three (3) occasions during the reporting period. Details of individual attendance at Board meetings, and of Board Committees, can be found on page 15 of this report.

DIRECTORS' REMUNERATION

All Directors act in an Honorary capacity and receive no remuneration.

BOARD COMMITTEES

The Board has established Committees, all of which operate pursuant to written charters, namely:

- the Investment Committee;
- the Nomination Committee;
- the Audit and Risk Committee;

These Board Committees support the full Board and essentially act in a review and advisory capacity in matters that require a more intensive review.

This section gives an overview of the Company's Committees.

Nomination Committee

This Committee is charged with undertaking an annual assessment of the effectiveness of the Board as a whole, and of staff.

Audit Committee

- audit control and independence; and
- risk oversight and management, and internal controls.

The primary role of this Committee is to assist the Board in the review and oversight of:

- the integrity of the Trust's financial reporting;
- the Trust's risk management, and internal controls; and
- the Trust's system of compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems, and prescribed internal standards of behaviour.

This Committee is charged with making recommendations on the appointment of the Trust's external auditors and for reviewing their effectiveness. In carrying out this activity the Committee is guided by the following principles:

- the External Auditor must be a registered company auditor and be a member of an accredited professional body;
- the audit partner and any audit team member must not be a Director or officer charged with the governance of the Trust, or have a business relationship with the Trust or any officer of the Trust;
- the audit team shall not include a person who has been a former officer of the Trust during that year;
- the External Auditor must have actual and perceived independence from the Trust and shall confirm their independence to the Board;
- the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge; and
- the External Auditor is not to provide non-audit services under which they assume the role of management, become an advocate for the Trust or audit their own work.

RISK MANAGEMENT

The Board is responsible for overseeing the Trust's systems of internal control and risk management. The Board has delegated the direct review of risk management to the Audit Committee. The Risk Management Committee reviews the effectiveness of the Trust's risk management system annually.

The Chief Executive Officer and Accountant have responsibility for implementing the risk management systems and internal controls within the Trust. The management team is also integral in identifying the risks in the Trust's operations and activities. Monitoring of risks, risk management and compliance is undertaken by management and overseen by the Audit Committee.

FINANCIAL REPORTING

The Trust's financial report preparation and approval process for the 2015 financial year involved the Chief Executive Officer and Accountant providing a declaration to the Board on **xxxxxx** that in their opinion:

- the financial records of the Trust have been properly maintained; and
- the financial statements and notes thereto for the financial year comply with the accounting standards and provide a true and fair view in all material respects of the Trust's financial condition and operational results.

In making this statement, the Chief Executive Officer and Accountant indicated to the Board that in their opinion:

- the Trust's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects; and
- the statement is founded on a sound system of risk management and internal compliance and control systems which implement the policies adopted by the Board.

ETHICAL STANDARDS - CODE OF CONDUCT

The Board recognises the need to observe the highest standards of corporate practice and business conduct. The key aspects of this code are:

- to act with honesty, integrity and fairness;
- to act in accordance with the law; and
- to use the Trust's resources and property appropriately.

REMUNERATION POLICIES AND PRACTICES

The Board has adopted a policy of providing their services on an honorary basis. The staff and management also work in an honorary capacity. This policy will be reviewed periodically. In general, this policy will be continued until the Trust grows to a size to warrant the paid employment of staff.

INFORMATION DISCLOSURE AND STAKEHOLDER COMMUNICATION

The Board seeks to ensure that stakeholders are provided with sufficient information to assess the performance of the Trust. In addition to the Annual Report, the Company will use a website to communicate with its stakeholders and provide electronic access to the latest and past Annual Reports, available scholarships and application processes, details of the Board of Directors and other information of interest to stakeholders, current and prospective.

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DIRECTORS' REPORT

Your Directors present their report on the Company, UQ Endowment Fund Limited, for the financial year ended 30 June 2014.

DIRECTORS

The Directors of the Company at all times during the financial year were:

Graeme Thomas Wood (Chairman)	Director since 15/03/2010
Tim Crommelin	Director since 15/03/2010
Darryl Dennis McDonough	Director since 15/03/2010
Max Lu	Director since 12/9/2014

Since 30 June 2015 David Goffage has been appointed a Director (and Chairman). The continuing Directors' qualifications and experience are detailed on pages 4-7 under the heading *Board of Directors* and those pages are incorporated in and form part of this report.

COMPANY SECRETARY

Robert Andrew Creeth Brice is the Company Secretary of UQ Endowment Fund Limited and has been since 15 March 2010. He holds a Bachelor of Commerce from the University of Queensland. He is a member of the Institute of Chartered Accountants Australia.

PRINCIPAL ACTIVITIES

The Company's principal activity during the course of the financial year was to act as Trustee of the UQ Endowment Fund.

REVIEW OF OPERATIONS AND RESULTS

The Company did not trade in its own right. Its only activity was to act as Trustee of the Trust, which forms the basis of this report.

DIVIDENDS

The Company did not declare a dividend.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company during the financial year under review not otherwise disclosed in this report or the Financial Statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Directors are not aware of any matters or circumstances not otherwise dealt with in this report or the Financial Statements that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the Company operations in future financial years and the expected results of those operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

INSURANCE OF DIRECTORS AND OFFICERS

The Company does not provide Directors insurance.

DIRECTORS' INTERESTS

No Director has an interest in the share capital of the Company.

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were:

Name	Board of Directors		Investment Committee		Audit Committee		Nomination Committee	
	A	B	A	B	A	B	A	B
GT Wood	3	2					1	1
T Crommelin	3	3	1	1	1	1		
DD McDonough	3	3			1	1	1	1
M Lu	3	3						

Column A indicates the number of meetings held during the financial year while the Director was a member of the Board or Committee and which the Director was entitled to attend.

Column B indicates the number of meetings attended by the Director during the financial year while the Director was a member of the Board or Committee.

This report is made in accordance with a resolution of the Directors of UQ Endowment Fund Limited made on **xxxxx**.

David Goffage
Chairman

Andrew Brice
Company Secretary

UQ Endowment Fund
Statement of Comprehensive Income
For The Year Ended 30 June 2015

	Note	2015	2014
Income			
Gifts	7	50,000	47,000
Dividend Received		1,710,274	1,404,278
Distribution Received		98,256	87,908
Interest Received		409,509	164,788
Sub Underwriting Commission			4,003
Total Income		2,268,039	1,707,977
Expenses			
Donations to University of Queensland		1,652,103	1,636,800
Bank Charges and interest		2	370
Filing Fees		45	44
Total Expenses		1,652,150	1,637,214
Profit Before Income Tax Expense		615,889	70,763
Income Tax Benefit		733,411	601,842
Net Profit After Income Tax Expense		1,349,300	672,605
Other Comprehensive Income (Expense)		3,830,838	(11,788,501)
Total Comprehensive Income(Loss) for the Year		5,180,138	(11,105,896)

The accompanying notes form part of these financial statements.

**UQ Endowment Fund
Balance Sheet
As At 30 June 2015**

	Note	2015	2014
Current Assets			
Cash and cash Equivalents	3	19,216,047	4,650,205
Other Receivables	4	767,667	637,454
Total Current Assets		<u>19,983,714</u>	<u>5,287,659</u>
Non Current Assets			
Shares in Listed Companies	5	9,188,289	18,710,750
Units in Managed Funds	6	427,745	421,200
Total Non-Current Assets		<u>9,616,034</u>	<u>19,131,951</u>
Total Assets		<u>29,599,748</u>	<u>24,419,610</u>
Non-Current Liabilities			
		-	-
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>29,599,748</u>	<u>24,419,610</u>
Equity			
Settlement Sum		100	100
Endowment Funds		<u>29,599,648</u>	<u>24,419,510</u>
Total Equity		<u>29,599,748</u>	<u>24,419,610</u>

The accompanying notes form part of these financial statements.

UQ Endowment Fund
Statement of Changes in Equity
For The Year Ended 30 June 2015

	Endowment Funds					Total Endowment Funds	Total
	Settlement Sum	Graeme Wood Discretionary Fund	Wotif Fund	Rodney Wylie Fund	Frank Finn Fund		
	\$	\$	\$	\$	\$	\$	\$
Period Ended 30 June 2015							
At 30 June 2014	100	12,068,792	11,531,064	191,256	628,398	24,419,510	24,419,610
Net Profit/(Loss) for the Year	-	945,412	373,692	(29,558)	59,754	1,349,300	1,349,300
	100	13,014,204	11,904,756	161,698	688,152	25,768,810	25,768,910
Net Profit/(Loss) on available for sale investments	-	2,190,135	1,630,647	2,370	7,686	3,830,838	3,830,838
At 30 June 2015	100	15,204,339	13,535,403	164,068	695,838	29,599,648	29,599,748
Period Ended 30 June 2014							
At 30 June 2013	100	18,248,425	16,464,920	224,577	587,484	35,525,406	35,525,506
Net Profit (Loss) for Year	-	(6,038,202)	(6,037,830)	(114,919)	(176,301)	(12,367,252)	(12,367,252)
	100	12,210,223	10,427,090	109,658	411,183	23,158,154	23,158,154
Transfer	-	(784,861)	514,262	73,964	196,635	-	-
Net profit/(loss) on available for sale investments	-	643,430	589,712	7,634	20,580	1,261,356	1,261,356
At 30 June 2014	100	12,068,792	11,531,064	191,256	628,398	24,419,510	24,419,610

The accompanying notes form part of these financial statements

**UQ Endowment Fund
Statement of Cash Flows
For The Year Ended 30 June 2015**

	Note	2015	2014
Cash Flows from Operating Activities			\$
Dividend Received		1,710,580	1,404,278
Income Tax Benefit Received		601,842	686,078
Distribution Received		97,510	78,992
Interest Received		411,208	167,911
Proceeds from Gifts		50,000	47,000
Withholding Amounts Received		97	-
Commission Received		-	4,003
Donations and Expenses		<u>(1,652,150)</u>	<u>(1,637,211)</u>
Net Cash in/(out) Flows from Operating Activities	9(a)	<u>1,219,088</u>	<u>751,051</u>
Cash Flows from Investing Activities			
Sale of shares		17,748,000	-
Purchase of Shares		(4,401,246)	40,260
Purchase of Stapled Securities		<u>-</u>	<u>137,355</u>
Net Cash in Flows from Investing Activities		<u>13,346,754</u>	<u>177,615</u>
Cash Flows from Financing Activities			
Proceeds of Resettlement		<u>-</u>	<u>-</u>
Net Cash in Flows from Financing Activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash Held During the Financial Period		14,565,842	573,436
Cash Held at the Beginning of the Period		<u>4,650,205</u>	<u>4,076,769</u>
Cash Held at the End of the Period	9(b)	<u>19,216,047</u>	<u>4,650,205</u>

The accompanying notes form part of these financial statements.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

1. Corporate Information

The financial report of the UQ Endowment Fund (“The Trust”) for the period ended 30 June 2015 was authorized for issue in accordance with a resolution of Directors made on xxxxxx

UQ Endowment Fund Limited is a company. Its only activity is to act as Trustee of the Trust.

2. Summary of Significant Accounting Policies

(a) Basis of accounting.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of applicable Australian Accounting Standards and other mandatory professional reporting requirements. It has been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value. The financial report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards

(c) Revenue Recognition

Gifts

Income from gifts is recognized in the Statement of Comprehensive Income once the Company has control of the gifted items.

Interest

Interest revenue is recognized as interest accrued using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

2. Summary of Significant Accounting Policies (continued)

Dividends

Dividends are recognised as income when received.

Distributions Received from Trusts

Trust distributions are recognized as income on the date that the trustees declare that a distribution will be made.

(d) Taxation

(i) Income Tax

UQ Endowment Fund has been endorsed by the Commissioner of Taxation as an income tax exempt entity pursuant to Section 50-5 of the *Income Tax Assessment Act 1997*. Accordingly, no income tax has been provided for in these financial statements.

(ii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST except where:

- The GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

(e) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

2. Summary of Significant Accounting Policies (continued)

(e) Investments (continued)

After initial recognition, investments which are classified as available-for-sale are measured at fair value.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Statement of Comprehensive Income.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured (and linked derivatives) are measured at cost.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are de-recognised or impaired, as well as through the amortisation process.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument that is substantially the same or is calculated based on the expected cash flows of the underlying net asset of the investment.

(f) Cash and Cash Equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at bank and in hand and short-term deposits with maturity of 3 months or less.

(g) Provisions – general

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(h) Comparative Information

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

2. Summary of Significant Accounting Policies (continued)

(i) Recoverable amount of assets

The Trust assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Trust makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset of cash-generating unit is considered impaired and is written down to its recoverable amount.

For not-for-profit entity, value in use, is depreciated replacement cost of an asset when the future economic benefits of the asset are not primarily dependant on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(j) Other receivables

Other receivables consist principally of the refund of income tax arising from imputation credits attached to dividends received. Other trade receivables are recognised and carried at the original invoice amount.

An estimate for doubtful debts is made when there is objective evidence that the Trust will not be able to collect the debts. Bad debts are written off when identified.

(k) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Trust prior to the end of the reporting period that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

2. Summary of Significant Accounting Policies (continued)

(1) Significant accounting judgement estimates and assumptions

In the process of applying the Trust's accounting policies, management has considered if there are judgements, apart from estimates, which will have a significant effect on the amount recognised in the financial statements; management has concluded there are none.

	<u>2015</u>	<u>2014</u>
	\$	\$
3. Current Assets – Cash and Cash Equivalents		
Cash at Bank	<u>19,216,047</u>	<u>4,650,205</u>
4. Current Assets – Other Receivables		
Trust Distribution	34,256	33,816
Franking Credits	733,411	601,842
Accrued Interest	-	1,699
Refund of tax	-	97
	<u>767,667</u>	<u>637,454</u>
5. Shares in Listed Companies		
Available for Sale Investment Shares in Listed Companies, at cost	7,659,202	30,397,807
Add/(Deduct): Change in Value of Investment	<u>1,529,087</u>	<u>(11,681,056)</u>
	<u>9,188,289</u>	<u>18,710,751</u>
6. Units in Managed Funds		
Units in Managed Funds, at cost	682,000	682,000
Add/(Deduct): Change in Value of Investment	<u>(254,253)</u>	<u>260,800</u>
	<u>427,745</u>	<u>421,200</u>

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

7. Revenue

	<u>2015</u>	<u>2015</u>
	\$	\$
Gift Revenue	<u>50,000</u>	<u>47,000</u>

8. Other Comprehensive Income (Expense)

Revaluation of non current assets	<u>3,830,838</u>	<u>(11,788,501)</u>
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9. Cash Flow Statement Reconciliation

(a) Reconciliation of the net profit to the net cash flows from operations:

	<u>2015</u>	<u>2014</u>
	\$	\$
Net Profit After Tax	1,349,000	672,605

Changes in Assets & Liabilities

(Increase)/Decrease in other receivables	<u>(130,213)</u>	<u>78,446</u>
Net Cash Provided by Operating Activities	<u>1,219,088</u>	<u>751,051</u>

(b) Reconciliation of cash and cash equivalents

Cash at Bank	<u>19,276,047</u>	<u>4,650,205</u>
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UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

10. Income Tax

The University of Queensland Endowment Fund has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant to Section 50-B of the *Income Tax Assessment Act 1997*. Accordingly, no income tax has been provided for in these financial statements.

11. Financial Risk Management

(a) Financial Risk Management Objectives and Policies

The Trust's principal financial instruments are cash and short-term deposits. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset are disclosed in Note 2.

The Board reviews and agrees policies for managing each of these risks.

The main risks arising from the Trust's financial instruments are interest rate risk and liquidity risk.

(b) Interest Rate Risk

The Trust's exposure to the risk of changes in market interest rates relates primarily to the Trust's cash at bank and short-term deposits. These assets earn interest which approximates the Reserve Bank of Australia set base cash rate and the Board has resolved that the risk of rate change should not be hedged. The Trust has minimal exposure to interest rate risk at balance date.

As at 30 June 2015, the Trust had the following exposures to interest rate risk that are not designated in cash flow hedges:

At 30 June 2015, if interest rates had changed +/- 1% from the year end rates, with all other variables held constant, pre and post-tax profit for the year would have been \$192,160 higher/lower income from cash and cash equivalents.

(c) Liquidity risk

The Trust's objective is to maintain a balance between continuity of funding and flexibility. The Trust manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

11. Financial Risk Management (continued)

(d) Net Fair Values

The aggregate net fair values of financial assets and liabilities at balance date approximates to carrying values.

The Trust was not exposed to credit risk for the financial period ended 30 June 2015.

12. Fair Value of Financial Instruments

The Trust's financial assets and liabilities included in the Balance Sheet are carried at their fair values as disclosed by class of financial instruments or at amounts that approximate fair values.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Cash and cash equivalents: The carrying amount approximates fair values as they are short-term in nature or are receivable on demand.

Disclosed below is the fair value of the Trust's financial instruments.

Fair value: The Trust uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

	Total carrying amount as per the Balance Sheet		Aggregate fair value	
	2015	2014	2015	2014
Financial Assets				
Cash and cash equivalents	19,216,047	4,650,205	19,216,047	4,650,205
Total Financial Assets	19,216,047	4,650,205	19,216,047	4,650,205

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

12. Fair Value of Financial Instruments (continued)

	Fair Value				Carrying Amount
2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	\$
Financial Assets					
Available For Sale Investments	9,188,289	404,428	-	9,592,717	9,592,717
Total Financial Assets	9,188,289	404,428	-	9,592,717	9,592,717
	Fair Value				Carrying Amount
2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	\$
Financial Assets					
Available For Sale Investments	18,710,751	421,200	-	19,131,951	19,131,951
Total Financial Assets	18,710,751	421,200	-	19,131,951	19,131,951

13. Auditors' Remuneration

	<u>2015</u>	<u>2014</u>
Audit Services	Nil	Nil
Other Services	Nil	Nil

14. Contingent Assets and Liabilities

At balance date, the Trust had no contingent assets or liabilities.

15. Commitments and Contingencies

At 30 June 2015, there were no commitments or contingencies for University of Queensland Endowment Fund.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

16. Key Management Personnel

Details of key management personnel

(i) Directors

The following persons were Directors of UQ Endowment Fund Limited during the financial year.

Chairman –
GT Wood

Other Directors –

T Crommelin
D McDonough
M Lu

Since 30th June 2015 David Goffage has been appointed as Director (10 Aug 2015) and Chairman (4 Sept 2015)

G T Wood continues as a member of the Board.

(ii) Executives (other than Directors) with the greatest authority for planning, directing and controlling the activities of the Trust.

The following persons were the executives with the greatest authority for planning, directing and controlling of the Trust (key management personnel) during the financial year.

<u>Name</u>	<u>Position</u>
Andrew Brice	Company Secretary
Anthony Hallam	Accountant

17. Segment Reporting

The UQ Endowment Fund operates wholly in Australia in one segment, which is to provide opportunities for major benefactors to support academic programmes.

18. Events After Balance Date

No matter or circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future financial years.

UQ ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2015

19. Trust Details

The principal place of business of the Trust is:

University of Queensland
St Lucia
QLD 4067

There are no full-time employees of the Trust as at 30 June 2015.

Statement by Trustee

In the opinion of the Trustee,

- a) The financial statements set out on pages 17-20 are drawn up so as to present fairly the financial position of the Trust as at 30 June 2015, and the income and expense of the trust for the year then ended;
- b) the financial statements have been prepared in accordance with Australian Accounting Standards, the provisions of the trust Deed, and relevant legislative requirements, and
- c) the Trust has operated in accordance with the Trust Deed and in compliance with guidelines issued by the Australian Taxation office during the year ended 30 June 2015.

Signed in accordance with a resolution of the Trustee: xxxxxx

David Goffage
Chairman

Andrew Brice
Company Secretary

AUDITOR'S REPORT