

**UQ ENDOWMENT FUND PTY LTD
(ACN: 123 499 810)**

AS TRUSTEE FOR

**UNIVERSITY OF QUEENSLAND ENDOWMENT FUND
(UQef)**

ANNUAL REPORT

YEAR ENDED 30 JUNE 2008

UNIVERSITY OF QUEENSLAND ENDOWMENT FUND (UQef)

OBJECTIVES AND PHILOSOPHIES OF THE FUND

Objectives

To provide philanthropy for educational pursuits of the University of Queensland by encouraging donors to fund 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 commenced with acceptable risk and the perpetual nature of the fund.
3. Creating an environment that gives support and comfort to potential donors.

Philosophy

The guiding principles for the fund are:

1. Independence from University administration
2. Effective management and control
3. Transparency

1. Independence from University Administration

The Board should comprise 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.

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 attitude to manage adopting business principles.

3. Transparency

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

YEAR HIGHLIGHTS

Incorporation

UQ Endowment Fund Pty Ltd was incorporated under the Corporations Act of 2001 in Queensland on 17 January 2007.

Deed of Trust

The Deed of Trust of the University of Queensland Endowment Fund was executed on 7 March 2007.

Australian Tax Office Approval

On 29 June, 2007, the Australian Tax Office approved “University of Queensland Endowment Fund” as a Prescribed Private Fund thereby authorising gifts to the fund to be tax deductible and granting of tax-free status to the fund.

Gifts

Establishment of Wotif Fund

On 4 September, 2007, Andrew Brice gifted one million shares in Wotif.com Holdings Limited, including the current dividend due., to establish The Wotif Fund which subject to the University of Queensland would provide scholarships for students to attend the University of Queensland in the fields of the humanities and social sciences. Andrew Brice has further committed to gift an additional two million Wotif.com Holdings Limited shares in two identical tranches in 2008 and 2009.

Establishment of the Youth Substance Abuse Fund

On 19 February, 2008, Graeme Wood gifted one million shares in Wotif.com Holdings Limited, including the current dividend due, to establish The Youth Substance Abuse Fund. The purpose of the fund is to establish a Chair at the University of Queensland for the study of substance abuse. Mr Wood has further undertaken to fund the Chair in the amount of \$400,000 per annum.

Establishment of the Frank Finn Fund

Alumni of the University of Queensland have pledged upwards of \$400,000 to establish the Frank Finn Fund intended to be used for scholarships for students at the University of Queensland. As of 30 June 2008, \$100,000 of these gifts has been received by the Fund.

Distribution to University of Queensland

On 30 June 2008, an amount of \$260,000 was distributed to the University for the purpose of providing scholarships.

MESSAGE FROM THE CHAIRMAN

This is the foundation year report.

The founder, Andrew Brice, has endeavoured to create a trust vehicle which is to benefit the educational pursuits of the University of Queensland and is independent of the University of Queensland. Historically, universities in Australia have been incorporated by Acts of Parliament of the various States. The Acts give a degree of autonomy to the University Senates, but the States typically keep control to protect the significant capital investments and support that they have provided to the University over a number of years. In the area of management of philanthropy to universities, this control by the States has tended to inhibit the Key Performance Indicators which one would expect in a not-for-profit foundation, such as low administration costs, asset investment goals, creative investment policies, how distributions are managed and controlled, and transparency.

UQef is a novel vehicle in Australian University philanthropy; in effect, a partnership between UQ and UQef. This has created a healthy and rewarding process between the Endowment Fund and the University and its administration. This process will continue to evolve and hopefully emerge as an innovative model to be followed.

Three substantial donations were received during the inaugural year:

The *Wotif Fund*, by way of a gift of one million ordinary shares in the publicly listed company, Wotif.com Holdings Limited, valued at \$4,900,000 at the date of gift, and by the pledge of a further two tranches in 2008 and 2009 of one million shares each. At 30 June 2006, the fund distributed \$260,000 towards the annual \$500,000 pledge to the University to provide four post-graduate honours and four PhD recipients in the disciplines of Social Sciences and Humanities.

The *Youth Substance Abuse Fund*, by way of an undertaking from me to provide \$400,000 per annum for a Chair to research substance abuse. My initial gift was one million Wotif.com Holdings Limited shares, valued at \$4,270,000, from which the annual dividends form part of my pledge of \$400,000 per annum.

The *Frank Finn Fund*, by way of gifts and pledges from Faculty of Commerce Graduates which, when received, should approximate \$400,000 for provision of scholarships to the Faculty.

The reception to the Funds launch by the Vice Chancellor – Paul Greenfield – created substantial media response in recognition of a community awareness to the need for philanthropy in education. The involvement of the University community, Senate, staff, friends, students and administration, and the evolving understanding between the University Senate and staff and the Administrators of the Fund, gives substantial encouragement to the Board and Donors to proceed with the business of encouraging, by way example and engagement, other substantial donations.

The cost of administration of the Fund for the year was \$217. The Board, all men recognised as leaders by their peers in their chosen professions, provided considerable time and expertise in establishing and administering the Fund, arranging functions to network with potential donors, and all the other processes of accounting, auditing and administration, at no cost.

Investments of the Fund have remained as the original donor gifts of two million Wotif.com Holdings Limited shares, and cash invested in a cash management account. The market price of one ordinary share has ranged during the period from the original gift on 4 September 2007 of \$4.93 per share to a market value at 30 June 2008 of \$2.82. On February 13 2009, the market closing price

was \$3.26 per share and based on the past annual dividends of 15 cents per share, represents a gross yield including the value of the franking credit of 6.6%. During the current economic uncertainty, the share ranking of Wotif.com Holdings Limited in the top 200 Australian Publicly Listed Companies by market capitalisation has risen from the initial ranking 200 to its current new ranking in the range of 143 on 13 February 2009.

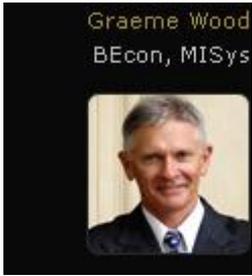
The Board and Management of the Trust continue their quest and passion to raise substantial funds to enhance the University of Queensland brand and provide opportunity for talented individuals to make their mark in their chosen field of endeavour.

Graeme Wood

Chairman

Graeme Wood
16 February 2009

BOARD OF DIRECTORS



Graeme Wood revolutionised the travel industry in Australia when he created the concept for, and co-founded, Wotif.com in 2000. From his humble beginning operating from a garage, Mr Wood pioneered Wotif.com's development into a multi-national company which employs more than 500 people in offices spread across the globe.

During his seven years at the helm, Wotif.com became one of Australia's most successful and well-known online businesses, with Mr Wood and the company winning accolades along the way.

Mr Wood said Wotif.com's public listing on the Australian Stock Exchange in June 2006, was a career highlight. Mr Wood retired from his role as CEO and Managing Director of Wotif.com in October 2007, but continues to play a key strategic role in the company as an Executive Director and as a significant shareholder. In his new position, Mr Wood is focused on developing new business concepts and the ongoing promotion of Wotif.com.

With a background in information technology, Mr Wood has more than 30 years' experience in information systems and software development, having worked at NCR and later IBM. His career as an entrepreneur began in the early 1980s with the first of several technology start-ups.

Mr Wood is a graduate of The University of Queensland, with a Bachelor of Economics and Master of Information Systems. He is a frequent speaker at functions, covering topics around the travel industry, as well as entrepreneurship and innovation.

He is an avid yachtsman who placed first in his division in the 2005 Sydney to Hobart Yacht Race and continues to race competitively.

His charity interests through The Graeme Wood Foundation and the Wot's Next Program, support youth development initiatives in the arts, sailing, and conservation.



John Wylie is head of investment banking at Lazard Carnegie Wylie, one of Australia's leading independent investment banks. He has advised on many of Australia's largest mergers and acquisitions, equity market and privatisation transactions in the past 15 years.

Mr Wylie is Chairman of the Melbourne Cricket Ground Trust and was Chair of the Steering Committee for the recent \$465m redevelopment of the ground. He is a Board Member and Chair of the Investment Committee of Melbourne-based Florey Neurosciences Institute and a member of the Business Advisory Forum of the Saïd Business School in Oxford.

Mr Wylie holds a BCom with First Class Honours from The University of Queensland. He was Queensland Rhodes Scholar in 1983.



Tim Crommelin is the Chairman of ABN AMRO 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, was appointed General Manager of the Girdis Group of Companies (Property Development and Investment) before joining Morgan Stockbroking Ltd (now ABN AMRO Morgans) in 1986.

Mr Crommelin is on the following Boards:

- Deputy Chairman of CS Energy Limited
- Board of Trustees – Brisbane Grammar School, (Government appointee, Director, Advisory Board of the Australian National University Investment Committee
- Director, Australian Cancer Research Foundation
- Director, Abney Limited
- Trustee, Queensland Museum Foundation
- Member of the Senate, University of Queensland
- Director, Queensland Gas Company Limited



Darryl McDonough is a solicitor and partner of Australia's leading commercial law firm Clayton Utz and a director of Super Cheap Auto Group Limited.

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 a previous Queensland State President of the Australian Institute of Company Directors.

Mr McDonough holds degrees in law and accounting from the Queensland University of Technology and a Doctor of Legal Science from Bond University. He authored *Annotated Mergers and Acquisitions Law of Australia*, published by the Law Book Company Limited from 1986-1993 and *Annotated Takeover Law* published in 2000.

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

CORPORATE GOVERNANCE

The UQ Endowment Fund Pty Ltd Board recognises 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 consistent with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations dated March 2003 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 summarised below and are centred on the Board, Board 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 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 three of its members as the 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 and non-performance means cancellation of funding

Fund Raising Policy

The Board has an overall responsibility for coordinating fundraising activities with the University. Proposed activities will be presented to the University in detail, the Board will be presented with periodic plans for consideration, and individual 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.

Additional information with respect to the Company's corporate governance approach can be found in the following documents available on the Foundation's website (www.uqef.com.au).

- The UQef Board Charter
- The UQef Investment Committee Charter
- The UQef Audit Committee Charter
- The UQef Nomination Committee Charter

BOARD OF DIRECTORS – ROLE OF THE BOARD

The Board is responsible for the overall corporate governance of the Trust. The Board recognises 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 UQef 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 four Directors, all of whom are independent.

- three (Graeme Wood (Chairman), John Wylie and Tim Crommelin) are Alumni of the University of Queensland
- one (Darryl McDonough) in the capacity of the responsible person, a statutory role required by the PPF guidelines creating “Prescribed Private Funds”.

MEETINGS OF THE BOARD

The Board met on three occasions in 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.

BOARD COMMITTEES

The Board has established Committees (all of which operate pursuant to written charters available at www.UQef.com.au), namely:

- the Investment Committee;
- the Nomination Committee;
- the Audit 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 2008 financial year involved the Chief Executive Officer and Accountant providing a declaration to the Board on 16 February 2009 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 SHAREHOLDER COMMUNICATION

The Board seeks to ensure that the stakeholders are provided with sufficient information to assess the performance of the Trust. In addition to the Annual Report, the Company uses its website to communicate with its stakeholders. The UQef website provides 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.

UQef

STATUTORY REPORTS

YEAR ENDED 30 JUNE 2008

CONTENTS

Directors' Report	14
Statement by Directors	16
Income Statement	17
Balance Sheet	18
Cash Flow Statement	19
Statement of Changes in Equity	20
Notes to the Financial Statements	21
Statement by Trustee	30
Independent Auditor's Report	31

DIRECTORS' REPORT

The Directors present their report on the Company, UQ Endowment Fund Pty Ltd, for the financial year ending 30 June 2008.

DIRECTORS

The Directors of the Company at any time during the financial year and up to the date of this report are:

Graeme Thomas Wood (Chairman)	Director since 17/01/2007
Tim Crommelin	Director since 17/11/2007
Darryl Dennis McDonough	Director since 17/01/2007
John Wylie	Director since 17/01/2007

The continuing Directors' qualifications and experience are detailed on page 6 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 Pty Ltd and has been since 2007. 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 University of Queensland 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 UQef, 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 Entity 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 Entity, the results of those operations or the state of affairs of the Entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the Entity's 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 Entity.

INDEMNIFICATION

The Company has entered into agreements with its Director, Darryl McDonough to indemnify him and his partners in the law firm Clayton Utz against all liabilities to another person that may arise from his position as Director and Responsible Officer. The agreement stipulates that the Company will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

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	3					1	1
T Crommelin	3	3	1	1	1	1	1	1
DD McDonough	3	3	1	1	1	1	1	1
J Wylie	3	3	1	1				

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 UQef Pty Limited made on 16 February 2009.

Graeme Thomas Wood
Chairman

Andrew Brice
Group Chief Executive
Officer and Company
Secretary

University of Queensland Endowment Fund
Income Statement
For the year ending 30 June 2008

	Note	2008 \$	2007 \$
Income			
Gifts		9,471,001	-
Dividends Received		60,000	-
Interest Received		8,839	-
Total Income		9,539,840	-
Expenses			
Donations		260,000	-
Bank Charges		5	-
Filing Fees		212	-
Total Expenses		260,217	-
Profit before income tax expense		9,279,623	-
Income tax benefit		25,714	-
Net profit after income tax expense		9,305,337	-

The accompanying notes form part of these financial statements.

University of Queensland Endowment Fund
Balance Sheet
As at 30 June 2008

	Note	2008 \$	2007 \$
Current Assets			
Cash and cash equivalents	3	109,723	100
Other receivables	4	25,714	-
Total Current Assets		135,437	100
Non-Current Assets			
Available for sale investment	5	5,640,000	-
Total Non-Current Assets		5,640,000	-
Total Assets		5,775,437	100
Current Liabilities			
Total Current Liabilities		-	-
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
Total Liabilities		-	-
Net Assets		5,775,437	100
Equity			
Settlement sum		100	100
Endowment funds		5,775,337	-
Total Equity		5,775,437	100

The accompanying notes form part of these financial statements.

University of Queensland Endowment Fund
Cash Flow Statement
For the year ended 30 June 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from gifts		301,001	
Dividends received		60,000	-
Interest received		8,839	-
Payment of expenses		(217)	-
Distribution to the University of Queensland		(260,000)	-
Net cash flows from operating activities	7(a)	109,623	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from settlement sum		-	100
Net cash flows from financing activities		-	100
Net increase/(decrease) in cash held during the financial year		109,623	100
Cash held at the beginning of the year		100	-
Cash held at the end of the year	7(b)	109,723	100

The accompanying notes form part of these financial statements.

University of Queensland Endowment Fund
Statement of Changes in Equity
For the year ended 30 June 2008

	Endowment Funds						Total Endowment Funds	Total
	Settlement Sum	Gifts less Donations	Investment Revaluation Reserve	Wotif Fund	Substance Abuse Fund	Frank Finn Fund		
	\$	\$	\$	\$	\$	\$	\$	
1 July 2007	100		-	-	-	-	-	100
Net profit for the period	-	9,305,337	-	-	-	-	-	9,305,337
Transfer to Endowment Fund	-	(5,775,337)	-	2,766,225	2,905,715	103,397	5,775,337	-
Net loss on available for sale financial asset	-	-	(3,530,000)	-	-	-	-	(3,530,000)
Total income and expense for the period recognised directly in equity	-	(5,775,337)	(3,530,000)	2,766,225	2,905,715	103,397	5,775,337	(3,530,000)
At 30 June 2008	100	3,530,000	(3,530,000)	2,766,225	2,905,715	103,397	5,775,337	5,775,437

The accompanying notes form part of these financial statements.

**UNIVERSITY OF QUEENSLAND ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008**

1. Corporate Information

The financial report of The University of Queensland Endowment Fund (The Trust) for the year ended 30 June 2008 was authorized for issue in accordance with a resolution of Directors of the Trustee made on 16 February 2009.

UQ Endowment Fund Pty Ltd is a company limited by shares incorporated in Australia. It's 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 the *Corporations Act 2001* and 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 and International Financial Reporting Standards (IFRS).

Since 1 July 2007 UQ Endowment Fund has adopted a number of new Accounting Standards and Interpretations. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the entity.

There are a number of Accounting Standards and Interpretations that will be mandatory in future reporting periods. The Company has not elected to early adopt these Standards and Interpretations and does not expect them to have a material effect of the financial position and performance of the Entity.

(c) Revenue recognition

Gifts

Income from gifts is recognised in the income statement once the entity has control of the gifted item(s).

Interest

Interest revenue is recognised as interest accrues 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.

Dividends

Dividends are recognised as income when received.

(d) Taxation

(i) Income tax

UQ Endowment Fund has been endorsed by the Commissioner of Taxation as an income tax exempt charity 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

Revenues, expenses and assets are recognised 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 recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivable 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 Cash Flow Statement 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.

(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. 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 Income Statement.

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.

(i) Recoverable amount of assets

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

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.

(j) Other receivables

Other receivables consist principally 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 Entity 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 Entity prior to the end of the reporting period that are unpaid and arise when the Trust Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) 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.

3. Current Assets – Cash and cash equivalents

	<u>2008</u>	<u>2007</u>
	\$	\$
Cash at Bank	109,623	-
Cash on Hand	<u>100</u>	<u>100</u>
	<u>109,723</u>	<u>100</u>

4. Current Assets – Other receivables

	2008	2007
	\$	\$
Tax Refund Due	<u>25,714</u>	<u>-</u>

Other receivables consists of an amount due from the Australian Taxation Office. At 30 June 2008 and 30 June 2007 all trade receivables have been received since balance date. Due to the short-term nature of these receivables, their carrying value is their fair value and no impairment loss has been recognised.

5. Investments

	2008	2007
	\$	\$
Available for sale investments at cost:	9,170,000	-
Deduct: Diminution in value of investment	<u>(3,530,000)</u>	<u>-</u>
	<u>5,640,000 (a)</u>	<u>-</u>

(a) Represents two million shares in Wotif.com Holdings Limited - \$5,640,000.00, at market value at 30 June 2008 of \$2.82 per share.

6. Related Party Disclosures

Gifts

Gifts of one million Wotif.com Holdings Limited shares were made during the year by each of Graeme Wood – Chairman of Trustee, and Andrew Brice – Chief Executive Officer.

Other Related Party Transactions

During the year ended 30 June 2008 accounting and taxation services have been provided by Anthony Hallam Chartered Accountant at no cost. Andrew Brice acts as a consultant to Anthony Hallam Chartered Accountant. Accounting fees and tax service fees are provided by Anthony Hallam at no cost.

7. Cash Flow Statement Reconciliation

(a) Reconciliation of the operating profit after tax to the net cash flows from operations

	2008	2007
	\$	\$
Net profit after tax	9,305,337	-
Non-cash items		
Donation of available for sale securities	9,170,000	-
Changes in Assets & Liabilities		
(Increase) / Decrease in other receivables	(25,714)	-
Net cash provided by operating activities	<u>109,623</u>	-

(b) Reconciliation of cash and cash equivalents

Cash on Hand	100	100
Cash at Bank	<u>109,623</u>	<u>-</u>
	<u>109,723</u>	<u>100</u>

8. Income Tax

UQ 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.

9. 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 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.

(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.

(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 year ending 30 June 2008.

10. Auditors' Remuneration

	2008	2007
	\$	\$
Audit Services	Nil	Nil
Other Services	Nil	Nil

11. Contingent Liabilities

2008	2007
\$	\$
Nil	Nil

At balance date, the Trust had no contingent liabilities.

12. Commitments & Contingencies

At 30 June 2008, there were no commitments or contingencies for UQ Endowment Fund.

13. Key Management Personnel

Details of key management personnel

(i) Directors

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

Chairman –

GT Wood

Other Directors –

T Crommelin
D McDonough
J Wylie

(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.

Name

Position

Andrew Brice
Anthony Hallam

Chief Executive Officer (Acting)
Accountant

14. 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.

15. 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.

16. Trust Details

The principal place of business of the Trust is:

9 St Paul's Terrace
Spring Hill, Brisbane
QLD 4004

There are no full-time employees of the Trust as at 30 June 2008 (2007: nil).

Statement by Trustee

In the opinion of the Trustee

- (a) the financial statements set out on pages 12 to 29 are drawn up so as to present fairly the financial position of the Trust as at 30 June 2008, and the income and expense of the Trust for the year then ended;
- (b) the financial statements have been prepared in accordance with applicable Australian Equivalents to International Reporting 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 2008.

Signed in accordance with a resolution of the Trustee 16 February 2009

GT Wood
Chairman

RAC Brice
Chief Executive Officer

AUDITOR'S REPORT