

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 2021

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

Annual report and financial statements 2021

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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 2021 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 (resigned 15 July 2021)

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 2020 through 30 June 2021, the following served as Trustees; Ms. K Taylor, Ms. S Marine, Mr I Samstein and Mr. J R Kroll.

Throughout the period 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 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 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

Company Registration No. 5711851

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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

Company Registration No. 5711851

Charity Registration No. 1117431

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 2021 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 connections within the University of Chicago community while fostering an environment which encourages philanthropic affiliation with the Charity.

The University of Chicago Foundation Limited

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Strategic and Directors' report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year

Fundraising progress for the year successfully exceeded the cost of doing business. For the fiscal year £2,935,308 (2020: £3,819,437) was raised by the Charity from alumni and friends. Expenses totalled £35,680 (2020: £31,779) which includes governance costs, support costs and bank fees.

The cost per pound raised ratio is less than 1p/£1 raised. This marks the tenth 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 £2,968,568 (2020: restated £3,761,366). 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 FY21 were split among the following written resolutions as detailed below:

1. Endowed Scholarships – College:	£1,408,622
2. Endowed Scholarships – Other:	£105,990
3. Programmatic Support:	£1,071,676
4. Annual Fund Support:	£99,681
5. Endowed Professorships:	£282,599

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 2021 the Charity reports a surplus of £2,144 (2020: restated £96,936) against reserves. The total amount of funds held by the Charity on 30 June 2021 was held as restricted funds £723 (2020: restated £52,845) and unrestricted £1,421 (2020: restated £44,091). 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 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.

The University of Chicago Foundation Limited

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Strategic and Directors' report (continued)

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 Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 income over expenditure for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

The University of Chicago Foundation Limited
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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 may be proposed at the forthcoming Annual General Meeting.

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



John Kroll
Director
University of Chicago Foundation Limited
21 Holborn Viaduct
London
EC1A 2DY
December 7, 2022

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 the University of Chicago Foundation Limited ("the Charitable company") for the year ended 30 June 2021 which comprise the Statement of Financial Activity, the Balance Sheet, the Cash Flow Statement and related notes, 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 2021 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 directors 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of policy documentation as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

Independent auditor's report to the members of The University of Chicago Foundation Limited

Company Registration No. 5711851

Charity Registration No. 1117431

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because we do not consider there is an incentive to recognize revenue in the wrong accounting period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals made to unrelated accounts and the last five journals posted in the year.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic and directors' report

The directors are responsible for the strategic and directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the strategic and directors' report 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 strategic and directors' report;
- in our opinion the information given in that report 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

09 December 2022

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

Statement of financial activities (including income and expenditure account)
Year ended 30 June 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	(Restated) Unrestricted Funds £	(Restated) Restricted Funds £	(Restated) Total 2020 £
Income							
Donations	3	370,527	2,564,781	2,935,308	131,994	3,687,443	3,819,437
Investments	6	6	-	6	11	-	11
Total income		<u>370,533</u>	<u>2,564,781</u>	<u>2,935,314</u>	<u>132,005</u>	<u>3,687,443</u>	<u>3,819,448</u>
Expenditure on:							
Raising funds	4	(17,180)	-	(17,180)	(17,279)	-	(17,279)
Charitable activities	4	(396,023)	(2,616,903)	(3,012,926)	(85,747)	(3,671,524)	(3,757,271)
Total expenditure		<u>(413,203)</u>	<u>(2,616,903)</u>	<u>(3,030,106)</u>	<u>(103,026)</u>	<u>(3,671,524)</u>	<u>(3,774,550)</u>
Net movement in funds		<u>(42,670)</u>	<u>(52,122)</u>	<u>(94,792)</u>	<u>28,979</u>	<u>15,919</u>	<u>44,898</u>
Reconciliation of funds							
Total funds brought forward		<u>44,091</u>	<u>52,845</u>	<u>96,936</u>	<u>15,112</u>	<u>36,926</u>	<u>52,038</u>
Total funds carried forward		<u>1,421</u>	<u>723</u>	<u>2,144</u>	<u>44,091</u>	<u>52,845</u>	<u>96,936</u>

All income and expenditure derive from continuing activities.

The notes on pages 14 to 22 form part of these financial statements.

*Please refer to note 15 for further details on restated comparatives.

The University of Chicago Foundation Limited

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Balance sheet

At 30 June 2021

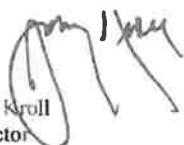
			(Restate d)
	Notes	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	6	22,692	24,847
Cash at bank and in hand		11,960	96,097
Total assets		<u>34,652</u>	<u>120,945</u>
Creditors: amounts falling due within one year	7	<u>(32,408)</u>	<u>(23,908)</u>
Net assets		<u>2,244</u>	<u>97,036</u>
The funds of the Charity			
Unrestricted funds	5	1,421	44,091
Restricted funds	5	723	52,845
Share capital	10	100	100
		<u>2,244</u>	<u>97,036</u>

The notes on pages 14 to 22 form part of these financial statements.

*Please refer to note 15 for further details on restated comparatives.

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 December 7 2022.

Signed on behalf of the Board of Directors


John Kroll
Director

The University of Chicago Foundation Limited
Company Registration No. 5711851
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Cash flow statement
Year ended 30 June 2021

		2021	2020
		£	£
	Note		
Cash provided (used in)/by operating activities	11	(84,143)	43,948
Cash flows from investing activities			
Interest received		6	11
Cash provided by investing activities		6	11
(Decrease)/ increase in cash and cash equivalents in the year		(84,137)	43,959
Cash and cash equivalents at the beginning of the year		96,097	52,138
Total cash and cash equivalents at the end of the year		11,960	96,097
Reconciliation to cash at bank and in hand:			
Cash at bank and shown in the Charity's balance sheet		11,960	96,097

The University of Chicago Foundation Limited

Company Registration No. 5711851

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Notes to the financial statements

Year ended 30 June 2021

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 2019) – (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

Management has reviewed the cash forecasts through fiscal year 2024 (fiscal year ending June 30, 2024) which indicate that The University of Chicago Foundation Limited (the Charity) will have sufficient funds to continue as a going concern. The Charity is managed by employees of The University of Chicago (the parent company) and has negligible fixed costs. The fixed costs of the Charity include yearly fees for audit and accountancy services. The parent company is committed to supporting the Charity in meeting these costs.

The Trustees and management have also considered the implications of COVID-19 and Brexit on these cash forecasts and do not have any substantial or significant doubts regarding the Charity's ability to continue as a going concern for a period of at least 12 months from the approval of the accounts.

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. 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. Donated services are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

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.

The University of Chicago Foundation Limited

Company Registration No. 5711851

Charity Registration No. 1117431

Notes to the financial statements

Year ended 30 June 2021

1. Accounting policies (continued)

Expenditure (continued)

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.

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.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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 University of Chicago Foundation Limited

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Notes to the financial statements

Year ended 30 June 2021

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

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.

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Donations and gifts	370,527	2,564,781	2,935,308	131,994	3,687,443	3,819,437

4. Expenditure

	Total 2021 £	(Restated) Total 2020 £
Raising funds		
Bank fees	229	328
Support costs	16,951	16,951
	17,180	17,279
Charitable activities		
Grants awarded	2,968,568	3,761,366
Currency loss/(gain)	25,858	(18,594)
	2,994,426	3,742,772
Governance costs		
Audit services	14,000	10,000
Accountancy	4,500	4,500
	18,500	14,500
Total	3,030,106	3,774,551

*Please refer to note 15 for further details on restated comparatives.

The audit firm only received fees in respect to audit services. Audit fees are presented exclusive of VAT. 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.

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Notes to the financial statements Year ended 30 June 2021

5. Analysis of charitable funds

	(Restated) 30-Jun 2020 £	Income £	Expenditure £	30-Jun 2021 £
Unrestricted Funds	44,091	370,533	(413,203)	1,421
Restricted Funds:				
Chicago Booth Annual Fund ¹	-	2,330	(2,330)	-
Chicago Booth Hong Kong Mt. Davis ²	-	39,455	(39,455)	-
Chicago Booth's MBA Experience Fund ³	-	391	(391)	-
CLI - Student Organizations - Fencing ⁴	-	23,046	(23,046)	-
Guy and Maura Saidenberg Odyssey Fund ⁵	-	75,184	(75,184)	-
Harberger Professorship in Economics ⁶	-	282,601	(282,601)	-
Henry Ritchotte International Studies Fund ⁷	-	164,973	(164,973)	-
ESA China Programming and Initiatives ⁸	-	34,856	(34,856)	-
Jeff Metcalf Internships ⁹	-	7,280	-	7,280
Onsi Sawaris Fund ¹⁰	-	1,182,631	(1,182,631)	-
Sawiris Odyssey Expendable ¹¹	-	392,499	(392,499)	-
Marc and Anna Boheim Scholarship Fund - Chicago Booth ¹²	-	30,411	(30,411)	-
Martini Family International Odyssey Metcalf Internship Fund ¹³	50,410	-	(56,967)	(6,557)
Marvin Zonis International Scholarship ¹⁴	-	672	(672)	-
Odyssey Scholarship Expendable ¹⁵	-	33,669	(33,669)	-
Preddy Family Fund ¹⁶	-	8,068	(8,068)	-
Social Impact Course Support ¹⁷	-	44,981	(44,981)	-
Summer Assistant Psych ¹⁸	2,435	-	(2,435)	-
The Haddad Family International Scholarship Fund ¹⁹	-	148,863	(148,863)	-
Van Stults Scholarship Fund ²⁰	-	74,907	(74,907)	-
Watson Open Doors Scholarship Fund ²¹	-	17,964	(17,964)	-
	52,845	2,564,781	(2,616,903)	723
Total Funds	96,936	2,935,314	(3,030,106)	2,144

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Notes to the financial statements

Year ended 30 June 2021

5. Analysis of charitable funds (continued)

¹ Chicago Booth Annual Fund

This fund provides unrestricted support to the Booth School of Business.

² Chicago Booth Hong Kong Mount Davis

This fund provides support for the development of the permanent Chicago Booth campus in Hong Kong.

³ Chicago Booth's MBA Experience Fund

This fund provides support for the MBA experience outside of the classroom, including funding for treks, travel opportunities, expansion of leadership programs, living support, student-alumni programming, brand building activities among the student population, internships, student groups and other activities and programs as directed by the Deputy Dean for the MBA program.

⁴ 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.

⁵ Guy and Maura Saidenberg Odyssey Fund

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

⁶ Arnold 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.

⁷ 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.

⁸ ESA China Programming and Initiatives

This fund provides support for the enrolment and student advancement division's initiatives and programming in greater China.

⁹ Jeff Metcalf Internships

This fund provides support undergraduate student internships.

¹⁰ Onsi Sawiris Fund

This fund provides scholarship support for international travel research.

¹¹ Sawiris Odyssey 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

¹² Marc and Amna Boheim Scholarship Fund

This fund provides scholarship support for students in the full-time MBA Program at the Booth School of Business.

¹³ Martini Family International Odyssey Metcalf Internship Fund

This fund provides support for internships for undergraduate students in the College.

¹⁴ Marvin Zonis International Scholarship

This fund provides scholarship support for full-time MBA students at the Booth School of Business.

¹⁵ Odyssey Scholarship Expendable

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Notes to the financial statements

Year ended 30 June 2021

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.

¹⁶**Preddey 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.

¹⁷**Social Impact Course Support**

The purpose of this fund is to provide support for an experiential learning based Chicago Booth Social Impact Lab course. This course will require a student cohort to assess the feasibility, potential impact/return, and scalability of social impact projects.

¹⁸**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.

¹⁹**Haddad Family International Odyssey Scholarship 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.

²⁰**Van Stults Scholarship Fund**

The purpose of this fund is to provide scholarship support to full-time MBA students at the Booth School of Business.

²¹**Watson Open Doors Scholarship Fund**

The purpose of this fund is to provide scholarship support to full-time MBA students at the Booth School of Business.

6. Debtors: amounts falling due within one year

	2021	(Restated) 2020
	£	£
Amounts payable from related parties	22,692	24,847
	<u>22,692</u>	<u>24,847</u>

7. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	18,500	10,000
Other creditors	13,908	13,908
	<u>(32,408)</u>	<u>(23,908)</u>

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Notes to the financial statements

Year ended 30 June 2021

8. Analysis of assets and liabilities between funds

	Unrestricted funds	Endowment and restricted funds	Total
	£	£	£
Cash at bank	11,237	723	11,960
Debtors: amounts falling due within one year	22,692	-	22,692
Creditors: amounts falling due within one year	(32,408)	-	(32,408)
As at 30 June 2021	1,521	723	2,244
As at 30 June 2020 (restated)	44,191	52,845	97,036

9. Guarantees and contingent liabilities

The Charity has entered into no guarantee arrangements.

10. Share capital

	2021	2020
	£	£
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.

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

	2021	(Restated) 2020
	£	£
Net (expense)/income per statement of financial activities	(94,752)	44,896
Deduct gains on investments	(6)	(11)
Decrease/(increase) in debtors	2,115	(24,845)
Increase in creditors	8,500	23,908
Cash provided (used in)/ by operating activities	(84,143)	43,948

12. Related party transactions

During the year the University of Chicago in the US incurred costs on behalf of the Charity which amounted to £18,500 (2020: £14,500). The University of Chicago in the US recharged £nil (2020: £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 £nil (2020: £nil) to the Charity. The balance at the year end was £nil (2020: £nil).

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Notes to the financial statements

Year ended 30 June 2021

12. Related party transactions

Grants made in the year totalled £2,968,568 (2020: restated £3,761,366) and were all paid to the University of Chicago in the US during the year.

13. Events after the end of the reporting period

There were no significant events after the balance sheet date.

14. 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.

15. Prior year restatement

Adjustments have been made to the prior period financial statements as a result of issues identified in the intercompany transfers with the parent entity.

Balance sheet at 31 December 2020

	As originally reported £	Adjustment £	As restated £
Current assets			
Debtors: amounts falling due within one year	89,453	(64,606)	24,847
Cash at bank and in hand	96,097	-	96,097
Total assets	<u>185,550</u>	<u>(64,606)</u>	<u>120,944</u>
Creditors: amounts falling due within one year	<u>(29,308)</u>	<u>5,400</u>	<u>(23,908)</u>
Net assets	<u>156,242</u>	<u>(59,206)</u>	<u>97,036</u>
The funds of the Charity			
Unrestricted funds	73,992	(29,901)	44,091
Restricted funds	82,150	(29,305)	52,845
Share capital	100	-	100
	<u>156,242</u>	<u>(59,206)</u>	<u>97,036</u>

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Notes to the financial statements

Year ended 30 June 2021

15. Prior year restatement (continued)

Statement of financial activities (including income and expenditure account) Year ended 30 June 2020

	As original Unrestricted Funds £	As original Restricted Funds £	Adjustment Unrestricted Funds £	Adjustment Restricted Funds £	As restated 2020 £
Income					
Donations	131,994	3,687,443	-	-	3,819,437
Investments	11	-	-	-	11
Total income	<u>132,005</u>	<u>3,687,443</u>	<u>-</u>	<u>-</u>	<u>3,819,448</u>
Expenditure on:					
Raising funds	(17,279)	-	-	-	(17,279)
Charitable activities	(78,864)	(3,619,201)	(6,883)	(52,323)	(3,757,272)
Total expenditure	<u>(96,143)</u>	<u>(3,619,201)</u>	<u>(6,883)</u>	<u>(52,323)</u>	<u>(3,774,551)</u>
Net movement in funds	<u>35,862</u>	<u>68,242</u>	<u>(6,883)</u>	<u>(52,323)</u>	<u>44,896</u>
Reconciliation of funds					
Total funds brought forward	<u>15,112</u>	<u>36,926</u>	<u>-</u>	<u>-</u>	<u>52,038</u>
Total funds carried forward	<u>50,974</u>	<u>105,168</u>	<u>(6,883)</u>	<u>(52,323)</u>	<u>96,936</u>