

MASSEY UNIVERSITY FOUNDATION TRUST

Annual Report

For the Year Ended 31 December 2014

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Statement of Trustees Responsibility

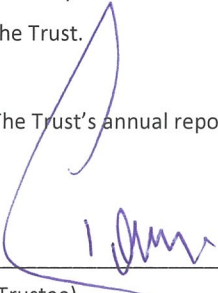
For the Year Ended 31 December 2014

The Trustees of Massey University Foundation Trust (the 'Trust') accept responsibility for the preparation of the annual report and the judgments used in these statements.

The Trustees accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Trust's financial reporting.

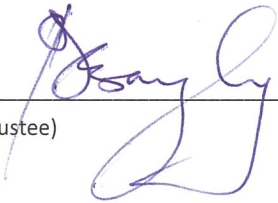
In the opinion of the Trustees the annual report for the financial year fairly reflects the financial position and operations of the Trust.

The Trust's annual report was adopted by the Trustees on 3 June 2015.



(Trustee)

3 June 2015



(Trustee)

3 June 2015

Massey University Foundation Trust

Trust Directory

As at 31 December 2014

Registered Office

Massey University
Turitea Campus
Tennant Drive
Palmerston North

Trustees

Nigel Gould (Chair)	appointed 25 March 2010
Colin Harvey	appointed 27 July 2007
Steve Maharey	appointed 04 October 2008
Brian Ward	appointed 25 March 2010
John Harrison	appointed 25 March 2010
Paul Bayly	appointed 18 June 2014

Auditors

Audit New Zealand
On behalf of the Auditor-General

Bankers

Bank of New Zealand
Westpac

Nature of Business

Charitable Trust

Location of Business

Tiritea House
Palmerston North

Solicitor

Buddle Finlay, Auckland

Massey University Foundation Trust

Statement of Comprehensive Income For the Year Ended 31 December 2014

	<i>Note</i>	<i>2014</i> \$ '000	<i>2013</i> \$ '000
INCOME			
Gifts, Legacies & Grants	3	3,216	1,389
Distributions from Managed Funds	5	521	462
Net gains from Managed Funds at fair value through surplus or deficit	5	1,297	1,181
Interest		65	41
Other Income		14	8
Total Income		5,113	3,081
EXPENDITURE			
Audit Fees		8	8
Distributions and Grants	4	1,075	628
Investment Management Fees		107	91
Bank Fees		1	1
Total Expenditure		1,191	728
Surplus for the year		3,922	2,353
Other Comprehensive Income		-	-
Total Comprehensive Income for the year	2	3,922	2,353

The Statement of Accounting Policies and Notes to the Financial Statements form part of and are to be read in conjunction with these statements.

Massey University Foundation Trust

Statement of Changes in Equity For the Year Ended 31 December 2014

	<i>Note</i>	<i>2014</i> \$ '000	<i>2013</i> \$ '000
Balance at 1 January		19,521	17,168
Total Comprehensive Income		3,922	2,353
Balance at 31 December	2	23,443	19,521

The Statement of Accounting Policies and Notes to the Financial Statements form part of and are to be read in conjunction with these statements.

Massey University Foundation Trust

Statement of Financial Position As At 31 December 2014

	Note	2014 \$ '000	2013 \$ '000
CURRENT ASSETS			
Cash and Cash Equivalents	10, 11	946	721
Debtors and Other Receivables	8, 11	31	60
Other Financial Assets	5, 11	22,691	18,779
Total Current Assets		23,668	19,560
CURRENT LIABILITIES			
Creditors and Other Payables	9	225	39
Total Current Liabilities		225	39
NET ASSETS		23,443	19,521

Represented by:

FOUNDATION EQUITY

Foundation Equity	2	23,443	19,521
TOTAL EQUITY		23,443	19,521

For and on behalf of the Foundation:

(Trustee)

3 June 2015

(Trustee)

3 June 2015

The Statement of Accounting Policies and Notes to the Financial Statements form part of and are to be read in conjunction with these statements.

Massey University Foundation Trust

Statement of Cash Flows

For the Year Ended 31 December 2014

	Note	2014 \$ '000	2013 \$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from			
Gifts, Legacies & Grants		3,262	1,331
Interest		63	32
Distribution from Managed Funds		562	454
Other Income		14	-
		3,901	1,817
Cash was applied to			
Distributions and Grants		914	624
Net GST movement		1	2
Payments to suppliers		104	83
Net Cash Flows from Operating Activities	6	2,882	1,108
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from			
Withdrawal of Investment		186	1,398
Withdrawal of Term Deposit		256	-
Cash was applied to			
Purchase of Term Deposit		940	747
Purchase of Investments		2,159	3,125
Net Cash Flows (to)/from Investing Activities		(2,657)	(2,474)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from			
Capital Injection		-	376
Cash was applied to			
Distribution of Retained Income		-	-
Net Cash Flows from Financing Activities		-	376
Net Increase/(Decrease) in cash and cash equivalents		225	(990)
Cash and Cash Equivalents at the beginning of the year		721	1,711
Cash and Cash Equivalents at the end of the year		946	721

The Statement of Accounting Policies and Notes to the Financial Statements form part of and are to be read in conjunction with these statements.

Massey University Foundation Trust

Notes to the Financial Statements

1. Statement of Accounting Policies

Reporting entity

Massey University Foundation Trust (the 'Foundation') is domiciled in New Zealand and is a charitable trust for the benefit of Massey University. It has held charitable status since 2004. The Foundation has designated itself as a public benefit entity with all applicable public benefit entity exemptions being adopted.

The financial statements are prepared in accordance with the trust deed, the Education Act 1989 – TEI Subsidiaries and New Zealand Generally Accepted Accounting Practice (NZ GAAP) where defined. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for public benefit entities where defined.

The financial statements of the Foundation are for the year ended 31 December 2014. The financial statements were authorised for issue by the Trustees on 3 June 2015.

BASIS OF PREPARATION

Measurement Base

The financial statements have been prepared on an historical cost basis except for Managed Funds which have been measured at fair value.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Foundation is New Zealand dollars (NZ\$).

Differential Reporting

The Foundation has applied differential reporting with all exemptions being taken up except for the provision of a Cash flow Statement.

The Foundation qualifies for differential reporting on the grounds that it is not publicly accountable within the meaning of the Framework for differential reporting. It is not large as it has less than 50 employees and total revenue was less than \$20 million for the year.

SIGNIFICANT ACCOUNTING POLICIES

There have been no changes in accounting policies, and the policies have been applied on a basis consistent with prior years.

Massey University Foundation Trust

The Foundation has not elected to early adopt any new standards or interpretations that are issued but not yet effective. Accounting Standards and interpretations issued but not yet effective NZ IFRS Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the group for the annual reporting period ended 31 December 2014, are outlined in the following table:

Reference	Title	Summary	Parent	Group
	<i>PBE Standards for Tier 1 and Tier 2 Public Benefit Entities</i>	<p>The package of PBE Standards issued, applicable for Tier 1 and Tier 2 PBEs consists of the following standards:</p> <ul style="list-style-type: none"> ▶ Standard XRB A1 <i>Accounting Standards Framework</i>, which is the overarching standard that sets out the accounting standards framework; ▶ A suite of 39 PBE Standards; and ▶ The Public Benefit Entities (conceptual) Framework. <p>The new PBE Standards are based on International Public Sector Accounting Standards, which are themselves based on IFRS. Therefore major changes to accounting policies are not expected. Nevertheless, there are some potentially significant differences and also a range of smaller differences between the PBE Standards and NZ IFRS. Examples of potential significant differences could include:</p> <ul style="list-style-type: none"> ▶ PBE Standards with no equivalent NZ IFRS <ul style="list-style-type: none"> - PBE IPSAS 23 <i>Revenue from Non-Exchange Transactions</i>, which prescribes requirements for accounting for revenue from non-exchange transactions; - PBE IPSAS 32 <i>Service Concession Arrangements: Grantor</i>, which prescribes the accounting for service concession arrangements by the grantor ▶ Differences between equivalent standards <ul style="list-style-type: none"> - PBE IPSAS 20 <i>Related Party Disclosures</i>, exempts all transactions between related parties (except key management personnel remuneration) that occur on arm's length terms and conditions from disclosure, and provides a potentially wider definition of key management personnel compared to NZ IFRS 24 <i>Related Party Disclosures</i>. <p>Please note that this is not a complete list of differences between PBE Standards and NZ IFRS.</p> <p>Early adoption of PBE Standards by Tier 1 and Tier 2 <u>public sector</u> PBEs is not permitted.</p>	<p>Public Sector PBEs 1 January 2015 (early adoption not permitted)</p>	<p>Public Sector PBEs 1 January 2015</p>

<p>NZ IFRS 9 (PBE) (2009)</p>	<p><i>Financial Instruments</i></p>	<p>NZ IFRS 9 (PBE) (2009) includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39 (PBE). The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:</p> <ul style="list-style-type: none"> ▶ two categories for financial assets being amortised cost or fair value; ▶ removal of the requirement to separate embedded derivatives in financial assets; ▶ strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows; ▶ an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on de-recognition; ▶ reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes; and ▶ changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income. <p>The new standard is required to be adopted for the year ended 31 December 2015. However as a new accounting standards framework will apply before this date there is no certainty when an equivalent standard to NZIFRS 9 will be applied by public benefit entities.</p>	<p>The new standard is required to be adopted for the year ended 31 December 2015. However, as a new accounting standards framework will apply before this date there is no certainty when an equivalent standard to NZIFRS 9 will be applied by public benefit entities.</p>	<p>The new standard is required to be adopted for the year ended 31 December 2015. However, as a new accounting standards framework will apply before this date there is no certainty when an equivalent standard to NZIFRS 9 will be applied by public benefit entities.</p>
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<p>NZ IFRS 9 (PBE) (2010)</p>	<p><i>Financial Instruments</i></p>	<p>NZ IFRS 9 (PBE) (2010) supersedes NZ IFRS 9 (PBE) (2009). The requirements for classifying and measuring financial liabilities were added to NZ IFRS 9 (PBE) as issued in 2009. The existing NZ IAS 39 (PBE) <i>Financial Instruments: Recognition and Measurement</i> requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities, the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>The new standard is required to be adopted for the year ended 31 December 2015. However, as a new accounting standards framework will apply before this date there is no certainty when an equivalent standard to NZIFRS 9 will be applied by public benefit entities.</p>	<p>The new standard is required to be adopted for the year ended 31 December 2015.</p> <p>However, as a new accounting standards framework will apply before this date there is no certainty when an equivalent standard to NZIFRS 9 will be applied by public benefit entities.</p>	<p>The new standard is required to be adopted for the year ended 31 December 2015.</p> <p>However, as a new accounting standards framework will apply before this date there is no certainty when an equivalent standard to NZIFRS 9 will be applied by public benefit entities.</p>
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*Designates the beginning of the applicable annual reporting period unless otherwise stated.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Foundation is consolidated into Massey University which is classified as a Tier 1 reporting entity and will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards have been developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Foundation expects to transition to the new standards in preparing its 31 December 2015 financial statements. The Foundation has completed its assessment of the changes, and expects there to be minimal impact of the new Accounting Standards Framework on the Group.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Income

Income is measured at the fair value of consideration received or receivable. Interest income is recognised at the maturation of investments with an accrual made for the portion that relates to the period between maturation date and balance date. Donations and bequests are recognised as income when the right to receive the fund or asset has been established. Pledges are not recognised as assets or revenue until the pledged item is received.

Massey University Foundation Trust

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Other Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purposes of measurement:

- fair value through surplus or deficit; and
- loans and receivables

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or is part of a portfolio that are managed together and for which there is evidence of short-term profit-taking.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. Fair values are determined by market prices.

Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Related party receivables that are repayable on demand are classified as a non-current asset because repayment of the receivable is not expected within 12 months of balance date.

After initial recognition loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit

Massey University Foundation Trust

Impairment of financial assets

At each balance date, the Foundation assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit.

Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Impairment of a loan or a receivable is established when there is objective evidence that Foundation will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). For other financial assets, impairment losses are recognised directly against the instruments carrying amount.

Goods and Services Tax

The Foundation is GST registered. All of the amounts included in the Statement of Comprehensive Income and Statement of Financial Position are stated on a GST exclusive basis except debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Foundation has received confirmation from the Commissioner of Inland Revenue for Exemption from Income Tax and Resident Withholding Tax by way of Charitable Status. The Foundation is registered with the Charities Commission as a charitable organisation. Accordingly no charge for income tax has been provided for.

Investment in Managed Funds

The Foundation invests its portfolio of assets with Nikko Asset Management Limited (formerly Tyndall Investment Management Limited). As part of the regular meeting schedule the trustees discuss the asset mix and weighting of the portfolio making recommendations on a best endeavors approach based on the current investment environment and likely future. Any adjustments that are recommended are discussed with Nikko Asset Management Limited before being enacted. The fair value of investments traded in an active market is based on quoted market prices as at balance date. The quoted market price used is the current bid price.

Massey University Foundation Trust

Creditors and Other Payables

Short-term creditors and other short-term payables are recorded at their face value.

Statement of Trust Relationship

The Foundation Trust Deed sets out the duties of the board in section 12:

12.1 The duties shall be:

- (a) To promote the Purposes of the Trust. Promotional expenses shall not be incurred without the prior approval of the Board.
- (b) Make arrangements for the investment of trust funds.
- (c) To make policy and make decisions as to the distribution or retention of income and if appropriate capital of the Trust Fund.

2. Equity

FOUNDATION EQUITY	01/01/14			31/12/14	
	Opening			Funds	Closing
	Balance	Transfers	Surplus	Movement	Balance
	\$000	\$000	\$000	\$000	\$000
Retained Earnings	19,521	-	3,922	-	23,443
Trust Capital	-	-	-	-	-
TOTAL FUNDS EMPLOYED	19,521	-	3,922	-	23,443

FOUNDATION EQUITY	01/01/13			31/12/13	
	Opening			Funds	Closing
	Balance	Transfers	Surplus	Movements	Balance
	\$000		\$000	\$000	\$000
Retained Earnings	125	17,043	2,353	-	19,521
Trust Capital (Note 13)	17,043	(17,043)	-	-	-
TOTAL FUNDS EMPLOYED	17,168	-	2,353	-	19,521

Massey University Foundation Trust

Section 4 of the trust deed states that if the board accepts a gift on condition that it is used for a specific purpose within the purpose of the trust, the board:

- (a) Must keep that gift and any income arising from it separate from the other assets of the trust fund;
- (b) Must use that gift and any income arising from it only for the specific purpose for which it has been given and to meet any expenses which the board considers relate (directly or indirectly) to the administration of that specific purpose; and
- (c) May establish a sub-trust or sub-trust under clause 18.1 for this purpose.
 - (i) Clause 18.1 states that the board may at any time establish a Sub-Trust or sub-trusts for purposes within the purpose of the trust. The purpose terms and conditions shall be defined in writing.

	2014	2013
	\$000	\$000
Total amount of Trust funds held for specific purpose	23,195	19,307
Total amount of Trust funds held for general purpose	<u>248</u>	<u>214</u>
	23,443	19,521

Trust funds have been categorised by distribution type.

Trust Categories

	01/01/14			31/12/14	
	Opening			Closing	
	Balance	Income	Expenditure	Balance	
	\$000	\$000	\$000	\$000	
Scholarships	8,141	2,028	363	9,806	
Research	7,903	1,659	562	9,001	
Other	2,535	1,084	142	3,477	
Prizes	25	2	1	26	
<u>Capital</u>	<u>917</u>	<u>340</u>	<u>123</u>	<u>1,133</u>	
Total	19,521	5,113	1,191	23,443	

Massey University Foundation Trust

3. Gifts, Legacies and Grants Income

The following organisations made significant contributions to the Massey University Foundation during 2014:

<u>Organisation</u>	<u>Amount</u>	<u>Fund</u>
Eastern and Central Community Trust	\$75,000	Wildbase Hospital
Lotteries Commission	\$114,393	Wildbase Hospital
The Warehouse Group Limited	\$250,000	Tindall Chair in Retail Management
College of Education Outdoor and Environmental Education Trust	\$452,791	John Peart Trust

4. Related Parties

The Foundation is a controlled entity of Massey University, as the Trustees of the Foundation are appointed by the Vice Chancellor of the University. All transactions between entities were conducted on an arm's length basis using commercial terms.

The following is a summary of transactions between Massey University Foundation and Massey University;

	<u>2014</u>	<u>2013</u>
	<u>\$000</u>	<u>\$000</u>
Debtors-Massey University	21	46
Creditors- Massey University	155	7
Sundry Income-Massey University	8	8
Distributions and Grants paid to Massey University	949	628

Massey University paid and provided staffing, provision of buildings and equipment to the value of \$521,137 (2013 \$643,197).

There were no other transactions between the Foundation and other related parties.

Massey University Foundation Trust

5. Other Financial Assets

	<u>2014</u>		<u>2013</u>	
	\$ '000	\$ '000	\$ '000	\$ '000
Bonds				
Opening Balance		15		-
Capital				
New Funds	-		15	
Funds Withdrawn	<u>(15)</u>		<u>-</u>	
		(15)		15
Closing Balance		<u><u>0</u></u>		<u><u>15</u></u>
Short-term deposits with maturities of 4-12 months				
Opening Balance		747		-
Capital				
New Funds	<u>895</u>		<u>730</u>	
				730
Investment Activity				
Interest Earned	45		17	
Funds Withdrawn	<u>(256)</u>		<u>-</u>	
		684		17
Closing Balance		<u><u>1,431</u></u>		<u><u>747</u></u>
Managed Funds at Fair Value through Surplus or Deficit				
Opening Balance		18,017		15,101
Capital				
New Funds	1,597		3,125	
Funds withdrawn	<u>(172)</u>		<u>(1,852)</u>	
		1,425		1,273
Investment Activity				
Distributions from Managed Funds - Dividends	521		462	
Net gains/(losses) of Managed Fund at fair value through surplus or deficit	<u>1,297</u>		<u>1,181</u>	
		1,818		1,643
Closing Balance		<u><u>21,260</u></u>		<u><u>18,017</u></u>
Represented by:				
Capital Stable Assets				
Cash New Zealand	956		843	
Fixed Interest New Zealand	6,983		5,169	
Fixed Interest Off Shore	<u>4,713</u>		<u>3,507</u>	
		12,652		9,519
Equities				
Equities New Zealand	3,219		3,634	
Equities Off Shore	<u>5,389</u>		<u>4,864</u>	
		8,608		8,498
		<u><u>21,260</u></u>		<u><u>18,017</u></u>

Massey University Foundation Trust

6. Reconciliation of the net surplus / (deficit) to the net cash flow from operating activities

	\$ '000	\$ '000
Surplus for the year	3,922	2,353
Less non-cash items		
Non-Cash Donations	-	(15)
Net Gains from Managed Funds at fair value	(1,256)	(1,189)
Add movements in working capital items		
Decrease in Debtors and Other Receivables	30	(60)
Increase in Creditors and Other Payables	186	19
Net Cash flow from Operating Activities	<u>2,882</u>	<u>1,108</u>

7. Contingencies

As at 31 December 2014 The Foundation had no contingent liabilities or contingent assets (2013, Nil).

8. Debtors and Other Receivables

2014 Debtors and Other Receivables were made up of Trust income (including related party income) and interest.
 2013 Debtors and Other Receivables were made up of Trust income (including related party income), interest and a resident withholding tax refund yet to be received.

At balance date there were no debtors past due.

	2014 \$ '000	2013 \$ '000
Debtors and Other Receivables	31	60
Total	<u>31</u>	<u>60</u>

Massey University Foundation Trust

9. Creditors and Other Payables

	2014	2013
	\$ '000	\$ '000
Creditors and Other Payables	225	39
Total	<u>225</u>	<u>39</u>

Creditor and other payables are non-interest bearing and are normally settled on 30 day terms.

10. Cash and Cash Equivalents

	2014	2013
	\$ '000	\$ '000
Cash at Bank	654	231
Call Deposits	292	490
Total	<u>946</u>	<u>721</u>

Cash and cash equivalents represent funds held to meet short-term commitments and include cash in hand and deposits held at call with the bank.

Massey University Foundation Trust

11. Financial Instrument categories

	2014	2013
	\$ '000	\$ '000
FINANCIAL ASSETS		
Fair Value through Surplus or deficit - held for trading		
Managed Funds *	21,260	18,017
Bonds	-	15
Short-term deposits with maturities of 4-12 months	1,431	747
Total held for trading	22,691	18,779

*The fund manager's credit rating is A+ with S&P

Loans and Receivables

Cash and Cash Equivalents	946	721
Debtors and Other Receivables	31	60
Total Loans and Receivables	977	781

FINANCIAL LIABILITIES

Financial Liabilities at Amortised Cost

Creditors and Other Payables	225	39
Total Financial Liabilities at Amortised Cost	225	39

Maturity analysis and effective interest rate

Short-term deposits with maturities of 4-12 months	1,431	747
Weighted average interest rate	4.68%	3.97%

The fair value of Term Deposits are as follows:

Short-term deposits with maturities of 4-12 months	1,431	747
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12. Securities and Guarantees

There was no overdraft at balance date nor were any facilities arranged (2013, Nil).

13. Financial Separation

In 2013 Massey University transferred equity for all funds of Massey University Foundation as part of the Foundation being financially separated. This equity has been transferred from Contributed Capital of Massey University to Retained Earnings of Massey University Foundation. This transfer is aligned with the intentions of the Trust Deed.

Massey University Foundation Trust

Report of the Auditor General