

CPIT FOUNDATION
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EDUCATIONAL
ENTERPRISE

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ANNUAL REPORT 2008



Investing in Educational Enterprise

www.cpfoundation.co.nz

CPIT FOUNDATION FUNDING EDUCATIONAL ENTERPRISE

CPIT Foundation was established as an independent trust in 1984 to assist Christchurch Polytechnic's 50,000 staff and students with enterprising projects and since that time has helped fund innovative projects that can "make a difference" to individual students and staff, to CPIT as a whole, or to the community.

Funding is provided for these projects through a six-monthly awards scheme for which students and staff apply online: www.cpfoundation.co.nz.

The Foundation is managed by Executive Director Tony Kunowski from an office in Allen Street next to the CPIT Campus, and governed by a board of Trustees, drawn from the business and education sectors in Canterbury.

Over the years, the CPIT Foundation has received donations from individuals, companies and the Polytechnic itself to build its funding base.

The CPIT Foundation therefore has a well established fund, which the Trustees have actively managed and grown over the years to provide a solid capital base at a level that can now help make a difference.

In addition, the CPIT Foundation forms partnerships with local businesses to help deliver some of the projects in a more meaningful and practical way. The Foundation is always keen to talk to Canterbury businesses interested in working with CPIT departments and their students on projects of mutual benefit.

CPIT Foundation

Phone: 365 3469

Email: cpfoundation@xtra.co.nz



Piwakawaka in the Forest, a book encouraging environmental stewardship among primary school-age children, has been published with a grant from CPIT Foundation.

CPIT FOUNDATION ANNUAL REPORT 2008

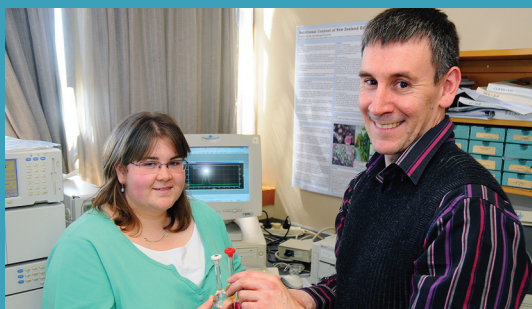
Having enjoyed a “watershed” year in 2007 in which we achieved a record level of grant payments, 2008 was a year of consolidation as the turmoil in world equity markets significantly impacted on the Foundation's asset base.

At \$250,742 however, our actual grant payments were high relative to most historical levels. Some of these payments were in relation to grants approved in earlier years such as the research project into a yeast-based fuel cell, Travis Swamp restoration, and the Digitalisation Programme, which aims to significantly upgrade or introduce new technology across the campus.

The new projects approved in 2008 are listed on page 7. Applications are made through an online process in which each project is assessed initially by up to three independent referees, and then by the trustees. Up to four assessment criteria are used depending on the nature of the project or status of the applicant. These criteria are: educational benefits, innovation potential, transformational potential and strategic benefit to CPIT.

In November we recognised grant recipients at our Annual Awards Dinner. Several leading Canterbury-based businesses were represented at the dinner. In a break from tradition we also invited two young Maori winners of Te Puna Wanaka's inspirational Rakatahi Excellence Awards projects to speak of their achievements. Video excerpts of the Awards Dinner may be viewed at our website www.cpfoundation.co.nz

During the year Grace Hollander, a long-standing and hugely respected trustee, resigned after 15 years of service to the Board and at last year's Annual General Meeting, Murray Weakley who had served on the Board for six years also resigned. In accordance with our trust deed we appointed in September two “independent” trustees – Karen Lewis and Scott Whitaker.



Determining the antioxidant and nutritional values of edible New Zealand plants such as puwaha and pikopiko was the subject of a research study funded by the Foundation. The results have already created interest in the food and nutraceutical industries.

CPIT FOUNDATION FINANCIAL PERFORMANCE

Although we had committed increased resources to our profile and awareness raising strategy, our total administration and financial expenses reduced from \$62,217 in 2007 to \$52,617 in 2008. In addition the lower level of grant payments reduced our operating deficit significantly by 84% from \$165,780 to \$26,964.

The unavoidable net decrease in the investment portfolio of \$732,458 however, increased our net operating loss for the year by 229% from \$230,556 to \$759,422. Despite the dramatic reduction in the value of its equity portfolio the trustees are committed to maintaining the Foundation's medium risk strategy as implemented by ABN Amro Craigs, our portfolio manager.

We recognise that our potential business partners have been similarly adversely affected by the strength and severity of the global recession and are reviewing their short and long term business strategies on a daily basis. Indeed such adverse times place a premium on the need to be innovative in order to adopt changes that will add value, and to be innovative requires the creativity, knowledge and skills that a high quality educational enterprise such as CPIT can provide.

Our commitment therefore remains firm to our mission of "providing financial support for innovative and transformational projects of CPIT and its internal stakeholders" and we will deliver as much value as we can in the current year to support CPIT's and the community's development.

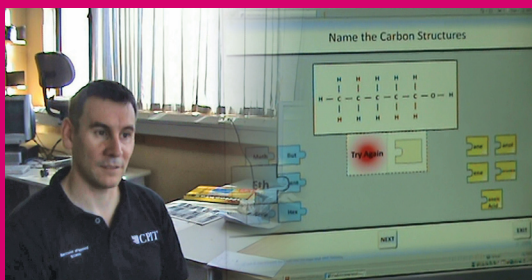
We thank our trustees and service providers for their work and contributions in 2008 and we look forward to maintaining our progress in the challenging times ahead.



Barry Pett
Chair



Tony Kunowski
Executive Director



The Bringing Science Alive project funded by the Foundation enabled the purchase and development of audio-visuals and animations to demonstrate scientific concepts. The resources will contribute to two chemistry and biology distance learning courses.

CPIT FOUNDATION FINANCIAL SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2008

Income	2008 (\$)	2007 (\$)
Income from investments	174,575	186,688
Income from rents	152,831	135,720
Realised capital (loss)/gain on sale of investments	(9,504)	30,045
Gross Income	317,902	352,453
Operating Expenses		
Grants	250,742	428,324
Wages	41,507	27,692
Administration & Financial	52,617	62,217
Total Expenses	344,866	518,233
Operating (deficit)/surplus	(26,964)	(165,780)
Net increase in investment portfolio revaluation	(732,458)	(64,776)
Net operating (deficit) /surplus for the period	(759,422)	(230,556)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2008

	2008 (\$)	2007 (\$)
Trust equity	4,786,561	5,583,483
Current liabilities	61,973	199,210
Non-current assets	4,826,958	5,770,043
Current assets	21,576	12,650
Total assets	4,848,534	5,782,693

1 May, 2009.



The city's first tertiary course for Pacific Island elders living in Christchurch has been able to compile a booklet and DVD of their stories and songs – the first of its kind in New Zealand - thanks to a grant from the Foundation.

2008 CPIT FOUNDATION REPORT OF THE AUDITOR-GENERAL

AUDIT REPORT TO THE READERS OF THE CHRISTCHURCH POLYTECHNIC FOUNDATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

The Auditor General is the auditor of the Christchurch Polytechnic Foundation (the Trust). The Auditor General has appointed me, K J Boddy, using the staff and resources of New Zealand, to carry out the audit of the financial statements of the Trust on his behalf for the year ended 31 December 2008.

UNQUALIFIED OPINION

In our opinion, the financial statements of the Trust on pages 4 to 11:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Trust's financial position as at 31 December 2008; and
 - the results of its operations for the year ended on that date.

The audit was completed on 1 May 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the Auditor General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITOR

The Trustees are responsible for preparing financial statements. Those financial statements must fairly reflect the financial position of the Trust as at 31 December 2008. They must also show the results of its operations for the year ended on that date. The Trustees' responsibilities arise from clause 10.4 of the Trust Deed.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Trust.



KJ Boddy – Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

2008 CPIT FOUNDATION AWARD RECIPIENTS

Nutritional Content of Edible NZ Plants – *Michael Edmonds*

To determine the antioxidant and other nutritional vitamins of edible NZ plants such as puwaha, spinach, pikopiko etc. with opportunities to form links with the food and nutraceutical industries

Award: \$3,516

Bringing Science Alive – *Michael Edmonds*

To purchase and develop resources such as videos and animations, to produce science courses that will contribute to two distance Chemistry and Biology courses.

Award: \$15,000

Forming Environmental Values at Young Age – *Derek Billings*

Production of a book for children promoting environmental stewardship.

Award: \$1,358

Worldskills competition – *Richard Gorrie*

To attend 3 day Worldskills in Sydney as National Plumbing Coordinator for Worldskills NZ.

Award: \$1,000

Pilchuck Glass Summer School 2008 – *Julie Humby*

Attendance at 2.5 week course in glass casting and ceramics at Pilchuck Glass School near Seattle.

Award: \$6,305

Art of Collaboration Print Portfolio – *Dorothee Pauli*

Conservation of 24 original works of intaglio, relief, and mixed-media printmaking.

\$3,660

Pasefika Development – *Sam Uta'i*

To assist in the provision of resources for the Pasefika Room in Te Puna Wanaka, the development of the Youth Leadership programme and to support Matua Pasefika Aloha celebrations.

Award: \$18,000

Te Puna Wanaka Rangitahi Excellence Awards – *Hemi Hoskins*

Continuation of programme which celebrates the achievements of young Maori in Canterbury intermediate and secondary schools.

\$9,000 per annum for three years

CPIT FOUNDATION TRUSTEES

The Trust Deed specifies that the Chair of the CPIT Council is a Foundation trustee ex officio and that up to 3 trustees can be appointed by the Council. Up to 8 trustees may be appointed from the community:

Chair: Barry Pett CPIT Council member

Deputy Chair: Janice Fredric Chief Executive,
Duncan Cotterill, Lawyers

Colin Russell Retired Businessman

Grace Hollander DCNZM, CBE, JP Retired Businesswoman
(retired October 2008)

Vicki Blyth Communications Director, Solid Energy
New Zealand Ltd

Hector Matthews Chair, CPIT Council member; Executive
Director, Maori and Pacific Health, Canterbury District Health Board

Dr Neil Barns Chief Executive, CPIT

Carl Pascoe CPIT Council member; Organisational Consultant

Scott Whitaker Partner Duncan Cotterill, Lawyers

Karen Lewis Accountant, Accor Group of Hotels

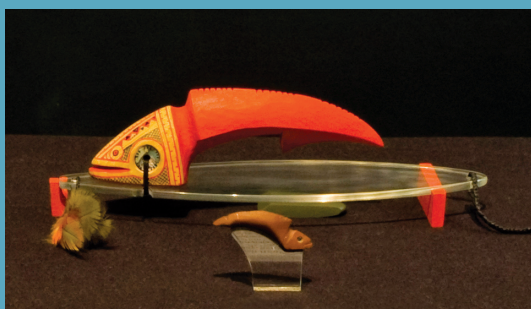
CONTACT DETAILS

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Email: cpfoundation@xtra.co.nz

www.cpfoundation.co.nz



Backroom collections from Canterbury Museum inspired a series of 12 art and craftworks by 12 local artists that were on display at the museum, photographed and collated into a book as a permanent record of the project, funded by the Foundation. This work is one of three carvings by Riki Manuel inspired by a red jasper stone fish hook artifact found in the Rakaia River.