

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2011**

The Trustees present their report and the financial statements of The University of Cape Town Trust (also known as the "UCT Trust") for the year ended 31 December 2011.

The University of Cape Town Trust is a United Kingdom charitable trust which works to support the University of Cape Town, South Africa. The University of Cape Town is committed to excellence and to equity in its mission to be an outstanding teaching and research university.

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity who have served since 1 January 2011, are as follows:

Sir Franklin Berman KCMG QC	Chairman
Baroness Chalker of Wallasey	
Professor Sir Jeffrey Jowell KCMG QC	
Mrs Irene Menell	
Emeritus Professor Stuart Saunders	
Mrs Jennifer Ward Oppenheimer	
Professor Hugh Corder	
Dr Elaine Potter	

The charity contact is the Consultant Director, Mrs Angela Edwards, who can be contacted at the principal address of the charity, which is 83a Esher High Street, Esher, Surrey KT10 9QA. The other contact details for the charity are by telephone 01372 477116, by e-mail uct-trust@tecres.net, or via the charity's website www.ucttrust.org.uk.

The charity is registered under the charity number 803042.

The Trustees have made the following professional appointments:

Solicitor:	Speechly Bircham LLP, 6 New Street Square, London, EC4A 3LX
Auditor:	Baker Tilly UK Audit LLP, The Clock House, 140 London Road, Guildford, Surrey GU1 1UW
Banker:	NatWest Bank plc, 9 High Street, Cobham, Surrey KT11 3DG
Investment Managers:	Charities Aid Foundation, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA BlackRock, PO Box 9036, Chelmsford, CM99 2XD

STRUCTURE, GOVERNANCE AND MANAGEMENT**Status & History**

The University of Cape Town Trust ("UCT Trust") is a registered UK charitable trust first established in 1990. It raises funds and support in Britain and in other parts of Europe for the University of Cape Town ("UCT") in South Africa. It aims to help UCT build on its role as a world-class university in Africa; one that is the leading research institution on the continent, that produces well-trained graduates to lead South Africa's economic social transformations, and one that strives for equity in all it does.

The original Trust became a registered charity on 19 March 1990, and is still governed by the rules and regulations set down in its trust deed (lodged with the UCT Trust's solicitors, Speechly Bircham) dated 5 March 1990. This trust deed (as subsequently amended) regulates the purpose and administration of the charity.

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Organisational Structure

The UCT Trust has a senior management team which is the board of Trustees, led by a Chairman. The overall strategic direction of the charity is determined by the Trustees, who hold meetings and discuss priorities on a regular basis. All decisions of the Trustees are taken after discussion at meetings with a quorum of three, and would, if necessary, be put to an open vote. A Deed of Variation dated 15th June 2011 varies the number of Trustees to a maximum of 12, a minimum of 6 and a quorum of 5.

The day-to-day administration is dealt with by a self-employed consultant, who operates under authority delegated by the Trustees and who provides advice to the Trustees in particular in respect of the activities of the charity.

UCT Trust uses the volunteer help of the former Vice-Chancellors and other key representatives of UCT to help in its UK fundraising. The charity is in regular contact with the Vice-Chancellor of the University of Cape Town, his Deputies, the Deans of Faculties, the Development Office and the Finance Director at UCT. This contact provides guidance to the UCT Trust of the university's strategy, its policies and its needs, which enables the Trustees to determine how best to support the major funding requirements from its limited resources.

Method of Recruitment, Appointment, Election, Induction & Training of Trustees*Recruitment*

The Trustees periodically consider the appropriate mix of skills and experience needed on the board to manage the charity and look to maintain this mix as and when a vacancy arises.

Appointment & Election

Under the Trust Deed new Trustees are appointed by the existing Trustees. The selection of candidates takes place by formal decision at a Trustees' meeting following prior discussion amongst the current Trustees. The formal appointments are made, as required under the Deed, by a Memorandum executed by the Chairman and witnessed by two attendees at the meeting.

Induction & Training

The role and responsibilities of a Trustee are explained to all new Trustees by the existing Trustees upon appointment.

Risk & Corporate Governance Matters

The Trustees have given consideration to the risks to which the charity is exposed and have satisfied themselves that systems or procedures are established in order to manage those risks.

The major risk facing the charity is uncertainty over funding from voluntary income sources in support of grant giving to UCT projects.

The economic crisis affecting the UK and global markets has had a strong effect on donor sentiment and has meant a reduction in both corporate profits and charitable trust incomes. Although 2011 was an excellent fundraising year for the UCT Trust in terms of donations received, the value of the Trust's investments has decreased, and the economic conditions will inevitably affect the charity's ability to raise support in the coming year.

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Donor sentiment is not wholly positive towards South Africa. Although South Africa's remarkable transition to democracy and economic stability over the past few years continues to be recognised, there is concern at developments within Southern Africa, especially in Zimbabwe, and increasing uncertainty about the South African political situation.

There is increasing competition for scarce funds available to South Africa, and the university sector. The charity competes with United Kingdom universities which urgently need to boost their own research incomes and bursary capabilities in light of recent stringent cuts to funding. There is also growing competition from South African institutions who are also fundraising in the United Kingdom.

Many of our benefactors who have been supporting UCT Trust for many years, feel that they have played their part and now want to move on to other worthy causes. This change of donor focus is a particular risk for the Trust which has been reliant on continuous generosity of substantial UK donors for several years. There is only a certain proportion of British benefactors ready to donate to educational causes outside of the United Kingdom.

The Trustees do what they can to manage these risks by maintaining communications with past and future potential donors, in particular and increasingly through the alumni network.

Other risks include storing of financial data and vulnerability of computer systems. This is managed by backing up procedures, use of email, and keeping copies of data in a safe environment outside the office. Strict financial procedures are in place regarding payment and transfer of significant sums of money.

Trustees' Responsibilities in the Preparation of Financial Statements

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

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Statement as to Disclosure of Information to the Auditor

The Trustees at the date of approval of this Trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

OBJECTIVES AND ACTIVITIES**Charitable Objectives**

The charitable objective for which the charity was established and registered is the advancement of education at the University of Cape Town in such manner as shall be exclusively charitable according to the law of England and Wales and as the Trustees may from time to time (and with the approval of the Council of the University of Cape Town) determine.

Charitable Activities

In practice, and in pursuance of its overall charitable goal, all the work undertaken by the charity is in respect of the provision of support for UCT.

The charity seeks to raise significant funds for the various key projects for which the university seeks help. In order to do so, UCT Trust seeks to delight our donors in all we do, to provide them with accurate, clear and regular reporting and to build UCT's reputation within the United Kingdom and beyond into Europe.

The charity's strategy to meet its objectives is to continue to interest major donors in signature fundraising projects. This involves having the Vice-Chancellor and other key members of UCT available to meet with our donors as well as alumni in the United Kingdom.

Indicators, Milestones & Benchmarks

The Trustees monitor a range of measures by which to try to determine the success of the charity in meeting its objectives. These measures include:

- The provision of bursaries for undergraduate and postgraduate students;
- The provision of Fellowship Programmes which encourage black academics to remain in academia;
- The performance of the 6 faculties : Commerce, Engineering & the Built Environment, Health Sciences, Humanities, Law, and Science;
- The progress of capital campaigns to improve the infrastructure of the University
- UCT's positioning as a global university, and its steady progress up the world rankings.

Public Benefit

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the recently published guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' Annual Report.

Benefits & Beneficiaries

The immediate benefit provided by the charity is that of much needed additional funding for UCT which is the initial recipient. However, the Trustees consider that the ultimate beneficiaries are the undergraduates, postgraduates, academics, other staff and all those involved in the UCT community in South Africa.

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Trustees' Assessment of Public Benefit

In monitoring the progress of the charity in terms of delivery of public benefit, the Trustees use the indicators, milestones and benchmarks referred to above to measure success and they gather evidence accordingly.

Grant Making Policy

Selection of recipients for grants made to the university is determined mainly by the original donor of funds to the UCT Trust. Almost 100% of our donations are earmarked for a particular purpose and are applied as such at the university. Where the donation is not specifically targeted in this way – in the case of a few small donations – the monies are applied as bursaries to means-tested and needy applicants, from disadvantaged backgrounds.

Grants donated to the charity are transferred in their entirety to the university and are applied only to the cause for which they were given. No 'percentage' is taken for administration or any other purposes. Regular, at least annual, reports are made to donors on the progress of projects these grants have funded. The Trustees monitor the use of funds carefully and on a continuous basis.

Relationships with Related Parties

The charity is fundamentally related to UCT in the performance of all of its charitable work. The charity also continues working on the development of relations with UCT alumni throughout the United Kingdom with encouraging results, including in the area of fundraising.

ACHIEVEMENTS AND PERFORMANCE**Activities & Events**

During 2011, the charity organised itineraries for successful visits to the UK of the Vice-Chancellor and other UCT personnel, including effecting introductions to potential supporters and making some useful connections. The UCT Trust has submitted proposals to various UK Foundations, seeking funds for UCT projects, including bursary programmes and capital projects. The UCT Trust has ensured that all donors receive timely reports and updates on how their funds have been utilised. The UCT Trust has also organised well attended alumni events throughout the year, including a Vice-Chancellor's reception in London, and smaller functions in other UK centres. These events help to engage alumni and reconnect them with their alma mater.

Impact of Activities & Events

The success of the charity in 2011 was evident due to the funds raised and the new connections made. Through a greater engagement with alumni, the database has improved significantly in size and accuracy. Funds raised have benefited many projects at UCT, including Obz Square, the new residence building, and the Perinatal Mental Health Project.

Public Benefit

During the year 2011, the following evidence demonstrates that the charity continues to benefit the public through its activities targeted to achieve its charitable objectives as it raises support for UCT:

UCT plays a crucial role in South Africa and the African continent. UCT's excellence is recognised with its ranking as the only African university in the top 200 universities worldwide, reaching 103rd place (107th in 2011) in the 2012 Times Higher Education World University Rankings.

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UCT continues to set the pace and help inform policy in South Africa. It is the leading research institution as judged by independent review, and attracts leading scholars. It houses over 34% of South Africa's A-rated scientists and engineers (ranked as world class in their fields by the National Research Foundation - NRF), nine of the 41 MRC-funded research centres, and two Department of Science & Technology/NRF Centres of Excellence. UCT's research output is at an all-time high with the highest number of government and peer-reviewed researchers in South Africa – 339.

UCT has been awarded 26 out of the total of 92 national Chairs under the South African Research Chairs Initiative (SARChI), established by the Department of Science and Technology (DST) and managed by the NRF, to build scientific research and innovation capacity in the country.

The third arm (Cape Town component) of the International Centre for Genetic Engineering & Biotechnology (ICGEB) is sited at UCT's Institute for Infectious Disease and Molecular Medicine (IIDMM) and is part of a powerful international facility for training and research in the biosciences.

UCT houses the cross-Africa collaborative University Science, Humanities and Engineering Partnerships in Africa (USHEPiA) which helps academics from eight other African universities to gain postgraduate qualifications. To date there are more than 45 graduates, all of whom remain in the African continent. Furthermore, UCT has some 4,600 foreign students from over 100 countries and more than 50% of these are from Southern Africa. About 1,000 are semester-study-abroad students.

UCT continues to make an impact in business and entrepreneurship development with its leading Business School (GSB), which was ranked joint 54th in the world in the 2012 Financial Times Global MBA Top 100. The full time MBA course was ranked the "best value for money MBA in the world".

UCT continues to embrace the challenges posed by the number of students who arrive at UCT under-prepared as a result of disadvantaged schooling (some 55% of the total student enrolment are black and many come from profoundly deprived backgrounds). The Academic Development Programme offers a wide range of bridging courses, intensive tutorials, language/communication skills, numeracy and computer literacy courses to prepare students for their university degrees and working lives. The crucial Financial Aid scheme for students enables students from disadvantaged backgrounds to study at UCT by helping them with loans and bursaries on a means-tested and merit basis, and this remains one of the priorities for our fundraising. UCT made available some £8.2 million (R98 million) in 2011 for financial aid and loan schemes to encourage talented, yet needy students to live and learn there.

The staff and academic Equity Development Programmes (EDP) are aimed at drawing on the widest pool of talent to become the researchers and academics of the future. The EDP encourages more black and more female academics to stay on in academia through a variety of interventions inter alia provision of bursaries for postgraduate qualifications; provision of mentoring and guidance; and through grooming these younger incumbents to build expertise and to fill academic positions as these become free through retirement. The EDP is operational now in all the 6 faculties – Commerce, Engineering & the Built Environment, Health Sciences, Humanities, Law, and Science.

FINANCIAL REVIEW**Financial Results of Activities & Events**

The total incoming resources of the charity for 2011 were £1,498,536 (2010: £665,631), and the equivalent total resources expended were £1,416,634 (2010: £888,888).

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Included within the above, the financial highlights for 2011 were:

- A substantial donation from the Wolfson Foundation towards the new residence building;
- The David & Elaine Potter Foundation continued with the eighth year of its significant programme for Masters and Doctoral students. The programme's objective is to develop graduates who will contribute to the country's development, and nurture a civil society in South Africa;
- The new Professorship in the Obstetrics & Gynaecology Department was launched: this is part funded by Welton Foundation, CHK Charities Ltd, C Heber Percy Charitable Trust and the William H Cadbury Trust, with donations over the next five years;
- The Sigrid Rausing Trust continued to fund undergraduate and postgraduate scholarship programmes for refugee students, as well as a visitorship programme for Scholars at Risk;
- The Welton Foundation made a generous donation to the Perinatal Mental Health Project;
- The Leverhulme Foundation continued a three year Equity Development Fellowship Programme in the Chemistry Department;
- Other notable bursary support has come from The MariaMarina Foundation, Pearson plc, the Julian Baring Scholarship Fund, Calleva Foundation, Edward & Dorothy Cadbury Charitable Trust, Rio Tinto plc, Stevenson Family Trust, The Schroder Foundation, and The Law Society Charity; and
- UK alumni donated £75,600 through the UCT Trust, aimed at the Annual Appeal, Bursaries, the Law Faculty, the Graduate School of Business and SHAWCO (the Student Health & Welfare Community Organisation).

Approximately 53% of gifts received in the year were for undergraduate bursaries and postgraduate fellowships for students from financially and educationally disadvantaged backgrounds.

The remaining 47% were aimed at capacity building to ensure that the quality of the physical facilities, teaching and research at UCT keeps pace with UCT's mission and its growing international reputation.

Reserves Policy

As at 31 December 2011, the charity had free reserves held in the General Fund of £59,535 (31 December 2010: £43,197). The amount of funds held as free reserves are utilised annually to cover operating costs and this is taken into consideration when determining the level of the annual operating grant needed to run UCT Trust. The annual operating grant is paid direct from UCT based on an annual forecast of costs.

Investments Policy

Investments are selected by the board of Trustees after presentation and discussion of the appropriate investment for charities and on the advice of the Charities Aid Foundation (CAF) and Black Rock. The proceeds of the endowment fund investments are remitted once a year to UCT to fund particular projects. The capital remains in the CAF and Black Rock investment portfolios, split 50:50 between bonds and equities.

The level of free reserves is never significant enough to be invested.

Investment Performance

During 2011, the charity's investments generated income of £19,326 (2010: £25,131). The investments shrank in capital value by £31,330 (2010: growth of £37,233).

PLANS FOR FUTURE PERIODS**Future Strategy**

The Trustees' current medium-to-long-term strategic goals for UCT Trust are:

- To continue to support UCT in appropriate and carefully considered ways;

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- To continue to commit to excellence and to equity in UCT’s mission to be an outstanding teaching and research university;
- To facilitate meetings in order that the Vice-Chancellor may spread news of UCT strengths and successes to a wider audience here in the UK; and
- To continue to expand and strengthen links to UK based UCT alumni.

Future Activities & Events

During 2012, UCT Trust will continue to inform UK grant-making bodies and individuals about UCT and its important role in South Africa and Africa as a whole, and seek funds for projects at the University. The UCT Trust will endeavour to make connections by setting up relevant meetings for the Vice-Chancellor and other UCT personnel during their visits to the UK, as well as keeping UCT alumni engaged and updated via the website and through the organisation of events. The UCT Trust will continue to provide regular and accurate reports for donors.

Impact of Future Activities & Events

The impact of the charity’s activities in the coming year will be assessed in terms of the funds raised in the UK and Europe for UCT projects, and the engagement of greater numbers of UK and European based alumni.

Public Benefit

In the future and in view of the continuing success of the charity, the Trustees do not intend to alter the charity’s approach to its delivery of public benefit.

FUNDS HELD AS CUSTODIAN

Although the charity maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the UCT Trust does not currently hold, and the Trustees do not anticipate that it should hold in the future, any funds as custodian for any third party.

THANK YOU

On behalf of the charity and the university, the Trustees wish to thank our benefactors for their very generous and farsighted support. We count on your renewed support to help UCT continue to play its unique role in South Africa and the African continent.

This report was approved by the Trustees on 2012, and was signed for and on behalf of the board by

..... Chairman
Sir Franklin Berman KCMG QC

..... 2012

INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF THE UNIVERSITY OF CAPE TOWN TRUST

We have audited the financial statements of The University of Cape Town Trust for the year ended 31 December 2011 on pages 10 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity’s trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity’s trustees 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 charity and the charity’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees’ responsibilities the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB’s website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2011 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees’ Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

.....
BAKER TILLY UK AUDIT LLP
Statutory Auditor
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2011**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	1	-	1,386,907	-	1,386,907	561,507
Investment income	2	1	18,874	451	19,326	25,131
Incoming resources from charitable activities						
Provision of support for UCT	3	87,503	4,800	-	92,303	78,993
TOTAL INCOMING RESOURCES		87,504	1,410,581	451	1,498,536	665,631
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income	4	62,547	-	-	62,547	60,248
Charitable activities						
Provision of support for UCT	5	304	1,346,734	-	1,347,038	812,656
Governance costs	6	7,049	-	-	7,049	15,984
TOTAL RESOURCES EXPENDED		69,900	1,346,734	-	1,416,634	888,888
NET INCOMING/(OUTGOING) RESOURCES		17,604	63,847	451	81,902	(223,257)
TRANSFERS						
Gross transfers between funds		-	-	-	-	-
OTHER RECOGNISED (LOSSES)/GAINS						
Losses on investments	8	-	-	(31,330)	(31,330)	37,233
NET MOVEMENT IN FUNDS		17,604	63,847	(30,879)	50,572	(186,024)
RECONCILIATION OF FUNDS						
Fund balances brought forward at 1 January 2011		43,816	438,253	621,578	1,103,647	1,289,671
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2011	11	61,420	502,100	590,699	1,154,219	1,103,647

The net movement in funds for the year arises from the charity's continuing activities.

No separate statement of total recognised gains and losses has been presented as all such gains and losses are included in the statement of financial activities.

BALANCE SHEET
 as at 31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	1,785	519
Investments	8	590,699	621,578
		<u>592,484</u>	<u>622,097</u>
CURRENT ASSETS			
Debtors	9	3,599	2,887
Cash at bank and in hand		564,995	489,906
		<u>568,594</u>	<u>492,793</u>
LIABILITIES			
Creditors: Amounts falling due within one year	10	6,859	11,243
		<u>561,735</u>	<u>481,550</u>
NET CURRENT ASSETS		<u>561,735</u>	<u>481,550</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,154,219</u>	<u>1,103,647</u>
		=====	=====
THE FUNDS OF THE CHARITY			
Endowment funds	11	590,699	621,578
Restricted income funds	11	502,100	438,253
Unrestricted income funds	11	61,320	43,716
Trust Fund capital	11	100	100
		<u>1,154,219</u>	<u>1,103,647</u>
TOTAL CHARITY FUNDS		<u>1,154,219</u>	<u>1,103,647</u>
		=====	=====

The financial statements on pages 10 to 22 were approved by the trustees and authorised for issue on 2012, and are signed on their behalf by

..... Chairman
 Sir Franklin Berman KCMG QC

..... 2012

Financial statements for the year ended 31 December 2011**ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The financial statements have been prepared to comply with current statutory requirements (being the Charities Act 2011), under the historical cost convention, except as modified for the annual revaluation of fixed asset investments, and in accordance with United Kingdom Generally Accepted Accounting Practice. The recommendations in *Accounting and Reporting by Charities: Statements of Recommended Practice (revised 2005)* issued by the Charity Commission in March 2005 have been followed. The accounting policies have been applied consistently in prior years.

INCOMING RESOURCES

General donations and other similar types of voluntary income are brought into account when received, except that donated income is included gross of any attributable tax recoverable, where relevant. Donations given for specific purposes are treated as restricted income.

Investment income is accounted for on a receivable basis, once the dividend has been declared or the interest and rental income has been earned.

Grant funding is accounted for on a receivable basis in line with expenditure on the projects being funded.

RESOURCES EXPENDED

Resources expended are allocated to the charity's principal activity where the costs can be identified as being directly related to that activity. All costs that cannot be identified as relating directly to the charity's principal activity are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled. Grants offered subject to conditions, which have not been met at the balance sheet date, are noted as a potential commitment, but are not treated as a liability.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All exchange gains or losses are included in the statement of financial activities in the period to which they relate.

Financial statements for the year ended 31 December 2011**ACCOUNTING POLICIES**

TANGIBLE FIXED ASSETS

All tangible assets purchased that have an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Computers	over 4 years
Office equipment	over 4 years
Furniture and fittings	over 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

INVESTMENTS

The charity's investments are included in the balance sheet at their market value. The gains or losses arising upon their annual revaluation are included in the statement of financial activities.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

FUND ACCOUNTING

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objective of the charity.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year end are carried forward in the balance sheet. Endowment funds are of a capital nature and the income arising on the capital is restricted income.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2011 £	Total 2010 £
1. VOLUNTARY INCOME					
Donations from foundations, trusts and companies	-	1,306,255	-	1,306,255	508,264
Donations from individuals:					
Gift Aid	-	77,261	-	77,261	48,643
Other	-	3,391	-	3,391	4,600
	- =====	1,386,907 =====	- =====	1,386,907 =====	561,507 =====
2. INVESTMENT INCOME					
Bank interest receivable on short term cash deposits	1	358	-	359	310
Income from investments listed on a recognised stock exchange:					
UK	-	18,516	451	18,967	24,821
Overseas	-	-	-	-	-
	1 =====	18,874 =====	451 =====	19,326 =====	25,131 =====
3. INCOME GENERATED BY THE PROVISION OF SUPPORT FOR UCT					
Operating grant contributions receivable from the University of Cape Town	87,503	4,800	-	92,303	78,993
	=====	=====	=====	=====	=====
4. COSTS OF GENERATING VOLUNTARY INCOME					
Direct costs:					
Alumni function costs	6,383	-	-	6,383	4,584
Support costs (see note 6)	56,164	-	-	56,164	55,664
	62,547 =====	- =====	- =====	62,547 =====	60,248 =====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2011 £	Total 2010 £
5. COSTS INCURRED IN THE PROVISION OF SUPPORT FOR UCT					
Direct costs:					
Grants given in support of the University of Cape Town programmes	-	1,346,734	-	1,346,734	810,867
Support costs (see note 6)	304	-	-	304	1,789
	<u>304</u>	<u>1,346,734</u>	<u>-</u>	<u>1,347,038</u>	<u>812,656</u>
	=====	=====	=====	=====	=====
	Costs of generating voluntary income £	Costs incurred in provision of support for UCT £	Governance costs £	Total 2011 £	Total 2010 £
6. SUPPORT COSTS					
Consultancy and administration	44,088	-	-	44,088	35,578
Travel and accommodation	1,289	-	-	1,289	4,388
Communications and stationery	2,755	-	-	2,755	3,661
Operating lease rentals:					
Land and buildings	4,500	-	-	4,500	4,500
Other office costs	2,542	-	-	2,542	3,374
Auditor's remuneration:					
Audit fees	-	-	6,574	6,574	7,128
Accountancy fees	990	-	-	990	4,163
Legal fees	-	-	475	475	8,856
Depreciation – owned assets	-	304	-	304	468
Foreign exchange loss	-	-	-	-	1,321
	<u>56,164</u>	<u>304</u>	<u>7,049</u>	<u>63,517</u>	<u>73,437</u>
	=====	=====	=====	=====	=====

The charity does not employ any staff nor does it incur any staff costs directly.

Much of the work of the charity is undertaken by the trustees, who received no remuneration for their services provided to the charity and were not reimbursed for any expenses incurred on behalf of the charity during the current or previous year.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

7. TANGIBLE ASSETS

	Computers	Office equipment	Furniture and fittings	TOTAL
	£	£	£	£
Cost:				
1 January 2011	2,518	1,022	1,354	4,894
Additions	1,570	-	-	1,570
Disposals	(1,094)	-	-	(1,094)
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2011	2,994	1,022	1,354	5,370
Depreciation:				
1 January 2011	1,999	1,022	1,354	4,375
Charge for year	304	-	-	304
Disposal	(1,094)	-	-	(1,094)
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2011	1,209	1,022	1,354	3,585
Net book value:				
31 December 2011	1,785	-	-	1,785
	=====	=====	=====	=====
31 December 2010	519	-	-	519
	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

	2011 £	2010 £
8. INVESTMENTS		
Investments listed on a recognised stock exchange, held primarily to provide an investment return, at market value:		
1 January 2010	621,578	575,252
Additions at cost	451	9,093
Unrealised (losses)/gains	(31,330)	37,233
31 December 2011	<u>590,699</u> =====	<u>621,578</u> =====
At the balance sheet date, the market value of the portfolio comprised:		
UK investments	<u>590,699</u> =====	<u>621,578</u> =====
Unit trust funds and other similar securities	<u>590,699</u> =====	<u>621,578</u> =====
At the balance sheet date, the historical cost of the investments was £485,813 (2010: £485,362).		
Individual holdings representing more than 5% of the market value of the portfolio at the balance sheet date are as follows:		
Charities Aid Foundation	353,459	376,153
BlackRock	237,240	245,425
	<u>590,699</u> =====	<u>621,578</u> =====

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

	2011	2010
	£	£
9. DEBTORS		
Income tax recoverable	3,599	1,887
Event costs recoverable from the University of Cape Town	-	1,000
	<u>3,599</u>	<u>2,887</u>
	=====	=====
10. CREDITORS		
Amounts falling due within one year:		
Accruals	6,859	11,243
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**
11. THE FUNDS OF THE CHARITY

	1 January 2011 £	Incoming resources £	Outgoing resources £	Gains on investments £	Transfers between funds £	31 December 2011 £
Endowment funds:						
Glaxo Chair Fund	475,003	-	-	(22,310)	-	452,693
Law Faculty Fund	101,899	451	-	(6,295)	-	96,055
Mibashan Fund	14,173	-	-	(873)	-	13,300
Oates Fund	25,832	-	-	(1,582)	-	24,250
Andrews Fund	2,762	-	-	(163)	-	2,599
Yash Ghai Fund	1,909	-	-	(107)	-	1,802
	<u>621,578</u>	<u>451</u>	<u>-</u>	<u>(31,330)</u>	<u>-</u>	<u>590,699</u>
Restricted income funds:						
<i>Undistributed endowment funds income –</i>						
Glaxo Chair Fund	18,894	15,426	(18,885)	-	-	15,435
Mibashan Fund	586	341	(586)	-	-	341
Oates Fund	1,067	624	(1,067)	-	-	624
Andrews Fund	114	68	(114)	-	-	68
Yash Ghai Fund	79	48	(78)	-	-	49
Law Faculty Fund	-	2,013	-	-	(2,013)	-
Bursary Fund	233,606	144,672	(156,109)	-	-	222,169
Sigrid Rausing Trust	2,129	306,018	(155,000)	-	-	153,147
New Residences Fund	100,373	550,104	(650,373)	-	-	104
Ackerman Fund	27,124	16	(16,500)	-	-	10,640
O&G Fund	93	55,013	-	-	-	55,106
AEON Fund	293	120	-	-	-	413
Annual Appeal Fund	4,387	6,049	(8,975)	-	-	1,461
Law Faculty Fund	43,510	18,359	(29,560)	-	2,013	34,322
Prof Robertson Fund	3	20,289	(19,070)	-	-	1,222
WHO/EEC fund	3,600	2	-	-	-	3,602
Baxter Theatre Fund	1,120	-	(1,120)	-	-	-
PMHP Fund	96	50,631	(50,722)	-	-	5
Potter Fellowships	7	198,012	(198,000)	-	-	19
Keswick Prize	590	2,251	-	-	-	2,841
Drug Discovery/Dvpt	-	200	-	-	-	200
SHAWCO Fund	433	1,348	(1,600)	-	-	181
GSB Fund	-	125	(125)	-	-	-
Chemistry Fund	149	37,602	(37,600)	-	-	151
Alumni Fund for Events	-	1,250	(1,250)	-	-	-
	<u>438,253</u>	<u>1,410,581</u>	<u>(1,346,734)</u>	<u>-</u>	<u>-</u>	<u>502,100</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

11. **THE FUNDS OF THE CHARITY (Continued)**

	1 January 2011 £	Incoming resources £	Outgoing resources £	Gains on investments £	Transfers between funds £	31 December 2011 £
Unrestricted income funds:						
General Fund	43,716	87,504	(69,900)	-	-	61,320
Trust Fund Capital:						
Capital	100	-	-	-	-	100
Total Funds	1,103,647 =====	1,498,536 =====	(1,416,634) =====	(31,330) =====	- =====	1,154,219 =====

Endowment funds

The endowment funds represent permanent capital sums given to the charity and are held as fixed asset investments. The income arising on these funds is to be expended in accordance with the donors' wishes on specific projects at the University of Cape Town. Undistributed funds are treated as restricted funds and are held as cash.

Glaxo Chair

Income from the Glaxo Chair endowment is for UCT's Glaxo Chair in Primary Healthcare.

Law Faculty

The income is reinvested to increase the value of the endowment for UCT's Law Faculty.

Mibashan

The income is used for merit awards for registrars in UCT's Department of Medicine.

Oates

The income is used for merit awards for registrars in UCT's Department of Medicine.

Andrews

Income is used to fund the Robert Andrews Piano Prize at UCT.

Yash Ghai

The income is used to fund the Yash Ghai prize for Constitutional Law at UCT.

Included within the total of endowment funds are net unrealised gains arising on the revaluation of the charity's investment assets totalling £104,889 (2010: £136,219).

Restricted funds

Bursary fund

Funds are used to provide bursaries for students who hail from disadvantaged backgrounds and who, without financial aid, would not be able to attend UCT.

Sigrid Rausing Trust

The fund is used to support the "Eric Abraham Awards for Refugees and Scholars at Risk".

New Residences fund

The fund is used to contribute towards the capital costs of a new residence building with 880 beds.

Ackerman fund

The Bruce and Raymond Ackerman fund is used to provide bursaries.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

11. **THE FUNDS OF THE CHARITY (Continued)**

O&G fund

This fund is used to finance projects in the Department of Obstetrics & Gynaecology, including a new Professorship and Head of Clinical Unit in Reproductive Health and Fertility Regulation.

AEON fund

The fund contributes to fellowships and core costs at the Africa Earth Observatory Network.

Annual Appeal fund

The fund contributes to projects determined by UCT's Annual Appeal to alumni around the world.

Law Faculty fund

Funds raised are used for Law bursaries or reinvested in the Law Faculty Endowment Fund.

Prof Robertson fund

This funds the Prof Mary May Robertson Scholarship and Prizes in the Faculty of Health Sciences.

WHO/EEC fund

This funds EEC funded joint research projects between UCT and WHO.

Baxter Theatre fund

The funds are used to assist UCT's Baxter Theatre Centre.

PMHP fund

The fund is used on the Perinatal Mental Health Project at UCT.

Potter Fellowships

The fund is to promote fellowships which are aimed at nurturing a civil society in South Africa.

Keswick Prize fund

This funds an annual prize to encourage lucid writing.

Drug Discovery and Development fund

This fund is for the refurbishment of laboratories for use of the Centre for Drug Discovery and Development.

SHAWCO fund

The fund is used to help finance the Students' Health and Welfare Centres Organisation, a student run NGO based at UCT.

GSB fund

The money is used for specific projects at UCT's Graduate School of Business.

Chemistry fund

This funds the Equity Development Fellowship Programme in the Chemistry Department.

12. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed assets £	Net current assets £	Total £
Endowment funds	590,699	-	590,699
Restricted income funds	-	502,100	502,100
Unrestricted income funds	1,785	59,635	61,420
NET ASSETS	<u>592,484</u> =====	<u>561,735</u> =====	<u>1,154,219</u> =====

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

13. RELATED PARTY TRANSACTIONS

The charity is fundamentally related to the University of Cape Town in South Africa (UCT) in the performance of all of its charitable works. Transactions with UCT are disclosed in the notes to the financial statements where relevant.