



# The University of Cape Town Trust

UK Registered Charity 803042

Trustees Annual Report & Financial Statements  
31<sup>st</sup> December 2013



Torrington House, 111 Hare Lane, Claygate, Surrey, KT10 0QY, UK

Tel: 01372 465502 E-mail: [uct-trust@teces.net](mailto:uct-trust@teces.net)

[www.ucttrust.org.uk](http://www.ucttrust.org.uk)

*A UK registered Charitable Trust (No 803042) supporting the University of Cape Town, South Africa*

**Trustees:** Sir Franklin Berman KCMG QC (Chairman) Baroness Chalker of Wallasey Professor Hugh Corder  
Richard J Gnodde Charles G McGregor Dr Elaine Potter Jennifer Ward Oppenheimer Stephen Westwell

**TRUSTEES' ANNUAL REPORT  
for the year ended 31 December 2013**

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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 2013.

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 for the year under review were as follows:

Sir Franklin Berman KCMG QC	<b>Chairman</b>
Baroness Chalker of Wallasey	
Professor Hugh Corder	
Mr Richard Gnodde	
Mr Charles McGregor	
Dr Elaine Potter	
Mrs Jennifer Ward Oppenheimer	
Mr Stephen Westwell	

The charity contact is the Consultant Director, Mrs Angela Edwards, who can be contacted at the principal address of the charity, which is Torrington House, 111 Hare Lane, Claygate, Surrey, KT10 0QY. The other contact details for the charity are by telephone 01372 465502, by e-mail [uct-trust@tecrec.net](mailto:uct-trust@tecrec.net), or via the charity's website [www.ucttrust.org.uk](http://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, 3rd Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1UN
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.

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

**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. The number of Trustees is subject to a maximum of 12, a minimum of 6 and a quorum of 5.

The day-to-day administration is dealt with by two part-time self-employed consultants, who operate under authority delegated by the Trustees and who provide 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 main risk facing the charity remains uncertainty over funding from voluntary income sources in support of grant giving to UCT projects.

Although some optimism has returned, the economic crisis, which has dominated the UK and global markets since 2008, continues to affect the ability and willingness of Foundations and companies, as well as individuals, to support the Trust. However, 2013 did see an increase in total donations received, and an increase of some 23% in alumni support. There was also an appreciable rise in the value of the Trust's investments.

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Despite South Africa's remarkable transition to democracy over the last twenty years and the economic stability it has enjoyed, donor sentiment is not always completely positive towards the country, and there is increasing competition for the scarce funds which are available for South Africa and the university sector. Only a small proportion of British benefactors are willing to support educational causes outside the United Kingdom.

Some benefactors who have supported the UCT Trust for many years, have changed their philanthropic focus or have finished long running programmes, and wish to turn their attention to other institutions – a particular risk for the Trust which has been reliant on the continuous generosity of substantial UK donors for many years.

The Trustees manage these risks by maintaining regular communication with past and potential future donors, in particular and increasingly through the alumni network. In doing so, the Trustees ensure that the wealth of good news emerging from UCT and the evidence of the ever increasing and far reaching influence the institution has in the African continent, is spread far and wide.

Other risks such as the storing of financial data and vulnerability of computer systems are managed by backing up procedures, including use of cloud computing, 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 that 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 the Vice-Chancellor and other key members of UCT being available to meet with our donors and UCT 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 performance of the six faculties: Commerce, Engineering & the Built Environment, Health Sciences, Humanities, Law, and Science;
- The progress of capital campaigns to improve the infrastructure of the University
- The outcomes from various outreach activities 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 the Trust's 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 very 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 2013, the UCT Trust organised itineraries for successful visits to the UK from the Vice-Chancellor and other UCT personnel, which included effecting introductions to potential supporters and making useful connections. The UCT Trust has submitted proposals to various UK Foundations, seeking funds for UCT projects, including bursary programmes, community 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 central London, a fundraising evening for the Opera School at South Africa House, and lectures from visiting UCT Professors. These events serve to engage alumni and reconnect them with their alma mater.

**Impact of Activities & Events**

The success of the charity in 2013 was evident from the donations received and the new connections made. Funds raised have benefited many projects at UCT, including H3-D (Drug Discovery & Development Centre), the Schools Improvement Initiative, and numerous bursary programmes. Through a greater engagement with alumni, the database has improved significantly in size and accuracy, and a larger number of alumni donations have been received.

**Public Benefit**

During 2013, 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, providing world class trained graduates to support South Africa's growing economy, and producing groundbreaking research. UCT's excellence is recognised with its ranking as the only African university in the top 200 universities worldwide, as indicated by the 2013 Times Higher Education World University Rankings.

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UCT aspires to become a premier academic meeting point between South Africa, the rest of Africa and the world. Taking advantage of expanding global networks and UCT's distinct vantage point in Africa, the University is committed, through innovative research and scholarship, to grapple with the key issues of the natural and social worlds. UCT aims to produce graduates whose qualifications are internationally recognised and locally applicable, underpinned by values of engaged citizenship and social justice.

UCT sets the pace and helps 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), and nine of the 39 MRC-funded research centres, including the Human Genetics Research Unit and the Molecular Mycobacteriology Research Unit. Three Department of Science & Technology/NRF Centres of Excellence are also housed, either in part or as a whole, at UCT. UCT's research output is at an all-time high with 415 government and peer-reviewed researchers.

UCT has been awarded 32 out of the total of 154 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 (IDM) 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. 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 makes an impact in business and entrepreneurship development with its leading Business School (GSB), which has remained consistently in the Financial Times Global MBA Top 100 – the only African business school to be included. The full time MBA course was ranked the number 2 “best value for money MBA in the world” in 2013.

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 £6.7 million (R100 million\*) in 2013 for financial aid and loan schemes to enable talented students from profoundly disadvantaged backgrounds to study at South Africa's leading university.

\*using R15:£1

UCT has set a strategic goal to expand and enhance its contribution to South Africa's development challenges, committing to engaged, policy-relevant research and teaching, as well as to expanding opportunities for students to become directly involved in socially-responsive learning. The aim is to ensure that research carried out at UCT contributes to the public good through sharing knowledge for the benefit of society and through fostering in students the acquisition of the civic literacy, knowledge and skills necessary to build a more just, equitable and unified South African society.

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

The total incoming resources of the charity for 2013 were £700,540 (2012: £569,154), and the equivalent total resources expended were £463,695 (2012: £793,203).

Included within the above, the financial highlights for 2013 were:

- A substantial donation from the Wolfson Foundation towards the refurbishment of the Drug Discovery and Development Centre;
- The Professorship in the Obstetrics & Gynaecology Department which is part funded by Welton Foundation, CHK Charities Ltd, C Heber Percy Charitable Trust and the William H Cadbury Trust, with donations over five years;
- Significant support was received from The Breadsticks Foundation for the Perinatal Mental Health Project;
- The Julian Baring Scholarship Fund has increased its support for young African engineers from outside South Africa who are interested in pursuing a career in the field of mining;
- Notable bursary support has come from The MariaMarina Foundation, Pearson plc, Rio Tinto plc, The Schroder Foundation, Calleva Foundation, Stevenson Family Trust, and The Law Society Charity; and
- UK alumni donated £112,655 through the UCT Trust, aimed at the Annual Appeal, Bursaries, the Law Faculty, the Opera School, the Schools Improvement Initiative, and SHAWCO (the Student Health & Welfare Community Organisation).

Approximately 30% of gifts received in the year were for undergraduate bursaries and postgraduate fellowships for students from financially and educationally disadvantaged backgrounds.

The remaining 70% 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, and schools development projects.

**Reserves Policy**

As at 31 December 2013, the charity had free reserves held in the General Fund of £63,628 (31 December 2012: £66,453). The 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 38:62 between bonds and equities at year end. Following full consideration of the state of the investments and of the income requirements to meet current commitments, the Trustees have decided to adjust this split to 30:70.

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

**Investment Performance**

During 2013, the charity's investments generated income of £22,173 (2012: £18,909). The investments gained in capital value by £52,206 (2012: increase of £53,794).

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**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;
- 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 2014, 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 20<sup>th</sup> May 2014, and was signed for and on behalf of the board by

..... Chairman  
Sir Franklin Berman KCMG QC

20 May 2014

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

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We have audited the financial statements of The University of Cape Town Trust for the year ended 31 December 2013 on pages 10 to 21. 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 Financial Reporting Council’s website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

**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 2013 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 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.

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BAKER TILLY UK AUDIT LLP  
Statutory Auditor  
3rd Floor, One London Square  
Cross Lanes  
Guildford  
Surrey GU1 1UN

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**STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2013**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2013 £	Total 2012 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	1	-	599,768	3,438	603,206	466,782
Investment income	2	7	22,327		22,334	19,372
<b>Incoming resources from charitable activities</b>						
Provision of support for UCT	3	75,000	-	-	75,000	83,000
<b>TOTAL INCOMING RESOURCES</b>		<b>75,007</b>	<b>622,095</b>	<b>3,438</b>	<b>700,540</b>	<b>569,154</b>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income	4	69,491	-	-	69,491	64,274
<b>Charitable activities</b>						
Provision of support for UCT	5	(328)	383,411	2,031	385,114	718,088
<b>Governance costs</b>	6	9,090	-	-	9,090	10,841
<b>TOTAL RESOURCES EXPENDED</b>		<b>78,253</b>	<b>383,411</b>	<b>2,031</b>	<b>463,695</b>	<b>793,203</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>						
<b>TRANSFERS</b>		(3,246)	238,684	-	236,845	(224,049)
Gross transfers between funds		-	-	-	-	-
<b>OTHER RECOGNISED GAINS/(LOSSES)</b>						
Gains on investments	8	-	-	52,206	52,206	53,794
<b>NET MOVEMENT IN FUNDS</b>		<b>(3,246)</b>	<b>238,684</b>	<b>53,613</b>	<b>289,051</b>	<b>(170,255)</b>
<b>RECONCILIATION OF FUNDS</b>						
Fund balances brought forward at 1 January 2013		67,782	271,689	644,493	983,964	1,154,219
<b>FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2013</b>						
	11	64,536	510,373	698,106	1,273,015	983,964
		=====	=====	=====	=====	=====

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 2013

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	7	808	1,229
Investments	8	698,106	644,493
		<u>698,914</u>	<u>645,722</u>
<b>CURRENT ASSETS</b>			
Debtors	9	3,274	4,828
Cash at bank and in hand		580,506	341,650
		<u>583,780</u>	<u>346,478</u>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	10	9,679	8,236
<b>NET CURRENT ASSETS</b>		<u>574,101</u>	<u>338,242</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,273,015</u>	<u>983,964</u>
		=====	=====
<b>THE FUNDS OF THE CHARITY</b>			
Endowment funds	11	698,106	644,493
Restricted income funds	11	510,373	271,689
Unrestricted income funds	11	64,436	67,682
Trust Fund capital	11	100	100
<b>TOTAL CHARITY FUNDS</b>		<u>1,273,015</u>	<u>983,964</u>
		=====	=====

The financial statements on pages 10 to 21 were approved by the trustees and authorised for issue on 20 May 2014, and are signed on their behalf by

..... Chairman  
 Sir Franklin Berman KCMG QC

20 May 2014

**Financial statements for the year ended 31 December 2013****ACCOUNTING POLICIES**

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**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 2013****ACCOUNTING POLICIES**

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**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 2013**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2013 £	Total 2012 £
<b>1. VOLUNTARY INCOME</b>					
Donations from foundations, trusts and companies	-	477,363	-	477,363	331,978
Donations from individuals:					
Gift Aid	-	101,484	-	101,484	83,569
Other	-	20,921	3,438	24,359	51,235
	- =====	599,768 =====	3,438 =====	603,206 =====	466,782 =====
<b>2. INVESTMENT INCOME</b>					
Bank interest receivable on short term cash deposits	7	154	-	161	463
Income from investments listed on a recognised stock exchange:					
UK	-	22,173	-	22,173	18,909
	7 =====	22,327 =====	- =====	22,334 =====	19,372 =====
<b>3. INCOME GENERATED BY THE PROVISION OF SUPPORT FOR UCT</b>					
Operating grant contributions receivable from the University of Cape Town	75,000	-	-	75,000	83,000
	=====	=====	=====	=====	=====
<b>4. COSTS OF GENERATING VOLUNTARY INCOME</b>					
Direct costs:					
Alumni function costs	5,496	-	-	5,496	3,964
Alumni Appeal	3,133	-	-	3,133	-
Support costs (see note 6)	60,862	-	-	60,862	60,310
	69,491 =====	- =====	- =====	69,491 =====	64,274 =====



NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2013

7. TANGIBLE ASSETS

	Computers £	Office equipment £	Furniture and fittings £	TOTAL £
Cost:				
1 January 2013 and 31 December 2013	3,104	1,022	1,354	5,480
Depreciation:				
1 January 2013	1,875	1,022	1,354	4,251
Charge for year	421	-	-	421
31 December 2013	2,296	1,022	1,354	4,672
Net book value:				
31 December 2013	808	-	-	808
31 December 2012	1,229	-	-	1,229

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>8. INVESTMENTS</b>		
Investments listed on a recognised stock exchange, held primarily to provide an investment return, at market value:		
1 January 2013	644,493	590,699
Additions	172,465	-
Disposals at carrying value	(171,058)	-
Unrealised gains	52,206	53,794
	<u>698,106</u>	<u>644,493</u>
	=====	=====
31 December 2013	<u>698,106</u>	<u>644,493</u>
	=====	=====
At the balance sheet date, the market value of the portfolio comprised:		
UK investments	698,106	644,493
	<u>698,106</u>	<u>644,493</u>
	=====	=====
Unit trust funds and other similar securities	698,106	644,493
	<u>698,106</u>	<u>644,493</u>
	=====	=====
At the balance sheet date, the historical cost of the investments was £490,883 (2012: £485,813).		
Individual holdings representing more than 5% of the market value of the portfolio at the balance sheet date are as follows:		
Charities Aid Foundation	274,854	395,328
BlackRock	423,252	249,165
	<u>698,106</u>	<u>644,493</u>
	=====	=====
<b>9. DEBTORS</b>		
Income tax recoverable	3,274	4,546
Event costs recoverable from the University of Cape Town	-	282
	<u>3,274</u>	<u>4,828</u>
	=====	=====
<b>10. CREDITORS</b>		
Amounts falling due within one year:		
Accruals	9,679	8,236
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

11. **THE FUNDS OF THE CHARITY**

	1 January 2013 £	Incoming resources £	Outgoing resources £	Gains on investments £	Transfers between funds £	31 December 2013 £
<b>Endowment funds:</b>						
Glaxo Chair Fund	488,338	-	-	38,449	-	526,787
Law Faculty Fund	106,637	-	-	11,723	-	118,360
Mibashan Fund	14,769	-	-	1,633	-	16,402
Oates Fund	29,906	-	-	(74)	-	29,832
Andrews Fund	2,870	-	-	278	-	3,148
Yash Ghai Fund	1,973	-	2,031	58	-	-
Kaplan Award	-	3,438	-	139	-	3,577
	<u>644,493</u>	<u>3,438</u>	<u>(2,031)</u>	<u>52,206</u>	<u>-</u>	<u>698,106</u>
<b>Restricted income funds:</b>						
<i>Undistributed endowment funds income -</i>						
Glaxo Chair Fund	15,521	17,518	(15,503)	-	-	17,536
Mibashan Fund	328	453	(328)	-	-	453
Oates Fund	599	828	(598)	-	-	829
Andrews Fund	64	91	(64)	-	-	91
Yash Ghai Fund	45	14	(58)	-	(1)	0
Law Faculty Fund	2,371	3,273	(3,804)	-	-	1,840
Bursary Fund	213,790	118,589	(103,331)	-	(63)	228,985
Ackerman Fund	4	-	(4)	-	-	-
AEON Fund	263	-	(263)	-	-	-
Annual Appeal Fund	2,544	12,705	(7,580)	-	-	7,669
Baxter Theatre	-	500	(500)	-	-	-
Drug Discovery/Dvpt	262	200,008	(294)	-	-	199,976
FHS Centenary	192	63	(257)	-	63	61
Julian Baring Sch Fund	3	23,122	(23,123)	-	-	2
Keswick Prize	2,845	-	(1,000)	-	-	1,845
Law Faculty Fund	27,122	59,609	(68,978)	-	1	17,754
New Residences Fund	-	120	(80)	-	-	40
O&G Fund	104	55,006	(55,104)	-	-	6
Opera School	-	6,405	-	-	-	6,405
PMHP Fund	191	99,055	(99,239)	-	-	7
Potter Fellowships	19	-	(19)	-	-	-
Sigrid Rausing Trust	165	-	-	-	-	165
Prof Robertson Fund	1,442	7,500	(1,625)	-	-	7,317
Schools Improvement	-	15,219	-	-	-	15,219
SHAWCO Fund	91	764	(619)	-	-	236
Smuts Hall	100	150	(201)	-	-	49
Spirit of 68 Award	17	1,103	(839)	-	-	281
WHO/EEC fund	3,607	-	-	-	-	3,607
	<u>271,689</u>	<u>622,095</u>	<u>(383,411)</u>	<u>-</u>	<u>-</u>	<u>510,373</u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2013**

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

	1 January 2013 £	Incoming resources £	Outgoing resources £	Gains on investments £	Transfers between funds £	31 December 2013 £
<b>Unrestricted income funds:</b>						
General Fund	67,682	75,007	(78,253)	-	-	64,436
<b>Trust Fund Capital:</b>						
Capital	100	-	-	-	-	100
Total Funds	983,964	700,540	(463,695)	52,206	-	1,273,015
	=====	=====	=====	=====	=====	=====

**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. During the year the fund was transferred to UCT.

**Kaplan Award**

The income is used to fund an annual award in the field of medical virology.

Included within the total of endowment funds are net unrealised gains arising on the revaluation of the charity's investment assets totalling £207,223 (2012: £158,680).

**Restricted funds**

**Bursary fund** provides bursaries for students who hail from disadvantaged backgrounds and who, without financial aid, would not be able to attend UCT.

**Ackerman fund** provides bursaries for historically disadvantaged students.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2013**

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

**AEON fund** contributed to fellowships and core costs at the Africa Earth Observatory Network [now no longer in existence at UCT].

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

**Baxter Theatre fund** supports the work of the Baxter Theatre, part of the University of Cape Town.

**Drug Discovery and Development fund** provides for the refurbishment of laboratories to be used by the Centre for Drug Discovery and Development.

**FHS Centenary:** donations to this fund are given in celebration of 100 years of the Faculty of Health Sciences, and are used for projects in the Faculty.

**Julian Baring Scholarship Fund** supports students from historically disadvantaged backgrounds, who have an interest in mining.

**Keswick Prize fund** supports an annual prize to encourage lucid writing.

**Law Faculty fund:** funds raised are used for Law bursaries or are invested in the Law Faculty Endowment Fund.

**New Residences fund** contribute towards the capital costs of a new student residence building.

**O&G fund** supports projects in the Department of Obstetrics & Gynaecology, including a new Professorship and Head of Clinical Unit in Reproductive Health and Fertility Regulation.

**Opera School fund** supports UCT's Opera School, with donations going towards bursaries and the building of an endowment fund - helping talented young South Africans follow their dreams.

**PMHP fund** supports the Perinatal Mental Health Project at UCT.

**Potter Fellowship Fund** supports fellowships which are aimed at nurturing a civil society in South Africa.

**Sigrid Rausing Trust** supports the "Eric Abraham Awards for Refugees and Scholars at Risk".

**Prof Robertson fund** supports the Professor Mary May Robertson Scholarship and Prizes in the Faculty of Health Sciences.

**Schools Improvement Initiative:** UCT's answer to the ongoing educational crisis in South Africa. Donations support projects in both primary and secondary schools in the Western Cape.

**SHAWCO fund** helps to finance the Students' Health and Welfare Centres Organisation, a student run NGO based at UCT.

**Smuts Hall:** contributions to this fund come from UCT alumni who were resident in the Smuts Hall residence during their time at UCT. Funds are used to support Smuts Hall initiatives.

**Spirit of 68 Award** supports creative initiatives by UCT students in addressing a social issue, with an emphasis on supporting novel approaches to reducing social exclusion and is funded by veterans of the '68 sit-in at UCT.

**WHO/EEC fund** funds joint UCT/WHO research projects.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2012**

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

	<b>Fixed assets £</b>	<b>Net current assets £</b>	<b>Total £</b>
Endowment funds	698,106	-	698,106
Restricted income funds	-	510,373	510,373
Unrestricted income funds	808	63,728	64,536
<b>NET ASSETS</b>	<u>698,914</u>	<u>574,101</u>	<u>1,273,015</u>
	=====	=====	=====

**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.

**14. COMMITMENTS UNDER OPERATING LEASES**

At 31 December the charity committed to making the following payments during the next year under non-cancellable operating leases as follows:

	<b>2013 £</b>	<b>2012 £</b>
Land and buildings expiring within one year	10,080	-
	=====	=====