



The University of Cape Town Trust

UK Registered Charity 803042

Trustees Annual Report & Financial Statements 31st December 2016



THE UNIVERSITY OF CAPE TOWN
Trust

Suite 10, Claremont House, 22-24 Claremont Road, Surbiton, KT6 4QU, UK

Tel: 020 8390 9133 E-mail: uct-trust@tecrec.net

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 The Hon. Dame Linda Dobbs DBE
Richard J Gnodde Professor Bongani Mayosi Charles G McGregor Dr Elaine Potter Jennifer Ward Oppenheimer Stephen Westwell

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

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 2016.

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 | Chairman |
| Baroness Chalker of Wallasey | |
| Professor Hugh Corder | |
| The Hon Dame Linda Dobbs DBE | |
| Mr Richard Gnodde | |
| Professor Bongani Mayosi | |
| 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 Suite 10, Claremont House, 22-24 Claremont Road, Surbiton, Surrey, KT6 4QU. The other contact details for the charity are by telephone 020 8390 9133, by e-mail uct-trust@tecrec.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: | Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD |
| Auditor: | RSM UK Audit LLP, Hanover House, 18 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1ED |
| 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 which 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 and social transformation, and one that strives for equity in all it does. The UCT Trust also fosters and develops relations with UCT's alumni who are based in the UK, through events which serve to inform alumni of the research and outreach work being carried out at the University, and fundraising campaigns to encourage alumni to support their *alma mater*.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**Status & History (Continued)**

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, Charles Russell Speechlys) regulates the purpose and administration of the charity.

Organisational Structure

The UCT Trust has a senior management team of a 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 either at meetings or by correspondence, 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 a minimum of one and maximum of 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 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, the Deans of Faculties, and the Department of Alumni and Development. This contact provides guidance to the UCT Trust, keeping it in touch with the university's strategy, its policies and its needs, and enabling the Trustees to determine how best to support the major funding requirements from its limited resources.

Remuneration Policy

The board of Directors, who are the Trust's Trustees, direct and control the operations of the Trust. No directors received remuneration in the year.

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 notably as and when a vacancy arises. As matters presently stand, two of the Trustees are in addition senior members of the UCT staff.

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 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.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

Risk & Corporate Governance Matters (Continued)

The main risk facing the charity remains uncertainty over funding from voluntary income sources in support of grant giving to UCT projects. There is ongoing competition for the small amount of funds which are available from the UK for South Africa and for the university sector, and there remains a certain amount of caution due to the long term uncertainty of the global economic situation. During 2016, negative reports of the student unrest in South Africa, and especially at UCT, reached the UK, causing anxiety amongst some alumni.

The Trustees manage these risks by ensuring that regular communication with past and potential future donors is maintained, 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 ever increasing and positive far reaching influence the institution has throughout much of the African continent, is emphasised.

Other risks such as the storing of financial data and vulnerability of computer systems are managed by back up procedures, including use of cloud computing, 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, and a close eye is kept on bank accounts to ensure that any fraudulent activity is dealt with timeously.

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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

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.

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, the work undertaken by the charity is in respect of the provision of support for UCT, and the dissemination of information about the work being carried out at the University.

The charity seeks to raise significant funds for the various key projects which have been prioritised by the University. The UCT Trust aims to delight donors at all times, providing them with accurate, clear and regular reporting, and building 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, including facilitating relationships between the Vice-Chancellor and other key members of UCT with donors and UCT alumni in the United Kingdom; and to encourage UCT alumni in the United Kingdom to offer regular financial support to their *alma mater*, both for specific projects and for general campaigns such as the Distinguishing UCT Campaign.

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 the Distinguishing UCT Campaign to improve the infrastructure of the University and secure its future financial stability;
- The outcomes from various outreach activities of the University;
- UCT's positioning as a global university, and its position in 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.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

Public Benefit (Continued)*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 the South African communities who benefit from development programmes run by UCT departments.

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.

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 donations to the Trust are earmarked by the donor for specific purposes and are applied as such by 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, or to Distinguishing UCT, the University's capital campaign.

Grant Making Policy

Grants donated to the charity are transferred in their entirety to the university, with the exception of endowed Awards where the funds are invested in the UK and the income is transferred on an annual basis. Grants are applied only to the cause for which they were given. No 'percentage' has been 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 to work 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 2016, the UCT Trust organised itineraries for successful visits to the UK from the Vice-Chancellor and Deans of Faculty, which included effecting introductions to potential supporters and making beneficial connections. The campaign to boost UCT's endowment, Distinguishing UCT, continues to bring forth donations, both in the UK through the UCT Trust and direct to UCT. The UCT Trust submitted proposals to various UK Foundations and individuals, seeking funds for UCT projects, including bursary programmes, infrastructure, and community projects, and distributed an Annual Appeal to all UK based alumni, to encourage them to support various projects at UCT, particularly the Distinguishing UCT Campaign. Throughout the year, the UCT Trust ensured that all donors receive timely reports and updates on how their funds have been utilised.

In 2016, the UCT Trust also launched a Legacy Appeal to all alumni aged 55+, to encourage them to consider leaving a bequest to UCT Trust in their Will.

The UCT Trust has also organised well attended alumni events throughout the year, including the annual Vice-Chancellor's Reception and UCT London Lectures featuring distinguished Faculty and alumni speakers. A number of Legacy Society events were held in London, Oxford and Edinburgh which served to encourage alumni to leave a bequest to the UCT Trust.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

ACHIEVEMENTS AND PERFORMANCE (Continued)**Impact of Activities & Events**

The success of the charity in 2016 was evident from the donations received and the new connections made. Funds raised have benefited many projects at UCT, including the Distinguishing UCT Campaign, the Schools Improvement Initiative, and numerous bursary programmes.

A number of individuals and Foundations renewed their support in 2016, often with an increase in the level of their gift. Through greater engagement with alumni, the database has continued to improve significantly in size and accuracy, and new supporters have been found amongst the alumni body.

As a result of the UCT Trust Legacy Appeal, 2016 saw the number of bequest donors increasing by 50%.

Public Benefit

During 2016, 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 not only in South Africa but also on the African continent, providing world class trained graduates and conducting pioneering research. UCT's excellence is recognised with its ranking as the only African university in the top 200 universities worldwide, as indicated by the 2016 Times Higher Education World University Rankings. The most recent report from Times Higher Education, of BRICS and emerging economies, ranks UCT fourth in the world out of 300 universities.

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, housing 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. Three Department of Science & Technology / NRF Centres of Excellence are also housed, either in part or as a whole, at UCT, and the total of NRF rated researchers has reached an all-time high: 514 (481 in 2015). This includes new NRF A-ratings for five academics.

UCT has been awarded 39 out of the total of 197 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.

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. To this end, UCT has identified four key institution-wide initiatives which seek to address critical social challenges and turn them into strategic research drives: **Safety & Violence; Schools Improvement; African Climate & Development; and Poverty & Inequality.** 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.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

ACHIEVEMENTS AND PERFORMANCE (Continued)**Public Benefit (Continued)**

UCT has a particular imperative to find Africa-specific solutions, such as developing vaccines for diseases like TB and HIV, which decimate African communities. Research carried out at UCT is often aimed at solving local problems which are not generally addressed by other global research universities, and a particular, Africa-informed set of knowledge is being developed, contributing to the disciplines within which UCT researchers work.

Examples include **The Institute for Democracy, Citizenship and Public Policy in Africa** which conducts comparative empirical studies of contemporary African democracy, and the **Future Water Institute** whose ultimate objective is to contribute towards increasing water sensitivity to underpin improved quality of life and sustainable development in South Africa. **Ma-Re, the Marine Research Institute** carries out research in the unique environment in the seas around the Cape, and the **African Centre for Cities**, an interdisciplinary research and teaching programme seeks to facilitate critical urban research and policy discourses for the promotion of democratic and sustainable urban development in the global South from an African perspective. The newly established **Neurosciences Institute** will draw together expertise in the basic sciences, public health and a wide array of other disciplines, to address the major research gap in understanding the impact of many disorders of the brain such as traumatic brain injury and the neurological and neuropsychiatric consequences of HIV and TB, which are far more prevalent in Africa than elsewhere.

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 makes an impact in business and entrepreneurship development with its leading Business School (GSB), which has remained consistently the top ranked African business school. **The Bertha Centre for Social Innovation and Entrepreneurship** at the GSB is in the top five globally for social impact.

UCT's Academic Development Programme offers a wide range of bridging courses, intensive tutorials, language/communication skills, numeracy and computer literacy courses to those students who arrive at UCT under-prepared as a result of inadequate schooling, while the Financial Aid scheme helps many students from disadvantaged backgrounds to study at UCT with loans and bursaries on a means-tested and merit basis. UCT made available some £7.88 million (R126m*) in 2016 for financial aid.

*using R16:£1

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

The total income of the charity in 2016 was £642,900 (2015: £2,031,753) and the equivalent total expenditure on the Trust's charitable purposes was £653,159 (2015: £2,071,031). A further sum of £143,390 was donated direct to UCT as a result of work done at the UCT Trust.

**TRUSTEES' ANNUAL REPORT
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Included within the above, the financial highlights for 2016 were:

- The Schools Improvement Initiative continues to attract significant support, including a major grant for core project operating costs;
- A major award was received from the Wolfson Foundation for state of the art microscopy equipment;
- Substantial alumni support was received for UCT's major capital campaign, Distinguishing UCT;
- The Julian Baring Scholarship Fund has continued its support for young African engineers from outside South Africa who intend to pursue a career in the field of mining;
- Notable bursary support totalling some £38,000 came from, inter alia, the Calleva Foundation, the Lord & Lady Lurgan Trust, and from individual alumni;
- UK alumni donated a total of £244,062 (plus a further £143,389 direct to UCT) to the Distinguishing UCT Campaign, the Annual Fund, Bursaries, the Law Faculty, the Opera School, the Schools Improvement Initiative, and SHAWCO (the Student Health & Welfare Centres Organisation).

Approximately 85% of gifts received in 2016 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. This large percentage is due to concentration on the Distinguishing UCT Campaign to build UCT's endowment.

The remaining 15% of gifts were for undergraduate bursaries and postgraduate fellowships for students from financially and educationally disadvantaged backgrounds.

Reserves Policy

As at 31 December 2016, the charity had free reserves held in the General Fund of £53,913 (31 December 2015: £62,350). The funds held as free reserves are utilized annually to cover operating costs and this is taken into consideration when determining the level of the annual operating grant needed to run the UCT Trust. The annual operating grant was 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 are managed by the Charities Aid Foundation (CAF) and BlackRock. The income arising from the investments is remitted once a year to UCT to fund particular projects. The capital is invested in CAF and Black Rock investment funds, and in cash at bank at year end following the sale of fifty percent of the BlackRock fixed income investment funds. The performance of the investments is closely monitored by the Trustees throughout the year.

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

Investment Performance

During 2016, the charity's investments generated income of £21,959 (2015: £23,592). The investments increased in capital value by £12,319 (2015: increase of £6,070), and there was a realised gain of £38,871 (2015: £nil) for investments sold in the year.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 December 2016**

PLANS FOR FUTURE PERIODS

Future Strategy

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

- To support UCT in appropriate and carefully considered ways;
- 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 expand and strengthen links to UK based UCT alumni.

Future Activities & Events

During 2017, 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 new 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 in London and elsewhere in the UK. 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 commitment to help UCT continue to play its unique role in South Africa and the African continent.

This report was approved by the Trustees on 9th May 2017, and was signed for and on behalf of the board by

..... Chairman
Sir Franklin Berman KCMG QC
9th May 2017

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

Opinion on financial statements

We have audited the financial statements of the University of Cape Town Trust (the 'charity') for the year ended 31st December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 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.

Emphasis of matter – early adoption of the Charities SORP (FRS 102)

In forming our opinion, which is not modified, we have considered the disclosure in note 1 concerning the charity's early adoption of the Charities SORP (FRS 102) issued in July 2014, rather than applying the Charities 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008. This departure has been necessary for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for accounting periods beginning on or after 1 January 2015.

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/auditscopeukprivate>.

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
- sufficient accounting records have not been kept; 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 3 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.

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

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 opinion we have formed.

RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2016

| | Notes | Unrestricted funds | Restricted funds | Endowment funds | Total 2016 | Total 2015 |
|--|-------|--------------------|------------------|-----------------|------------|------------|
| | | £ | £ | £ | £ | £ |
| INCOME | | | | | | |
| Donations | 1 | - | 550,674 | - | 550,674 | 1,927,380 |
| <i>Income from charitable activities</i> | | | | | | |
| Provision of support for UCT | 3 | 70,000 | - | - | 70,000 | 80,000 |
| Investment income | 2 | 19 | 22,207 | - | 22,226 | 24,373 |
| TOTAL INCOME | | 70,019 | 572,881 | - | 642,900 | 2,031,753 |
| EXPENDITURE | | | | | | |
| Costs of raising funds | 4 | 78,369 | - | - | 78,369 | 76,215 |
| <i>Expenditure on charitable activities</i> | | | | | | |
| Provision of support for UCT | 5 | 87 | 653,159 | - | 653,246 | 2,070,796 |
| TOTAL EXPENDITURE | | 78,456 | 653,159 | - | 731,615 | 2,147,011 |
| NET INCOME/(EXPENDITURE) | | (8,437) | (80,278) | - | (88,715) | (115,258) |
| TRANSFERS | | | | | | |
| Gross transfers between funds | | - | - | - | - | - |
| Gains on investments | 8 | - | - | 51,190 | 51,190 | 6,070 |
| NET MOVEMENT IN FUNDS | | (8,437) | (80,278) | 51,190 | (37,525) | (109,188) |
| RECONCILIATION OF FUNDS | | | | | | |
| Fund balances brought forward | | 62,350 | 337,792 | 720,743 | 1,120,885 | 1,230,073 |
| FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2016 | 11 | 53,913 | 257,514 | 771,933 | 1,083,360 | 1,120,885 |

All income and expenditure derive from the charity's continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

BALANCE SHEET
 as at 31 December 2016

| | Notes | 2016 £ | 2015 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 561 | 163 |
| Investments | 8 | 623,955 | 720,743 |
| | | <u>624,516</u> | <u>720,906</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 8,303 | 13,552 |
| Cash at bank and in hand | | 459,200 | 394,527 |
| | | <u>467,503</u> | <u>408,079</u> |
| LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 10 | 8,659 | 8,100 |
| NET CURRENT ASSETS | | <u>458,844</u> | <u>399,979</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,083,360</u> | <u>1,120,885</u> |
| | | ===== | ===== |
| THE FUNDS OF THE CHARITY | | | |
| Endowment funds | 11 | 771,933 | 720,743 |
| Restricted income funds | 11 | 257,514 | 337,792 |
| Unrestricted income funds | 11 | 53,813 | 62,250 |
| Trust Fund capital | 11 | 100 | 100 |
| TOTAL CHARITY FUNDS | | <u>1,083,360</u> | <u>1,120,885</u> |
| | | ===== | ===== |

The financial statements on pages 12 to 25 were approved by the trustees and authorised for issue on 9 May 2017, and are signed on their behalf by

..... Chairman
 Sir Franklin Berman KCMG QC

Date: 9 May 2017

STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-----------|-----------|
| NET CASH USED IN OPERATING ACTIVITIES | 13 | (105,046) | (117,060) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest and investment income received | | 22,226 | 24,373 |
| Receipts from sales of investments | | 247,978 | - |
| Purchases of investments | | (100,000) | - |
| Purchase of tangible fixed assets | | (485) | - |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | | 169,719 | 24,373 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | | |
| | | 64,673 | (92,687) |
| Cash and cash equivalents at beginning of year | | 394,527 | 487,214 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | 459,200 | 394,527 |
| | | ===== | ===== |

Financial statements for the year ended 31 December 2016**ACCOUNTING POLICIES**

GENERAL INFORMATION

The University of Cape Town Trust is a United Kingdom charitable trust registered in England and Wales with charitable registration number 803042. The address of the charity's principal place of business is Suite 10, Claremont House, 22-24 Claremont Road, Surbiton, KT6 4QU, UK.

The principal activities and nature of its operations are disclosed in the Trustees Report.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention except as modified for the annual revaluation of fixed asset investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust has adopted early the Charities SORP issued in July 2014, rather than applying the Charities 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008 so that the financial statements show a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for accounting periods beginning on or after 1 January 2015.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

There are no significant areas of adjustment or key assumptions that affect items in the financial statements.

INCOME RECOGNITION

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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 has been earned.

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

EXPENDITURE RECOGNITION

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

Financial statements for the year ended 31 December 2016**ACCOUNTING POLICIES**

EXPENDITURE RECOGNITION (continued)

Costs of raising funds

The costs of generating funds consist of direct fund raising events costs and an apportionment of support costs.

Charitable activities

Costs of charitable activities include grants and an apportionment of support costs.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Grants

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.

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.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of listed investments which are subsequently measured at fair value.

Financial statements for the year ended 31 December 2016**ACCOUNTING POLICIES**

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 2016

| | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2016 £ | Total 2015 £ |
|---|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 1. DONATIONS | | | | | |
| Donations from foundations, trusts and companies | - | 286,210 | - | 286,210 | 330,150 |
| Donations from individuals: | | | | | |
| Gift Aid | - | 184,641 | - | 184,641 | 94,934 |
| Other | - | 79,823 | - | 79,823 | 1,502,296 |
| | - | 550,674 | - | 550,674 | 1,927,380 |
| 2. INVESTMENT INCOME | | | | | |
| Bank interest receivable on short term cash deposits | 19 | 248 | - | 267 | 781 |
| Income from investments listed on a recognised stock exchange: | | | | | |
| UK | - | 21,959 | - | 21,959 | 23,592 |
| | 19 | 22,207 | - | 22,226 | 24,373 |
| 3. INCOME GENERATED BY THE PROVISION OF SUPPORT FOR UCT | | | | | |
| Operating grant contributions receivable from the University of Cape Town | 70,000 | - | - | 70,000 | 80,000 |
| 4. COSTS OF RAISING FUNDS | | | | | |
| Direct costs: | | | | | |
| Alumni function costs | 2,489 | - | - | 2,489 | 5,396 |
| Alumni Appeal | 4,701 | - | - | 4,701 | 2,941 |
| Support and governance costs (see note 6) | 71,179 | - | - | 71,179 | 67,878 |
| | 78,369 | - | - | 78,369 | 76,215 |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

| | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2016 £ | Total 2015 £ |
|---|---|---|-----------------------------|-----------------------|-----------------------|
| 5. COSTS INCURRED IN THE PROVISION OF SUPPORT FOR UCT | | | | | |
| Direct costs: | | | | | |
| Grants given in support of the University of Cape Town programmes | - | 653,159 | - | 653,159 | 2,071,031 |
| Support costs (see note 6) | 87 | - | - | 87 | (235) |
| | <u>87</u> | <u>653,159</u> | <u>-</u> | <u>653,246</u> | <u>2,070,796</u> |
| | ===== | | | | |
| | Costs of generating voluntary income | Costs incurred in provision of support for UCT | Governance costs | Total 2016 | Total 2015 |
| | £ | £ | £ | £ | £ |
| 6. SUPPORT COSTS | | | | | |
| Consultancy and administration | 41,244 | - | - | 41,244 | 42,424 |
| Travel and accommodation | 1,886 | - | - | 1,886 | 2,282 |
| Communications and stationery | 3,953 | - | - | 3,953 | 2,261 |
| Operating lease rentals: | | | | | |
| Land and buildings | 10,472 | - | - | 10,472 | 10,800 |
| Other office costs | 2,790 | - | - | 2,790 | 2,011 |
| Auditor's remuneration: | | | | | |
| Audit fees | - | - | 8,940 | 8,940 | 8,100 |
| Legal fees | - | - | 1,894 | 1,894 | - |
| Depreciation – owned assets | - | 87 | - | 87 | 415 |
| Foreign exchange loss/(gain) | - | - | - | - | (650) |
| | <u>60,345</u> | <u>87</u> | <u>10,834</u> | <u>71,266</u> | <u>67,643</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 2016**

7. TANGIBLE ASSETS

| | Computers | Office equipment | Furniture and fittings | TOTAL |
|------------------|------------------|-----------------------------|-----------------------------------|--------------|
| | £ | £ | £ | £ |
| Cost: | | | | |
| 1 January 2016 | 3,224 | 1,022 | 1,450 | 5,696 |
| Additions | 275 | - | 210 | 485 |
| 31 December 2016 | 3,499 | 1,022 | 1,660 | 6,181 |
| Depreciation: | | | | |
| 1 January 2016 | 3,137 | 1,022 | 1,374 | 5,533 |
| Charge for year | 77 | - | 10 | 87 |
| 31 December 2016 | 3,214 | 1,022 | 1,384 | 5,620 |
| Net book value: | | | | |
| 31 December 2016 | 285 | - | 276 | 561 |
| | ===== | | | ===== |
| 31 December 2015 | 87 | - | 76 | 163 |
| | ===== | | | ===== |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

| | 2016 | 2015 |
|--|----------------|----------------|
| | £ | £ |
| 8. INVESTMENTS | | |
| Investments listed on a recognised stock exchange, held primarily to provide an investment return, at market value: | | |
| Market value 1 January 2016 | 720,743 | 714,673 |
| Additions | 100,000 | - |
| Disposal proceeds | (247,978) | - |
| Realised gains | 38,871 | - |
| Unrealised gains | 12,319 | 6,070 |
| | <u>623,955</u> | <u>720,743</u> |
| | ===== | ===== |
| At the balance sheet date, the market value of the portfolio comprised: | | |
| UK investments | 623,955 | 720,743 |
| | ===== | ===== |
| Unit trust funds and other similar securities | 623,955 | 720,743 |
| | ===== | ===== |
| At the balance sheet date, the historical cost of the investments was £441,266 (2015: £550,372). | | |
| Individual holdings representing more than 5% of the market value of the portfolio at the balance sheet date are as follows: | | |
| Charities Aid Foundation | 191,702 | 280,534 |
| BlackRock | 432,253 | 440,209 |
| | <u>623,955</u> | <u>720,743</u> |
| | ===== | ===== |
| 9. DEBTORS | | |
| Prepayments and accrued income | 6,245 | 5,400 |
| Income tax recoverable | 2,058 | 8,152 |
| | <u>8,303</u> | <u>13,552</u> |
| | ===== | ===== |
| 10. CREDITORS | | |
| Amounts falling due within one year: | | |
| Accruals | 8,659 | 8,100 |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

11. **THE FUNDS OF THE CHARITY**

| | 1 January 2016 £ | Income £ | Expenditure £ | Gains on investments £ | Transfers between funds £ | 31 December 2016 £ |
|--|------------------------|----------------|------------------|------------------------------|------------------------------------|--------------------------|
| Endowment funds (held at CAF / BlackRock or in cash): | | | | | | |
| Glaxo Chair Fund | 544,209 | - | - | 40,501 | - | 584,710 |
| Law Faculty Fund | 121,984 | - | - | 7,354 | - | 129,338 |
| Mibashan Fund | 16,903 | - | - | 1,020 | - | 17,923 |
| Oates Fund | 30,748 | - | - | 1,849 | - | 32,597 |
| Andrews Fund | 3,248 | - | - | 190 | - | 3,438 |
| Kaplan Award | 3,651 | - | - | 276 | - | 3,927 |
| | <u>720,743</u> | <u>-</u> | <u>-</u> | <u>51,190</u> | <u>-</u> | <u>771,933</u> |
| Restricted income funds: | | | | | | |
| <i>Undistributed endowment funds income -</i> | | | | | | |
| Glaxo Chair Fund | 17,669 | 16,815 | 17,669 | - | - | 16,815 |
| Mibashan Fund | 513 | 496 | 513 | - | - | 496 |
| Oates Fund | 937 | 905 | 937 | - | - | 905 |
| Andrews Fund | 102 | 97 | 102 | - | - | 97 |
| Law Faculty Fund | 1,115 | 3,584 | 4,009 | - | - | 690 |
| Kaplan Award | 85 | 90 | 85 | - | - | 90 |
| Annual Appeal Fund | 6,596 | 16,166 | 15,426 | - | (96) | 7,240 |
| Bursary Fund | 217,495 | 36,113 | 61,755 | - | 14 | 191,867 |
| Distinguishing UCT | 24,398 | 201,288 | 225,343 | - | - | 343 |
| FHS Centenary | 62 | 63 | 63 | - | - | 62 |
| GSB | - | 80 | 40 | - | 96 | 136 |
| Julian Baring Sch Fund | 433 | 28,112 | 28,460 | - | - | 85 |
| Keswick Prize | 3,473 | - | 800 | - | - | 2,673 |
| Law Faculty Fund | 3,883 | 5,407 | 7,944 | - | - | 1,346 |
| Libraries Fund | 6 | 10,500 | 10,500 | - | (6) | - |
| Lord & Lady Lurgan Trust | - | 2,000 | (2,000) | - | - | - |
| Microscopy Project | - | 200,000 | 200,000 | - | - | - |
| Neurosciences | 40 | - | 40 | - | - | - |
| Opera School | 25,521 | 3,700 | 29,221 | - | - | - |
| PMHP Fund | 13 | 123 | 123 | - | - | 13 |
| Residences Fund | 20 | 120 | 120 | - | - | 20 |
| Prof Robertson Fund | 4,332 | 10 | 3,000 | - | - | 1,342 |
| Schools Improvement | 31,047 | 45,474 | 43,483 | - | - | 33,038 |
| SHAWCO Fund | 40 | 738 | 525 | - | - | 253 |
| Spirit of 68 Award | 4 | 1,000 | 1,001 | - | - | 3 |
| Zamani | 8 | - | - | - | (8) | - |
| | <u>337,792</u> | <u>572,881</u> | <u>653,159</u> | <u>-</u> | <u>-</u> | <u>257,514</u> |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

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

| | 1 January 2016 £ | Income £ | Expenditure £ | Gains on investments £ | Transfers between funds £ | 31 December 2016 £ |
|-----------------------------------|------------------------|-------------|------------------|------------------------------|------------------------------------|--------------------------|
| Unrestricted income funds: | | | | | | |
| General Fund | 62,250 | 70,019 | (78,456) | - | - | 53,813 |
| Trust Fund Capital: | | | | | | |
| Capital | 100 | - | - | - | - | 100 |
| Total Funds | 1,120,885 | 642,900 | (731,615) | 51,190 | - | 1,083,360 |

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.

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 £182,689 (2015: £170,371).

Restricted funds

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

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

Distinguishing UCT fund: consists of contributions to the University's endowment fund.

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.

GSB fund: supports UCT's Graduate School of Business.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016**

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

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.

Libraries fund provides support to projects at UCT Libraries.

The Lord & Lady Lurgan Trust supports students of excellence at UCT's Opera School.

Microscopy Project supports the establishment of a world-class micro-imaging platform for biomedical and infectious diseases research in southern Africa

Neurosciences fund: supports the establishment of a Neurosciences Institute at UCT.

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.

Residences fund contribute towards the capital costs of a student residence buildings.

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.

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.

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

| | Fixed assets £ | Net current assets £ | Total £ |
|---------------------------|-------------------------------|---|---------------------------|
| Endowment funds | 623,955 | 147,978 | 771,933 |
| Restricted income funds | - | 257,514 | 257,514 |
| Unrestricted income funds | 561 | 53,352 | 53,913 |
| NET ASSETS | <u>624,516</u> ===== | <u>458,844</u> ===== | <u>1,083,360</u> ===== |

13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Net movement in funds | (37,525) | (109,188) |
| Depreciation of tangible fixed assets | 87 | 415 |
| Interest income shown in investing activities | (22,226) | (24,373) |
| Gain on disposal of investments | (38,871) | - |
| Unrealised gain on investments | (12,319) | (6,070) |
| Decrease/(increase) in debtors | 5,249 | 22,534 |
| Increase/(decrease) in creditors | 559 | (378) |
| | ----- | ----- |
| Cash used in operating activities | (105,046) | (117,060) |
| | ===== | ===== |

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the charity had future minimum payments lease payments under non-cancellable operating leases as set out below:

| | Land and Buildings 2016 £ | Land and Buildings 2015 £ |
|---------------------------------------|------------------------------------|------------------------------------|
| Falling due within one year | 8,100 | - |
| Falling due between one to five years | 29,243 | - |
| | ----- | ----- |
| | 37,343 | - |
| | ===== | ===== |

15. RELATED PARTY TRANSACTIONS

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