

The University of Cape Town Trust

Annual Report & Accounts

31 December 2007



ERNST & YOUNG

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

Trustees: Sir Aaron Klug O.M.(Chair) Sir Franklin Berman KCMG QC Baroness Chalker of Wallasey Lord Hoffmann
Prof Jeffrey Jowell QC Mrs Irene Menell Mr N F Oppenheimer Em.Prof Stuart Saunders Jennifer Ward Oppenheimer

The University of Cape Town Trust

Report and Financial Statements

31 December 2007

The University of Cape Town Trust is a UK Charitable Trust supporting 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.

Board of Trustees

Professor Sir Aaron Klug O.M., FRS (Chairman)
Sir Franklin Berman KCMG QC
Baroness Chalker of Wallasey
The Rt. Hon. The Lord Hoffmann
Professor Jeffrey Jowell QC
Mrs Irene Menell
Mr Nicky Oppenheimer
Mrs Jennifer Ward Oppenheimer
Emeritus Professor Stuart Saunders

Advisory Council

Sydney Kentridge QC
Pru Leith
Lord Plumb of Coleshill
Stanley Uys

Consultant Director

Sibylla Tindale (Mrs)

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

National Westminster Bank Plc
9 High Street
Cobham
Surrey
KT11 3DJ

Solicitors

Speechly Bircham
6 St Andrew's Street
London
EC4A 3LX

Charity address

83a Esher High Street
Esher
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Chairman's report

THE UNIVERSITY OF CAPE TOWN TRUST'S CONTRIBUTION

During 2007, its sixteenth year of operation, the UCT Trust has continued to raise funds for the University of Cape Town to the value of £876,942 (2007: £335,943) in donations from the UK and Europe. A further £21,465 (R302,000) was donated direct to South Africa as a result of work done here in the UK.

In comparison with 2006, the income has shown a marked increase. It should be borne in mind, however, that much background work was done on projects which only bore fruit in 2007. Further, this Trust has taken on a wider role to develop alumni relations in the UK.

The help of our committed friends and our trustees continues to be invaluable in our UK fundraising, especially that of Dr Stuart Saunders, former Vice Chancellor. I would also like to thank the Vice Chancellor, Professor Ndebele for his superb support.

We welcome two new Trustees, Baroness Chalker of Wallasey and Mrs Jennifer Ward Oppenheimer.

THE HIGHLIGHTS OF THE DONATIONS

During this period, some 16% of gifts were aimed at capacity building to ensure that the quality of facilities, teaching and research aligns with UCT's mission for excellence.

The balance, 84% of donations, provides undergraduate bursaries and postgraduate fellowships for students from financially and educationally disadvantaged backgrounds.

The highlights of donations made in 2007 are:

- The Sigrid Rausing Trust has embarked upon a far-sighted six year Bursary and Fellowship programme for refugees and Scholars at Risk
- A generous donation from The Wolfson Foundation has helped to refurbish two suites of Chemistry laboratories
- The Eranda Foundation has funded Earth Science Fellowships at the Africa Earth Observatory Network (AEON)
- The David & Elaine Potter Foundation continues to fund a very significant programme for Masters and Doctoral students. The programme's objective is to develop graduates who will contribute to the country's development, and nurture a civil society in South Africa



Prof Kelly Chibale and Postdoctoral students in one of the new Chemistry Laboratories

Chairman's report

- The Ove Arup Foundation continues its three year Fellowship Programme in the "African Centre for Cities" at the Faculty of Engineering & Built Environment
- The John Ellerman Foundation has made a substantial contribution to AEON core costs and fellowships
- The Nuffield Foundation and the Leverhulme Trust have both begun three year Equity Development Fellowship programmes in the Department of Chemistry
- Daimler Chrysler (Germany) continues its three year bursary programme for both undergraduate and postgraduate students
- Other notable bursary support has come from Pearson plc, CHK Charities, Rio Tinto plc, Johnson Matthey, NM Rothschild, Rangoonwala Foundation, Misys Foundation, Stevenson Family Trust and the Edward & Dorothy Cadbury Trust.
- UK alumni donated a total of £21,800 which was aimed at the Chancellor's Challenge Annual Appeal, Bursaries, the Law Faculty, the Graduate School of Business and SHAWCO (Student Health & Welfare Community Organisation).

WHAT ARE THE RISKS FOR THE FUTURE?

- The 'credit crunch' affecting the UK and much of the developed world since mid 2007 has had a strong effect on donor sentiment and will also feed through as a reduction in both corporate profits and charitable trust incomes. This will affect our ability to raise significant support.
- Donor sentiment is currently not wholly supportive towards South Africa. Though there is the belief that South Africa has made a remarkable transition to democracy and a stable economy, there is concern at developments within Southern Africa –the Zimbabwean situation, and forthcoming change of President in South Africa.
- Increasing competition for scarce funds available to the university sector and South Africa: The Trust now competes with 'indigenous' UK universities who need to boost their research incomes and bursary capabilities to remain in the forefront worldwide. We also meet increasing competition from South African institutions fundraising here, and who draw from the finite pool of goodwill aimed at Africa.
- UK corporates are less likely to support us because of shareholder pressure to use corporate profits wisely and directed towards UK-focused projects. Further, many UK corporates are delegating support decisions to their South African counterparts, which inevitably reduces our chances of getting direct UK support.

Chairman's report

- Reduction in the number of companies with potential whom we can approach, especially in financial services markets (a major presence in South Africa) due to the ongoing trend for globalisation and mergers of corporate donors.
- UCT's various fundraising campaigns are mainly individual to faculties. This produces surges and gaps in the workload on projects, and the quality of support from Development and timely follow-ups in South Africa is uneven. Further, the re-organisation in UCT's Development Office, with changes in personnel and management style, stretches this Trust's small resources further.
- UCT's pipeline of new projects with potential to fundraise for in the UK is slowing.
- Donor change of focus: Many of our wonderful benefactors have been supporting UCT for many years, some for nearly 10 years, and feel that they have done their duty by us and have moved to focus on other worthy projects. This is a risk for us as we have been operating in the UK for 16 years, and there are only a limited number of benefactors ready to donate to educational causes outside of the UK.

WHAT ARE THE OPPORTUNITIES FOR THE TRUST?

- New Faculty projects hopefully being planned in the future should provide real opportunities for enhancing the range and attractiveness of projects this Trust can offer to donors.
- Also, the University's new concerted approach to build strong alumni relations, supported by our extra UK focus on alumni, should bear fruit as regards the Annual Giving Campaigns and the individual faculty-based campaigns.
- Our high profile, respected friends and trustees will continue to help us open new doors and secure support in the UK and Europe. Dr Stuart Saunders, former Vice Chancellor and Trustee, remains an invaluable ally, as too the Vice Chancellor and Deputy Vice Chancellor.
- UCT being ranked in the top 200 universities of the world (2007 ARWU ranking), the only one in Africa and one of four listed from developing countries is very noteworthy to UK donors.
- Positive sentiment: our current benefactors appreciate the relationship built up over the years and also the necessity of helping UCT to provide world-class education and providing funding for students from disadvantage to study there. UCT's ethos of open, vigorous debate and its seminal role in the country is much recognised.

Chairman's report

WHAT IS UCT'S ROLE IN SOUTH AFRICA?

In closing, it is pertinent that we restate our view on UCT's role in Africa and Southern Africa, its record for liberal democracy and outspoken defence of human rights and why it continues to be so vital for us to support this centre of excellence.

- Mentioned earlier, UCT's excellence is recognised with its ranking as the only African university in the top 200 universities worldwide as reported in the Times Higher Education Supplement World University Rankings.

- The University continues to set the pace and help inform policy in South Africa. It is the leading research institution as judged by independent review and attracts leading scholars. UCT has 40% of South Africa's A-rated scientists and engineers (A-rated as world class in their fields by the National Research Foundation - NRF), nine of the 46 MRC-funded research centres, two Dept. of Science & Technology National Research Foundation Centres of Excellence.

- During 2007, UCT gained 26 of the 70 new South African Research Chairs awarded in South Africa by the NRF.



View of UCT's campus on the flanks
of Table Mountain

- UCT's role in Southern Africa: the University houses the cross-Africa collaborative University Science, Humanities and Engineering Partnerships in Africa (USHEPiA) which helps academics from eight other African universities to gain postgraduate qualifications. To date there are 38 graduates. Further, UCT has nearly 4,000 foreign students, from over 31 countries, the majority hailing from Southern Africa.

- UCT makes an impact in business and entrepreneurship development with its leading Business School (GSB), which in the 2007 Financial Times international survey, moved the GSB's ranking to 55th position up from 80th and the only one in Africa to be in the top 100.

- The University continues to embrace the challenges posed by the increasing number of students under-prepared as a result of disadvantaged schooling (51% of the student enrolment of 21,000 is not white and many come from disadvantage). 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.

- Other facets of the University's commitment to equity are:

- the crucial Financial Aid scheme for students: This enables students from disadvantaged backgrounds to study at UCT by helping them with loans and bursaries on a means-tested and merit basis. This remains one of the priorities for our

Chairman's report

fundraising. UCT makes available over £5million (R64million) in financial aid and loan schemes to encourage talented, yet needy students to live and learn there

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

THANK YOU

On behalf of the Trustees and the University, may I once again thank our benefactors for their very generous and farsighted support. It remains essential that we continue to gain and also retain your support to ensure that UCT, this centre of excellence, continues to play its unique role in South African higher education. Thank you.



Sir Aaron Klug O.M., FRS.
Chairman, UCT Trust

Statement of statutory information and policies of the University of Cape Town Trust

The purpose of the UCT Trust

The University of Cape Town Trust (also known as the UCT Trust) is a registered UK charitable trust number 803042. It raises funds and support in Britain and in other parts of Europe for the university (UCT). 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; one that produces well-trained graduates to lead South Africa's economic and social transformation; one that educates in a liberal and democratic environment; and one that strives for equity in all it does.

The original Deed of Trust was created in 1990 (and lodged with the UCT Trust's solicitors, Speechly Bircham) and this regulates the purpose and administration of the charity.

The objectives of the UCT Trust

They are to raise significant funds for the various key projects for which the University seeks help; to delight our donors in all we do and to provide them with accurate, clear and regular reporting; and to build UCT's reputation within the UK and beyond into Europe.

The UCT Trust and its policies

Appointment of Trustees

The Chair and a minimum quorum of two Trustees appoint any additional Trustees, as required. New Trustees are selected by discussion amongst the current Board of Trustees, and an open vote is made in the meeting.

Organisation of the Trust

The UCT Trust is organised as follows: it has a Board of Trustees, led by a Chair. It is administered on a part-time basis by two self-employed consultants who provide advice to the Trustees and to the activities of the Trust. The Trust uses the volunteer help of the former Vice Chancellors and other key representatives of UCT to help in its UK fundraising. The Trust 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, its needs and enables the Trustees to determine how best to support the major fundraising requirements within its limited resource base.

Level of income reserves

These are determined by the level of the annual operating grant needed to run the Trust. This is paid by direct grant from the University, based on an annual forecasted budget.

Investment policies

- 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-Merrill Lynch UK.
- The proceeds are remitted to its particular project once a year to UCT. The capital remains in the CAF investment portfolio and Black Rock-Merrill Lynch, split 50:50 between bonds and equities.

Statement of statutory information and policies of the University of Cape Town Trust (continued)

Grant-making policies

- Selection of recipients for grants made to the university: These are determined mainly by the original donor of funds to the UCT Trust. Nearly 100% of our donations are designated for a particular purpose and are applied as such at the University. Where the donation is not designated - in the case of some smaller donations - these are applied as bursaries to means-tested and needy applicants, mainly students from disadvantaged backgrounds.
- Grants donated to the Trust 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.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of its incoming resources and resources expended for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the financial statements comply with the Charities Act of 1993. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the Trustees of The University of Cape Town Trust

We have audited the charity's financial statements for the year ended 31 December 2007 which comprise the Statement of Financial Activities, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Trustees in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' 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 Trustees for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described in the Statement of Trustees' Responsibilities, the charity's Trustees are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards as set out in the Statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

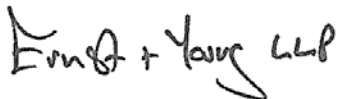
Independent auditors' report

to the Trustees of The University of Cape Town Trust

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 December 2007 and of the charity's incoming resources and application of resources, for the year then ended;
- the financial statements have been properly prepared in accordance with the Charities Act 1993; and
- the information given in the Trustees' Report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
London

Statement of financial activities

for the year ended 31 December 2007

	<i>Notes</i>	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Endowment funds income</i> £	<i>Endowment funds capital</i> £	<i>Total</i> 2007 £	<i>Total</i> 2006 £
Income and expenditure							
Incoming resources							
Donations	2	–	876,942	–	–	876,942	335,943
Operating grant	3	76,993	–	–	–	76,993	62,993
Bank interest receivable		4,709	20,994	1,188	–	26,891	21,395
Funds investment income		–	–	22,046	–	22,046	20,471
Law Faculty - reinvested interest		–	–	2,333	–	2,333	1,941
Total incoming resources		81,702	897,936	25,567	–	1,005,205	442,743
Resources expended							
Contributions to UCT from donations:							
Direct to Cape Town programmes		–	941,990	1,541	–	943,531	575,006
Direct to WHO/EEC		–	–	–	–	–	1,652
Direct to GOOT		–	3,000	–	–	3,000	2,719
To Bristol re H Nyatsanza		–	–	–	–	–	2,019
To purchase investment assets		–	5,550	2,333	(7,883)	–	–
Administrative expenses	4	69,541	–	–	–	69,541	75,982
Transfer from restricted funds		1,330	(1,330)	–	–	–	–
Total resources expended		70,871	949,210	3,874	(7,883)	1,016,072	657,378
Net outgoing resources for the period		10,831	(51,274)	21,693	7,883	(10,867)	(214,635)
Other recognised gains and losses							
Unrealised (losses) /gains on investment assets	7	–	–	–	(19,999)	(19,999)	29,867
Fund balances brought forward at 1 January 2007		28,150	418,337	20,824	608,774	1,076,085	1,260,853
Fund balances carried forward at 31 December 2007		38,981	367,063	42,517	596,658	1,045,219	1,076,085

There are no recognised gains or losses in either period other than those disclosed above.

Balance sheet

at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	6	986	938
Investments	7	596,658	608,774
		597,644	609,712
Current assets			
Debtors	8	126,151	873
Cash at bank and in hand		460,824	481,550
		586,975	482,423
Creditors: amounts falling due within one year	9	(139,300)	(15,950)
		447,675	466,473
Net current assets			
		1,045,319	1,076,185
		1,045,319	1,076,185
Income funds			
Unrestricted funds	10	38,981	28,150
Restricted funds	10	367,063	418,337
Endowment funds - undistributed income	10	42,517	20,824
		448,561	467,311
Endowments - capital funds	7	596,658	608,774
		1,045,219	1,076,085
Trust fund capital		100	100
		1,045,319	1,076,185
		1,045,319	1,076,185



Professor Sir Aaron Klug O.M., FRS
Chairman of the Board of Trustees

Notes to the financial statements

at 31 December 2007

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005).

This report has been prepared in accordance with the special provisions of the Charities Act of 1993.

Accounting convention

These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset 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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Donations

Donations are dealt with in the year in which they are received.

Donations paid directly to the University of Cape Town are excluded from the financial statements.

Resources expended

Cost of generating funds: The majority (77%) of the operating cost of £78,192 (excluding depreciation and currency gain) is expended on supporting fundraising – which includes the following activities: donor research, approaches, managing the donations, donor reports and liaising with UCT to ensure donations are correctly used on their specified projects. 8% is expended on alumni activities.

Cost of governance: The balance of 15% (£11,677) is expended on the audit and accounting fees.

Funds structure

The UCT Trust has a number of restricted income funds to ensure that specific donations for specific projects at the University of Cape Town are expended according to the donor's wishes (see Note 10).

In addition, the UCT Trust has Restricted Endowment Funds which are capital endowments gifted by donors to be invested in the UK, with the purpose of yielding an annual income for specific projects. The income is applied to these specific projects at the University (see Note 7).

Notes to the financial statements

at 31 December 2007

1. Accounting policies (continued)

Statement of cash flows

A statement of cash flows has not been prepared as the Trust qualifies as a small company and is therefore exempt from the requirements to produce a statement of cash flows in accordance with FRS 1.

2. Donations

Donations comprise:

	2007	2006
	£	£
Foundation, trust and company donations	846,693	302,483
Private - gift aid	25,032	26,711
- other	5,217	6,749
	<u>876,942</u>	<u>335,943</u>
Restricted funds (see Note 10)	<u>876,942</u>	<u>335,943</u>

3. Operating grant

The operating grant represents contributions from the University of Cape Town towards the administrative expenses of the Trust.

4. Administrative expenses

	2007	2006				
	Total	Total				
	£	£				
	<i>Fundraising</i>	<i>Alumni</i>				
	<i>Governance</i>	<i>Others</i>				
	£	£				
Consultancy and administration	45,650	4,310	-	-	49,960	41,523
Travel and accommodation	5,963	65	-	-	6,028	6,301
Communications and stationery	2,391	394	-	-	2,785	3,719
Auditors' remuneration - audit fees	-	-	8,542	-	8,542	9,269
Accountancy	-	-	3,135	-	3,135	2,315
Depreciation	-	-	-	505	505	367
Office costs	7,078	-	-	-	7,078	7,430
Bank charges	69	-	-	-	69	92
Sundry	201	-	-	-	201	755
Alumni functions - net income	-	(419)	-	-	(419)	-
Books and training	813	-	-	-	813	337
(Loss)/profit on currency rates exchange	-	-	-	(9,156)	(9,156)	3,874
	<u>62,165</u>	<u>4,350</u>	<u>11,677</u>	<u>(8,651)</u>	<u>69,541</u>	<u>75,982</u>

See Note 1 for details of the allocation of administrative expenses.

Notes to the financial statements

at 31 December 2007

5. Trustees' remuneration

The Trustees were not paid or reimbursed for expenses during the year.

6. Tangible fixed assets

	<i>Computers</i> £	<i>Office equipment</i> £	<i>Furniture and fittings</i> £	<i>Total</i> £
Cost:				
At 1 January 2007	3,654	1,022	1,354	6,030
Additions	553	–	–	553
At 31 December 2007	<u>4,207</u>	<u>1,022</u>	<u>1,354</u>	<u>6,583</u>
Depreciation:				
At 1 January 2007	3,192	1,022	878	5,092
Provided during the year	370	–	135	505
At 31 December 2007	<u>3,562</u>	<u>1,022</u>	<u>1,013</u>	<u>5,597</u>
Net book value:				
At 31 December 2007	<u>645</u>	<u>–</u>	<u>341</u>	<u>986</u>
At 31 December 2006	<u>462</u>	<u>–</u>	<u>476</u>	<u>938</u>

7. Investments

	<i>2007</i> £	<i>2006</i> £
Market value of investments as at 1 January	608,774	576,966
Additions	7,883	1,941
Unrealised (losses)/gains on investments	(19,999)	29,867
Market value of investments as at 31 December	<u>596,658</u>	<u>608,774</u>
Historical cost as at 31 December	<u>441,310</u>	<u>433,427</u>

Notes to the financial statements

at 31 December 2007

7. Investments (continued)

The fixed asset investments are represented by the following endowment funds:

	2007	2006
	£	£
Glaxo Chair	497,263	510,328
K Oates Inc.	21,838	23,419
R Andrews	2,898	3,096
Professor Mabishan	14,978	16,059
Law Faculty	57,700	55,872
Yash Ghai	1,981	–
	<u>596,658</u>	<u>608,774</u>

Market valuations are made annually by the investment fund managers (CAF Investments, managed by UBS and Black Rock-Merrill Lynch) with reference to readily available market prices.

In 2008, Black Rock-Merrill Lynch became Black Rock Asset Management. All assets invested in Black Rock Asset Management are ring-fenced.

All investments are held in accordance with the Memorandum of Association of the Trust.

8. Debtors

	2007	2006
	£	£
Income tax recoverable	1,151	873
Grant receivable	125,000	–
	<u>126,151</u>	<u>873</u>

9. Creditors: amounts falling due within one year

	2007	2006
	£	£
Consultancy and secretarial	1,800	2,200
Audit and accountancy	12,500	12,900
Grant committed not paid	125,000	–
Other administrative	–	850
	<u>139,300</u>	<u>15,950</u>

Notes to the financial statements

at 31 December 2007

10. Statement of funds

Unrestricted funds

	<i>Balance at 1 January 2007 £</i>	<i>Movements</i>		<i>Balance at 31 December 2007 £</i>
		<i>incoming resources £</i>	<i>outgoing resources £</i>	<i>Transfer £</i>
Unrestricted funds	28,150	81,702	(69,541)	(1,330)
	<u>28,150</u>	<u>81,702</u>	<u>(69,541)</u>	<u>(1,330)</u>
	<u><u>28,150</u></u>	<u><u>81,702</u></u>	<u><u>(69,541)</u></u>	<u><u>(1,330)</u></u>

Restricted funds

	<i>Balance at 1 January 2007 £</i>	<i>Movements</i>		<i>Balance at 31 December 2007 £</i>
		<i>incoming resources £</i>	<i>outgoing resources £</i>	<i>Transfer £</i>
Bursaries for disadvantaged students	201,091	117,084	(121,975)	216
Ackerman	108,011	3,233	(38,011)	–
Sainsbury scholars	27,611	836	(28,191)	–
Growing Our Own Timber (GOOT)	2,953	76	(3,000)	–
Shawco	935	2,266	(2,814)	–
WHO/EEC	14,842	601	–	1,330
Vodafone	30,850	935	(31,503)	–
Law Faculty	10,588	7,029	(9,483)	(5,550)
Graduate School of Business	9,731	1,330	(10,524)	–
Daimler Chrysler	89	20,212	(20,144)	–
Potter Fellowships	225	69,353	(69,139)	–
IID & MM	375	216	(577)	–
Baxter	–	–	–	–
Keswick Lucidity Prize	–	2,624	(700)	–
HIV/Aids	216	–	–	(216)
Chancellor's Challenge	10,820	4,093	(12,520)	–
Ove Arup	–	51,191	(50,963)	–
AEON	–	152,345	(84,202)	–
Chemistry	–	301,669	(300,873)	–
Sigrid Rausing Trust	–	155,577	(153,332)	–
Professor Mary Robertson	–	7,266	(7,039)	–
	<u>418,337</u>	<u>897,936</u>	<u>(944,990)</u>	<u>(4,220)</u>
	<u><u>418,337</u></u>	<u><u>897,936</u></u>	<u><u>(944,990)</u></u>	<u><u>(4,220)</u></u>

All of the restricted funds above comprise donations for specific projects at the University of Cape Town and are expended according to the donor's wishes. During the year, £1,330 was transferred to the WHO/EEC fund from unrestricted funds to reflect the exchange gains made on cash held on Euro deposit. In addition, £5,550 was transferred from the Law Faculty Endowment Fund to purchase investments.

Notes to the financial statements

at 31 December 2007

10. Statement of funds (continued)

Restricted endowment funds

	<i>Balance at 1 January 2007</i>	<i>Movements in</i>		<i>Balance at 31 December 2007</i>
	<i>£</i>	<i>incoming resources</i>	<i>outgoing resources</i>	<i>Transfer</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Glaxo Chair	19,296	21,452	–	–
K Oates Inc.	833	960	(847)	–
R Andrews	113	127	(112)	–
Professor Mibashan	582	659	(582)	–
Yash Ghai	–	36	–	–
Law Faculty	–	2,333	–	(2,333)
	<u>20,824</u>	<u>25,567</u>	<u>(1,541)</u>	<u>(2,333)</u>
	<u>42,517</u>			

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

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

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

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

Professor Mibashan: The income is used for merit awards for registrars in UCT's Dept. of Medicine.

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

The undistributed income balances on the restricted funds represents income from endowments that had yet to be spent at 31 December 2007, and were held as cash.