

Annual Report 2013-2014

University of Cape Town Foundation Limited

As trustee for

University of Cape Town Australian Trust



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Our Mission

The University of Cape Town (UCT) Australian Trust aims to break the cycle of poverty and those that are disadvantaged in South Africa by supporting the social justice, education and health initiatives managed by the University of Cape Town. Garnering support from Australian alumni and the Australian public, the UCT Australian Trust will facilitate development by providing financial aid, strategy and appraisal of selected initiatives, and volunteering services to assist in empowering disadvantaged South African communities to rise above poverty.

History of the UCT Australian Trust

The UCT Australian Trust was founded in 2008 by a UCT alumni resident in Australia. The fund was officially launched in June 2011 by Dr Max Price, the University's Vice Chancellor, with a series of alumni events held in Sydney, Melbourne, Perth and Brisbane.

The fund raised over A\$50,000 in the 2010/2011 financial year, over A\$62,000 in the 2011/2012 financial year, over \$140,000 in the 2012/2013 financial year, and over \$25,000 in the 2013/2014 financial year, including tax deductible donations made to the APHEDA Union Aid Abroad – UCT Australian Trust Management Account.

Structure and Governance

Cape Town Foundation Limited is the trustee of the UCT Australian Trust. Staff of the Trust include the Chief Executive Officer, Lenore Plummer, and Alumni Director, Ruth Thornton, both of whom are located in Sydney. Gary Shearer, the South African General Manager, is located in Cape Town.

Chairman's Report

Cape Town Foundation as trustee for the University of Cape Town Australian Trust

I am delighted to again present this report on behalf of the Directors of the Cape Town Foundation Limited (the Foundation) who act as Trustees of the University of Cape Town (UCT) Australian Trust (the Trust).

There are many UCT alumni living in Australia, and we continue to grow our network to reach of many of them as possible. In continuing to expand our network of alumni in Australia we emphasise the importance of the UCT to the development of Southern Africa and the need to create educational opportunities. Making quality education affordable and available to as many people as possible is one of the most important factors in reducing income inequality and removing the poverty spiral.

As UCT alumni residing in Australia we have all benefited from an excellent university education, and it is incumbent on us to consider how to 'give back', and assist disadvantages communities just as many alumni have been helped in previous years in diverse ways. The Trust also needs to be accessible to all alumni and supporters in the Australian community, holding interesting and engaging functions to showcase the outstanding work being undertaken by the UCT and to further encourage 'giving back' by local alumni.

On behalf of the Trust, thank you to all everyone who has made a significant contribution to education in South Africa over the past year. There is, however, more to be done and I encourage all alumni to get involved next year – whether through making a tax deductible donation, providing a bequest, or assisting the Trust through volunteering.

We held a number of successful Australian alumni events this year. These included the UCT birthday celebrations in April in Sydney and Melbourne; and the visit to Sydney, Melbourne and Perth by Sarah Archer, Manager of International Operations in the UCT Development and Alumni Department.

Donations to the UCT Development programs continue to be made primarily through APHEDA, Union Aid Abroad, in order to be tax deductible. After applying to and fulfilling the exacting Code of Compliance requirements, the Trust is now a member of the Australian Council for International Development and we have contributed to the African and Small Foundation working parties.

A list of the aid and development projects that the Trust has contributed to or identified is expanded further in this report. There is a small cross-section of development projects managed by the UCT.

I would like to thank my fellow directors for their contribution, as well as our hard-working executives Lenore Plummer, CEO of the Foundation, and Ruth Thornton, our Secretary, who have arranged the successful functions, updated our database, managed the administration workload and assisted the UCT alumni team in South Africa. Thanks also to our South African Manager, Gary Shearer, who has assisted with the management and appraisal of our South African development programs.

On behalf of the directors, thank you to all alumni for your continued support. We are looking forward to further growing our network and increasing our fundraising opportunities next year.

Wayne Spanner December 2014

Directors

Wayne Spanner – Chairman

Wayne Spanner is Managing Partner of Norton Rose Fulbright in Australia and is a member of their Global Executive Committee. He is an experienced litigator with a background in employment and labour law.

Prior to being elected Australian Managing Partner, he was part of the Australia Executive, Head of the Australian Disputes Group and Global Head of the Employment and Labour Group.

Wayne holds a Bachelor of Commerce and a Bachelor of Laws from the University of Cape Town, a Master of Science in Management from Oxford, and is admitted to practice in New South Wales.

Arnold Conyer

Arnold has a BA LLB from UCT and is a partner at the law firm Diamond Conway. He has specialist expertise in the field of immigration law and has lectured extensively at a number of pre-eminent international legal forums. He is the immediate past President of the Migration Institute of Australia and the immediate past Chairman of the Migration Agents Registration Authority.

He is also a registered migration agent and is one of the few individuals to hold specialist accreditation in immigration law.

Malcolm Dunn

Malcolm is the Director, Executive Development Services, at AGSM Executive Programs, Australian School of Business at the University of New South Wales.

Malcolm is a qualified psychotherapist and has worked with boards and senior executives from both public and private sectors. Prior to joining AGSM Executive Programs, Malcolm was a partner at Booz & Co., where he was responsible for strategy projects at major multinational firms, including financial services companies. Malcolm holds a Bachelor of Business / Bachelor of Science from UCT and a graduate diploma in Finance and Psychotherapy.

Robert Estcourt

Robert graduated from UCT in 1971 with an Honors degree in Economics before completing a Master's in Finance at Exeter University. He has worked in the investment industry in Johannesburg, Wellington, Sydney and London.

Currently he chairs the Woolcock Medical Research Institute in Sydney and sits on a number of small investment company boards.

Barbara Galloon

Barbara was appointed to the board in September 2014.

Anne Sarzin

Anne completed her PhD (English Literature), MA and BA at the University of Cape Town and a BA Honours (cum laude) at the University of Natal.

Anne is the Principal and Director of Write 4 U: Corporate Communications, a writing, editing, proofreading company drawing clients from a broad range of sectors, including medicine and healthcare, law, IT, property development, scientific research and academia.

In April 2010, Anne and her daughter Lisa Sarzin co-authored the book *Hand in Hand: Jewish and Indigenous people working together*, which was launched in 2010 by the former NSW Minister for Community Services, Linda Burney MP.

Jonathan Trollip

Jonathan graduated in 1979 from UCT with a BA and obtained a BA (Hons) in 1980 and LLM in 1985 from the University of London. He was admitted as a solicitor in England and Australia and in private legal practice until 1994. Since then, Jonathan is a principal and director of the Sydney-based Meridian International Capital Limited. He was chair of The SCEGGS Trust Limited 2007-2012 and holds other private company directorships.

Events

April 2014 – UCT Birthday Celebrations

In Sydney, alumni met for drinks and dinner at Lucky Tsotsi Shebeen and Bar in Darlinghurst. In Melbourne alumni attended the Comedy Festival performance of South African Urzila Carlson's "Long Flight to Freedom".

June 2014 - Visit to Australia of Sarah Archer, International Manager, UCT Development and Alumni Department.

Sarah held information update evenings for alumni in Sydney, Melbourne and Perth, outlining recent developments and achievements at UCT. She, together with Lenore Plummer, met with a number of Australian Foundations, corporations, organisations and notable potential donors with an interest in South African development in NSW, Victoria and Western Australia.

Aid and Development Activities

In 2013/2014 the UCT Australian Trust board and donors have prioritised education in South Africa as the main funding recipient, in response to the continuing education crisis in South Africa and a wish to provide greater equality in education.

The UCT Australian Trust has supported a number of programs in education and health on the basis of greatest need, donor wishes and emphasis on sustainable development. The major funding priorities for 2013/2014 remain:

School Development Unit

The primary and high school system in South Africa is in crisis and has not improved for many disadvantaged communities since apartheid ended. Many teachers have emigrated over the past 30 years and many teachers in disadvantaged communities themselves received a basic education. Many teachers are underqualified, especially in language, maths and science. Of 2,900 students who graduated from 20 high schools in the Khayelitsha township in Cape Town in 2011, only 20 graduated with a high enough pass to attend UCT. This number tripled to 89 in 2014 following the matriculation of the first cohort of the 100 up high school students mentored for the last 3 years of school.

In the Khayelitsha primary schools, currently only around 15% of students in grade 6 pass the national benchmarks in literacy and numeracy.

The UCT's SDU has a three-pronged approach to improving school education in disadvantaged areas:

- Providing bursaries for primary teachers to upskill in the areas of maths, science and language through advanced certificates of education (ACE), provision of classroom assistance and monitoring;
- Selecting 100 high-school students from 20 high schools in Khayelitsha to be mentored, tutored and counselled over years 10 to 12; and
- Providing intervention programs and screening for learning difficulties in years R and 1 in primary schools in Khayelitsha.

Impact – the ACE program is gaining acceptance among teachers, and greater numbers of teachers are qualified to teach maths and science. The long-term results of early school interventions will be researched over the students' later educational outcomes. Initial results with the grade 3 benchmark tests show good signs of improvement in partnered Khayelitsha schools, with pass rates of grade 3 in Sivuyiseni and Ummangalise rising to 74%. There has been little improvement to date in results for higher grades, however with greater focus and financial support we aim to see these results rise over time.

Education Assistance packages for Disadvantaged University Students

The UCT Australian Trust continues to support disadvantaged students to study at UCT, including fees and support to live on campus.

Research has shown that unless disadvantaged students live on campus and are financially assisted, they have a low probability of completing their degree. This is due to financial hardship, poor living conditions at home, including intermittent lack of electricity and internet, no running water, no toilets, lack of safety for female students returning after dark, and long commute times.

Living on campus allows students to eat well, have access to library and internet, access to tutoring, mentoring and a good studying environment. UCT is committed to providing financial assistance to all students from disadvantaged communities who qualify academically.

UCT Australian Trust alumni remain keen to support disadvantaged youth so that they may receive the same excellent education they received and improve employment prospects, hence breaking the cycle of poverty. Students are encouraged to give back to their community.

The inaugural 3 recipients of the Marjorie McIntosh Nursing and Midwifery postgraduate bursaries completed their training in 2014, and return to their rural Eastern cape hospitals to improve neonatal care in these remote areas.

Womens' Perinatal Mental Health Centre

This unit is situated in the Hanover Park township's Womens' Medical Centre. While this is a maternity unit, the UCT Medical Faculty has initiated a mental health unit within the centre.

Mental health is a major problem in South Africa. Women who attend the centre for their antenatal checkups are screened for depression. Around 50% are found to be suffering from this condition, a result of domestic violence, HIV (often diagnosed during pregnancy), crowded living conditions, youth, low self-esteem, lack of education, abandonment by partner, unemployment and refugee status. Women are subsequently treated with counselling sessions during antenatal and postnatal checkups. These visits are convenient, low cost, attract no mental health stigma and are effective in treating the condition.

Impact – improved mental health has had improved outcomes for both mother and child. General health improves (depression leads to non-compliance with HIV and other medications), improved mother-child bond, greater resilience and employment confidence.

Evaluation – the unit wishes to increase screening for all women attending the medical centre if funding can be increased, due to the high prevalence of mental illness and the positive outcomes of counselling.

Volunteering Services

The UCT Australian Trust is participating directly with the following programs in South Africa.

Promotion of UCT Education Packages to South African High Schools

While the UCT Student Assistance Office conducts marketing activities to promote the existence of financial assistance packages for all highly disadvantaged students who matriculate to UCT, such as print and radio advertising, significant numbers of students from urban and rural informal settlements remain unaware of

financial assistance packages available for impoverished students. The UCT Australian Trust has identified South African partners to promote the financial assistance packages available directly to high schools.

Non- Financial Donations to the UCT Australian Trust

Resimac Limited and Mastersoft have provided the services of Lenore Plummer to manage the activities and governance of the UCT Australian Trust, and Ruth Thornton for administration and event management. They have donated office space, computer, printing and boardroom space for activities, administration and the AGM. Norton Rose Fulbright has donated office space and resources for the 2013 AGM, and supported the CorriLee Foundation fundraising events to provide support for the iKwezi project in Khayelitsha primary schools. Mark Nicholaeff and Nicholas Cox of UHY Haines Norton Auditors and Accountants have provided pro bono auditing services to the UCT Australian Trust.

APHEDA – Union Aid Abroad

The majority of donations to the UCT Australian Trust continue to be made directly to APHEDA rather than to the UCT Australian Trust bank account. This enables tax deductible donations to be made to the University of Cape Town's social development programs. The Trust wishes to thank Ken Davis and Karel Solomon of APHEDA for their continued assistance and support.

The UCT Australian Trust, however, remains responsible for the selection of UCT development programs for support, promotion of programs to UCT alumni, Australian Foundations and corporations, the monitoring and evaluation of programs.

An application for DGR1 status has been lodged with the Department of Foreign Affairs and Trade in November 2014, which will simplify and streamline administrative processes.

Australian Council for International Development (ACFID)

The UCT Australian Trust retains membership of ACFID. This entails commitment to the highest standards of governance and accountability for members and adherence to the ACFID Code of Conduct. Further details on ACFID and the Code can be found at www.acfid.asn.au. The association provides training, support and advice on the governance of the UCT Australian Trust.

To comply with the code, the UCT Australian Trust has formulated policies encompassing complaints handling, disability policy, non-development policy and child protection policy. These policies are available on request and can be found on the website www.ucttrust.org.au.

Complaints Procedures and Register

The UCT Australian Trust is committed to respond promptly to any complaint received by members, donors, staff and the public. The trust keeps a register of complaints. Any complaint will be presented at the following board meeting.

To lodge a complaint about the governance, administration or fundraising of the UCT Australian Trust, contact should be made in the first instance to Lenore Plummer, C/- Mastersoft, Level 2, 220 George St Sydney 2000, or at info@ucttrust.org.au or on 0416034971.

The CEO will respond immediately to the complaint by phone and in writing where appropriate.

If this complaint is not resolved, or if a breach of the ACFID Code of Conduct is deemed to have occurred, a complaint may be made to ACFID at Private bag 3, Deakin ACT 2600 or complaints@acfid.asn.au or on (02) 6182 9222.

No complaints have been received in the 2013/2014 year.

Cape Town Foundation Limited

ACN 129769740

As trustee for

The University of Cape Town

Australian Trust

ABN 16 316 957 875

(a charitable institution)

Annual Financial Statement

30 June 2014

Income Statement

For the year ended 30 June 2014

	2014	2013
	\$	\$
INCOME		
Gifts/Donations	3,495	53,228
Monetary	-	-
Non-Monetary	-	-
Grants	-	-
Other income	5	2,515
Total Income	3,500	55,743
EXPENSES		
International Programs	-	-
Community Education	-	-
Fundraising Costs	-	-
Accountability and Administration	1,222	2,485
Non-Monetary	-	-
Total Expenses	1,222	2,485
Excess/(Deficit) before tax	2,278	53,258
Income Tax Expense	-	-
Excess/(Deficit) after tax	2,278	53,258
<u>Distribution to Beneficiaries</u>		
APHEDA then University of Cape Town	1,100	51,978
Accumulated excess/(deficit) at the end of financial year	1,178	1,280

The Income Statement is to be read in conjunction with the notes to the financial statements set out on pages 15 to 16.

Balance Sheet

As at 30 June 2014

	2014	2013
	\$	\$
ASSETS		
Cash at bank	2,680	1,502
Cash on Hand	100	100
Total Assets	<u>2,780</u>	<u>1,602</u>
LIABILITIES	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Excess Assets over Liabilities	2,780	1,602
Beneficiaries' Funds		
Settlement Sum	100	100
Beneficiaries' Fund (opening)	1,502	222
Accumulated income/(loss) for the year	1,178	1,280
Beneficiaries' Funds (closing)	<u>2,780</u>	<u>1,602</u>

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 15 to 16.

Table of Cash Movements for Designated Purposes

For the Year Ended 30 June 2014

	Cash available at beginning of year \$	Cash raised during year \$	Cash disbursed during year \$	Cash available at end of year \$
Union Aid Abroad - APHEDA	1,602	2,278	(1,100)	2,780
Other non- designated purposes	-	1,222	(1,222)	-
TOTAL	1,602	3,500	(2,322)	2,780

Note 1 to the Financial Statements For the year ended 30 June 2014

Statement of compliance

In the opinion of the directors, The University of Cape Town Australian Trust (“the Trust”) is not a reporting entity. The financial report of the trustee, Cape Town Foundation limited, has been drawn up as a special purpose financial report for distribution to the members.

The special purpose financial report has been prepared in accordance with the requirements of the recognition and measurement aspects of all applicable Australian Accounting Standards, (“AASBs”) adopted by the Australian Accounting Standards Board (“AASB”), and other authoritative pronouncements of the AASB that have a material effect.

The accounts have been drawn up according to the Australian Council for International Development (ACFID) Code of Compliance, except where the dollar amounts are too small to warrant further examination.

2013–2014 Accounts – Union Aid Abroad – APHEDA

The accounts of Cape Town Foundation Limited, as trustee for UCT Australian Trust, are lower than in previous years, due to some donors placing funds for UCT directly with the charity, Union Aid Abroad – APHEDA. They then distribute funds to UCT development projects on instruction from Cape Town Foundation as trustee for UCT Australian Trust. This temporary process, while unwieldy, enables individual donors to receive a tax deduction, and enables donations from an Australian Foundation, Union Aid Abroad – APHEDA completes accounts separately for donations made directly.

Basis of preparation

The financial report is presented in Australian dollars.

Cape Town Foundation limited, as trustee for the UCT Australian Trust, has not elected to early adopt any revised accounting standards.

The financial report is prepared on an historical cost basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about

carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Trust.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in a period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report unless otherwise stated.

(a) Revenue recognition

Revenue comprises donations received from donors to the Trust. Interest revenue is recognised as it is accrued.

(b) Trading expenses

Trading expenses include expenses of the Trust to external parties for organising various charity events

(c) Taxation

During the year, the Trust has achieved a Charitable Institution Status from the ATO. Pursuant to the Charitable Status, the Trust has access to the following concessions:

- Income tax exemption under Subdivision 50-B of the *Income Tax Assessment Act 1997*
- GST Concessions under Division 176 of *A New Tax System (Goods and Services Tax) Act 1999*
- FBT rebate under Section 123E of the *Fringe Benefits Tax Assessment Act 1986*

Hence, no tax liability is recognised in the Balance Sheet.

(d) Receivables

Debtors are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any identified doubtful accounts.

(e) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Trust. Trade accounts payable are normally settled within 60 days.

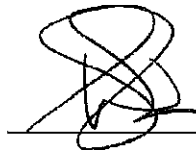
DIRECTORS' DECLARATION

The Directors of the trustee company declare that the trust is not a reporting entity and this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the trustee company declare that:

- a) the Trust is not a reporting entity;
- b) the financial statements and notes, as set out on pages 1 to 4 gives true and fair view of the trust's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- c) there are reasonable grounds to believe that The University of Cape Town Australian Trust will be able to pay its debts as and when they become due and payable,

Signed in accordance with a resolution of the directors of the trustee company:



Director

Dated at SYDNEY (city) this 18th day of December 2014

Audit 2013/2014

The UCT Australian Trust has been audited by Mark Nicholaeff, Partner of UHY Haines Norton. The audit report and accompanying documentation are listed below.

We again wish to thank UHY Haines Norton for their continued support of the UCT Australian Trust.

Lenore Plummer

Chief Executive Officer, University of Cape Town Australian Trust - December 2014