



UNIVERSITY *of the*
WESTERN CAPE



ANNUAL REPORT 2020





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RATIONALE

The University of the Western Cape, founded by the apartheid government as an institution of higher learning for “coloured” students, celebrated its 60th year of existence in 2020. Over six decades, it has grown into a strong research-led university, belying the limitations that had been set for the institution. This report offers a selection of images that details the evolution of UWC.



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A view of the University of the Western Cape in the 1980s.

In 1959, Parliament adopted legislation establishing the University College of the Western Cape as a constituent college of the University of South Africa for people classified as "Coloured".

The first group of 166 students enrolled in 1960.

UNIVERSITY OF THE WESTERN CAPE EXECUTIVES



PROF TYRONE PRETORIUS
Rector and Vice-Chancellor



PROF VIVIENNE LAWACK
*Deputy Vice-Chancellor:
Academic*



PROF PAMELA DUBE
*Deputy Vice Chancellor:
Student Development
and Support*



PROF JOSÉ FRANTZ
*Deputy Vice-Chancellor:
Research & Innovation*



DR NITA LAWTON-MISRA
Registrar



MR ABDURAGHMAN REGAL
*Executive Director:
Finance and Services*



MR MEKO MAGIDA
*Executive Director:
Human Resources*

UNIVERSITY OF THE WESTERN CAPE **FACULTY DEANS**



PROF NEIL MYBURGH
*Acting Dean: Faculty
of Dentistry*



PROF ANTHEA RHODA
*Faculty of Community
and Health Sciences*



**PROF RAJENDRAN
GOVENDER**
*Acting Dean: Faculty
of Education*



PROF MICHELLE ESAU
*Faculty of Economic
and Management Sciences*



PROF JACQUES DE VILLE
Faculty of Law



**PROF MICHAEL
DAVIES-COLEMAN**
Faculty of Natural Sciences



**PROF
MONWABISI RALARALA**
Faculty of Arts



2020 PERFORMANCE REPORT

In accordance with the Regulations for Reporting by Public Higher Education Institutions, as promulgated on 9 June 2014, the University of the Western Cape (UWC) submitted an Annual Performance Plan to the Minister of Higher Education and Training for 2020. UWC has a well-established culture of institutional and strategic planning, and the Annual Performance Planning process forms part of the University's annual planning cycle. The University uses a range of indicators as diagnostic metrics to understand progress, and all of the indicators are embedded in institutional goals and speak to different objectives that constitute these and that are outlined in the Institutional Operating Plan 2016 to 2020 (IOP). The indicators that are included in this Performance Plan are also included in the University's IOP and include various targets that form part of the University's Enrolment Plan for 2020 - 2025.

In the table below, the column "Actual against Target" reflects the variation between progress achieved and the target that was set, expressed as a percentage difference. As per the Department of Higher Education and Training's (DHET) guidelines in terms of the enrolment mandate to universities, a difference of up to 2% is considered to be within acceptable norms.

IOP Goal area and strategy	Key performance indicator	Evidence source	2020		Actual against Target %	Comments
	A. Headcount totals					
Goal Area 1 – the size, shape and mix of the student population and academic programmes	First-time entering undergraduates	HEMIS	4 500	4 405	↓ 2,1%	First-time entering mainstream and extended curriculum (Foundation provision) enrolment was significantly affected by COVID-19, resulting in higher attrition in these enrolment categories. Annually the first-time enrolment targets are also impacted by students who drop-out if they are not successful in terms of their National Student Financial Aid Scheme (NSFAS) applications.
	Headcount enrolments (Foundation provision)	HEMIS	1 054	986	↓ 6,5%	COVID-19 had a significant impact on all students and the University is satisfied with its overall undergraduate performance given the challenges faced in 2020. The under-enrolment in this category is slightly understated as it includes students previously classified as postgraduate (see overall postgraduate enrolment).
	Headcount enrolments total undergraduate	HEMIS	18 980	18 724	↓ 1,3%	This indicator is below target as a result of the under-enrolment in other enrolment categories discussed in this section.
	Overall headcount enrolments	HEMIS	24 800	23 730	↓ 4,3%	The underperformance in this category of enrolment is largely a result of the reclassification of the Postgraduate Certificate in Education (PGCE) and all advanced diplomas as undergraduate qualifications. The enrolment mandate against which progress is measured still accounts for these qualifications as postgraduate. Enrolment at the level of Master’s and Doctoral qualifications was slightly above target, but the University did not meet its target in the category Honours and Postgraduate Diplomas. The University will follow-up with the Department of Higher Education and Training to adjust the targets in different enrolment categories as a result of the reclassification of qualifications.
	Headcount enrolments total postgraduate	HEMIS	5 820	5 006	↓ 13,9%	Despite the fact that the actual performance is within the 2% margin, this is a very important strategic indicator for the University and the drop in the proportionate postgraduate enrolment is disappointing, but also linked to the reclassification of certain qualifications (see above.)
	Percentage of postgraduate students as a proportion of overall student headcount	HEMIS	23%	21%	↓ 2%	The University is very pleased with the performance in this area which is an area of significant strategic importance.
	B. Institutional shape					
	Science, Engineering, Technology (SET)	HEMIS	36%	36%	→	Given the challenges that students experienced in 2020 and higher attrition rate it is pleasing to note that enrolment in the Classification of Education Subject Matter (CESM) categories remained in accordance with the targets set.
	Business/Management	HEMIS	12%	12%	→	
	Education	HEMIS	11%	11%	→	
	Other Humanities	HEMIS	41%	41%	→	

IOP Goal area and strategy	Key performance indicator	Evidence source	2020		Actual against Target %	Comments
			Target	Actual		
Goal Area 2 – Develop an environment conducive to excellence in learning and teaching in support of student success and retention	Graduates – Undergraduate (UG)	HEMIS	3 460	4 042	↑ 16,8%	The above- and below target performance in these categories are impacted by the reclassification of a number of one-year postgraduate qualifications (PGCE and Advanced Diplomas) as undergraduate. The postgraduate performance is also impacted by the under-enrolment in the Honours and Postgraduate Diploma category of qualifications of which a significant proportion are also one-year qualifications that directly impact graduation targets.
	Graduates – Postgraduate (PG)	HEMIS	2 097	1 531	↓ 27%	
	Success rate	HEMIS	83%	85.5%	↑ 2,5%	The University is pleased with the performance in this category, but there is also some concern about the increase in the success rate and the Senate Academic Planning committee is doing further work on this. (See notes below under success rate in scarce skills areas).
	Overall retention rate of students in good academic standing	Discoverer	88%	92%	↑ 4%	The University is very pleased with the performance in this category
	Ratio of FTE students to FTE instructional/research staff	HEMIS	22,4	21,8	↑ 2,7%	UWC's student to staff ratio compares favourably with the rest of the higher education sector in South Africa and speaks to the importance of permanent instruction and research (PIRS) staff growth keeping pace with student enrolment growth. The indicator fluctuates a bit between years and is impacted by retirements, staff turn-over the time to fill vacancies. In 2019 it was slightly below target.
	C. Undergraduate output by scarce skills					
	Life and Physical Sciences	HEMIS	416	447	↑ 7,5%	The University is pleased with performance in this area and continues to focus on supporting students to be successful in their studies.
	Animal and Human Health	HEMIS	556	544	↓ 2,2%	There is some concern about the significant increase in the success rate and the Senate Academic Planning committee is doing further work on this.
	Teacher Education	HEMIS	509	503	↓ 1,2%	On the one hand it speaks to the immense effort that went into supporting students during this time, including one-on-one engagements with students in many instances. Attention is also being given to the further development of skills in the design of online assessments.
	Success rate	HEMIS	83%	92%	↑ 9%	

IOP Goal area and strategy	Key performance indicator	Evidence source	2020		Actual against Target %	Comments
			Target	Actual		
Goal Are 3 – Maintain a critical mass of strong, productive researchers	D. Staff					
	Headcount of permanent instructional/research staff	HEMIS	670	695	↑ 3,7%	The University is pleased with the overall performance in this category. The proportion of permanent instruction and research staff with doctoral qualifications and NRF research ratings are areas that continue to receive dedicated attention and are of specific strategic importance in positioning UWC as a research-led university.
	FTE of permanent instructional/research staff	HEMIS	840	828	↓ 1,4%	
	Percentage of permanent instructional/research staff with doctoral degrees	HR Office	57%	59%	↑ 2%	
	Percentage of NRF-rated researchers amongst instructional/research staff	Research Office	20%	21,9%	↑ 1,9%	
	E. Research Output					
	Publication units per FTE staff	Research Office	0,71	0,91	↑ 28,2%	Significant effort has gone into improving UWC's publication output and the University is very pleased with the improved performance in this area. The University continues to perform well in terms of graduating research Master's and Doctoral students. The numbers are not that high, so a difference between target and actual performance has a significant impact on the percentage performance. Given the COVID context and impact thereof on Master's students who had to work in laboratories and do fieldwork, performance in this area speaks to the efforts of students and staff to mitigate the contextual challenges of 2020. This indicator speaks to the ability to maintain good performance in terms of the time-to-degree of students in these enrolment categories.
	Research Master's graduates	HEMIS	280	267	↓ 4,6%	
	Doctoral graduates	HEMIS	115	123	↑ 7,0%	
	Annual weighted research output	Combination of other indicators	1 225	1 386	↑ 13,1%	
Goal area 4 – Actively pursue greater representation in support of equity & diversity	Number of Master's and doctoral graduates per instructional/research staff	HEMIS	0,88	0,72	↓ 18,2%	UWC is very pleased with the performance in this area. The improvement in this area is attributable to the projected increase in publication output. Increasing UWC's research outputs is a key strategic focus area. Performance in this area was directly impacted by COVID-19 as postgraduate students were unable to do work in laboratories or do their fieldwork for an extensive period of time in 2020.
	Number of nGAP staff	HR Office	0	2	→	The New Generation of Academics Programme (nGAP) is a prestigious programme under the DHET which involves the recruitment of highly capable scholars as new academics. It is co-funded between institutions and the DHET and 2020 was the 6 th cycle of the programme. UWC did participate in cycle 6 and the positions that were filled in 2020 formed part of the University's participation in cycle 5 (2019) of which two appointments were only finalised in 2020.

* All data is unaudited at the time of reporting.

Progress achieved is within the 2% margin or better than expected	Progress achieved is below the 2% margin but there is no reason for serious concern	Progress achieved is significantly lower than planned and there is reason for concern
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Ms Yasmin Forbes
Chairperson of Council



Prof Tyrone Pretorius
Rector and Vice-Chancellor





After six decades of existence, UWC has expanded significantly from its early days – not only in infrastructural expansion, but as a research-led university



CHAIRPERSON OF COUNCIL REPORT

The year 2020 was testament to the ultimate challenge experienced on a global, societal and individual level. Freedoms previously taken for granted were removed, enunciating the levels of deprivation and hardship our people deal with on a daily basis.

The University, with its community of staff and students, had to find solutions to the new challenges and implement systems, processes and infrastructure to ensure not only that the 2020 academic year could be completed, but also to support students transitioning from the campus environment and its accompanying support structures to the new normal. My fellow Council members and I wish to express our appreciation to the Executive Management Team, the academic community, staff and students of UWC for showing resilience and commitment to the academic year, and for being proactive in ensuring the completion of the academic year.

As noted by the Founder and Chair of the World Economic Forum (WEF), the COVID-19 pandemic has offered a rare but narrow window of opportunity to reflect on, reimagine and reset our world. Midway through UWC's digital transformation, there has never been a more opportune time to address the enhancement of our human interaction and the manner in which we operate, transform and create opportunities.

Relevant questions to consider for UWC's operations in the Fourth Industrial Revolution (4IR) include an assessment of the world we want to live in, the purpose of universities in the world, what business model would best serve society, whether a new social contract is required between academia and society, and how one protects humanity and dignity ethically in an algorithm-based society.

In essence, a new social contract is what is needed for the Digital Age, one that incorporates six basic principles: inclusive models of global problem-solving; rethinking democracy for citizen engagement; a new dedication to justice; new models of labour; new models of education; new models of identity; and a commitment to sustainability.

“In essence, a new social contract is what is needed for the Digital Age, one that incorporates six basic principles”

STRATEGIC FOCUS

As the highest governing structure of the University, Council is responsible not only for the overall governance in accordance with the Higher Education Act and the Institution's Statute, but also for oversight of UWC's financial affairs, quality instruction and proper student evaluation, the University's reputation and standing in South Africa and around the world, and maintaining the institution's integrity and fairness in its operations.

In this context, we are acutely conscious of our responsibilities toward the institution, its community of people, and the trust put in us to secure the University's continued sustainability and place within the South African higher education system and the broader society. Much of our attention has been focused – within Council and its ancillary committees – on ensuring that the institution's risks are minimised, its governance structures and processes are operating at peak efficiency, its financial wellbeing is protected, and its technological infrastructure is significantly improved. The wisdom and passion of a varied set of Council members have contributed to the establishment of a number of important building blocks that will safeguard the University's long-term integrity and sustainability.

As the severity of the pandemic's effects became clear, we identified COVID-19 as a significant risk to the institution and began working with the University leadership team to mitigate the risk as best we could. Council also sought to support the growth and development of UWC, particularly high-impact projects such as the construction of student accommodation, and we were pleased to see the virtual sod-turning ceremony on 14 September to mark the start of construction of the 2 700-bed Unibell student residence. This will go a long way to address the needs for safe and secure lodgings for students.

UNIVERSITY LEADERSHIP

I would like to convey my gratitude to Prof Vivienne Lawack, who served as Acting Rector for the first half of 2020, and the University employees for their comprehensive approach to the pandemic. Despite tremendous obstacles, UWC's academic, professional and support personnel remained committed to promoting positive learning and teaching throughout COVID-19. Care and compassion were strengthened, assessment processes were re-imagined, instructional innovations were developed and embraced, and

communities of practice were strengthened. Staff practised flexibility, empathy, compassion and mindfulness regarding the students' personal backgrounds as part of a student-centric approach.

On 26 October, the Deputy Minister of Higher Education, Buti Manamela, paid a visit to assess the University's preparation to deal with the pandemic and praised UWC for its joint response to COVID-19.

The University's executive leadership has settled into a unified and cohesive group that now is fully staffed. Prof Yusuf Osman, who was one of the first 25 students to study Dentistry at UWC, retired as Dean of the Faculty of Dentistry, bringing two changes to top management. We owe Prof Osman a huge debt of gratitude for his vision and dedication to the University. Prof Vuyo Nomlomo, Dean of the Faculty of Education, departed in October to take up the position of Deputy Vice-Chancellor: Teaching and Learning at the University of Zululand. We appreciate her 22 years of service. Procedures are in the works to fill these vacancies.

GOVERNANCE AND COUNCIL MEMBERSHIP

Members of Council completed a Council Self-Assessment Questionnaire at the request of the Department of Higher Education and Training, Science and Innovation, with the results analysed by KPMG auditors, in order to improve our effectiveness and efficiency as a Council. The provision of training in financial reporting and accounting procedures for members, as well as performance evaluation, which is to be addressed with a trend analysis of the self-assessments over three years, were among the recommendations.

We are constantly refining our guiding documents to ensure optimal functionality in order for Council members to maintain impartiality and ethical conduct in their decision-making, as prescribed by the "Guidelines for Good Governance Practice and Governance Indicators for Councils of South African Public Higher Education Institutions". In 2020, Council approved the new Amended Declaration of Interests, which comply with the University's amended Statute and the Higher Education Act.

Council members are not remunerated for their time and dedication to the University, and I would like to express my sincere appreciation to both former and current members (as highlighted in Annexures to the 2020 Annual Report) for their time and diligence in discharging their duties to the University, especially Council members who, when faced with challenges, were relentless in their commitment to complete the tasks at hand and to meet the relevant deadlines – THANK YOU!

FINANCES

The COVID-19 outbreak wreaked havoc on South Africa's economy, and government ministries were forced to cede a portion of their budgets to help with the response. In addition to the aid from the DHET and other external grant funding, UWC was in a fortunate position to be able to reprioritise its budget.

POLICY ISSUES AND KEY DECISIONS

Good governance is an important part of any institution, and UWC is no exception. As a result, the Audit and Risk Committee concentrated on internal controls throughout the past year, and it is noted that Management made some progress in addressing longstanding issues from the past three years. This is a priority for Council, and we will continue to examine systems and processes in order to protect the University from avoidable risks.

The University's Institutional Operating Plan (IOP) serves as a blueprint for its strategic growth and development, allowing the institution's leadership to concentrate its short-term efforts on areas that need to be amplified and strengthened across key goal areas in order to achieve long-term sustainability. The present IOP is coming to an end this year, and work on a new plan that will serve the University from 2021 to 2025 has begun, with Council members participating in talks regarding the plan's vision, as well as debating dates and milestones in the development of the new IOP.

As the highest decision-making structure of student governance inside the University, the Student Representative Council (SRC) performs a critical function, and it was important that new office bearers were elected even in the midst of the pandemic. As a result, Council decided that the elections be conducted electronically for the first time, and we are glad that the student community was involved in the process.

Senate is responsible for and accountable to Council for general academic and research duties, and is expected to present pertinent policies and strategic academic matters for approval. As a result of the Senate's proposals and recommendations, Council adopted the following items:

Council accepted the following appointments:

1. Prof Firdouza Waggie as Deputy Dean: Clinical and Community Engagement in the Faculty of Community and Health Sciences from 1 February 2020 to 30 April 2023.
2. Prof Michelle Andipatin as Deputy Dean: Research and Postgraduate Studies in the Faculty of Community and Health Sciences from 15 February 2020 to 30 April 2023.
3. Prof Greta Geerts as Deputy Dean: Research and Postgraduate Studies in the Faculty of Dentistry from 1 January 2020 to 31 December 2021.
4. Prof Surendren Pillay as Deputy Dean: Research and Postgraduate Studies in the Faculty of Arts and Humanities from 1 January 2021 to 31 December 2023.
5. Prof Rouaan Maarman as Deputy Dean: Research and Postgraduate Studies in the Faculty of Education from 1 January 2021 to 31 December 2023.
6. Prof Rajendran Govender as Deputy Dean: Learning and Teaching from 1 January 2021 to 31 December 2023.

A person's contribution to scholarship is recognised with the titles of Senior Professor, Emeritus Professor and Honorary Professor. Initiating such a procedure is a Senate prerogative, with final approval of such titles being affirmed by Council. The following items were approved by Council in 2020:

1. The appointment of Mr Alec Erwin as Honorary Professor in the Faculty of Economic and Management Sciences.
2. Bestowal of the title Emeritus Professor on Prof Yasien Mohamed of the Department of Foreign Languages in the Faculty of Arts.
3. Bestowal of the title Emeritus Professor on Prof Vivienne Bozalek of the Department of Women and Gender Studies in the Faculty of Arts.
4. Bestowal of the title Emeritus Professor on Prof Charlene Africa of the Department of Medical Biosciences in the Faculty of Natural Sciences.
5. Bestowal of the title Emeritus Professor on Prof Christopher Stroud in the Department of Linguistics in the Faculty of Arts.
6. Bestowal of the title of Emeritus Professor on Prof Robert Lindsay of the Department of Physics and Astronomy in the Faculty of Natural Sciences.

The following amendments were agreed on by Council:

1. The Senate Higher Degrees Committee Standing Orders
2. The Senate Research Committee Standing Orders
3. Animal Research Ethics Committee Standing Orders
4. Biomedical Research Ethics Committee Standing Orders
5. Humanities and Social Sciences Research Ethics Committee Standing Orders
6. Council's Declaration of Interests document
7. The Policy on Master's and Doctoral Students
8. The Student Discipline Rules
9. Revised Standing Orders of the Finance Committee of Council
10. Revised Standing Orders of the Audit and Risk Committee of Council
11. Revised Standing Orders of the Tender Committee of Council
12. Revised Standing Orders of the Safety, Health and Environment Risk Committee of Council
13. Revised Procurement Policy
14. Student Development and Support Services Committee Standing Orders
15. Deputy Deans Task Team report and the Deputy Deans Selection Committee Standing Orders
16. Senate Research Committee
17. Council Members Standing Orders
18. Executive Committee of Council Standing Orders
19. Safety, Health and Environment Risk Committee of Council

20. Tender Committee of Council Standing Orders
21. Audit and Risk Committee of Council Standing Orders
22. Information Communication and Technology Governance Standing Orders
23. Revised Procurement Policy

The Council gave its approval to the following:

1. The University's Employment Equity Plan
2. The establishment of a Centre for Interdisciplinary Studies of Children, Families and Society
3. Name changes of the Department of Xhosa to the Department of African Language Studies and The Faculty of Arts to the Faculty of Arts and Humanities
4. The establishment of the Centre for Legal Integration in Africa in the Faculty of Law
5. The establishment of the Global Environmental Law Centre in the Faculty of Law
6. The establishment of the Centre for Transformative Regulation of Work in the Faculty of Law
7. The establishment of the African Centre for Transnational Criminal Justice in the Faculty of Law
8. The establishment of a Student Success Committee
9. New Academic Programmes
 - a. Master of Dental Surgery in Paediatric Dentistry
 - b. Master's in Migration Studies
 - c. LLM in Legal Pluralism and Family Law in Africa
 - d. Faculty of Education:
 - i. Master of Education in Technical and Vocational Education and Training (TVET) Studies
 - ii. BEd Honours in Foundation Phase Programme
 - iii. PGCE in Further Education and Training (FET) Teaching Online



“The University's executive leadership has settled into a unified and cohesive group that now is fully staffed.”





CONCLUSION

While the pandemic gave rise to many challenges in our lives, it also forced us to adapt and devise new tactics to deal with the unanticipated challenges with which we were confronted. In certain areas there were significant leaps forward, especially in terms of technological innovation and the development of robust systems. This was obvious at the institution, as staff and students realigned their traditional learning and teaching methods to keep UWC's academic endeavour on track. As chairperson of Council, I admire the campus community's fortitude and capacity to rally behind one another in the face of adversity.

I am also grateful to my fellow Council members for making the transition to virtual Council meetings and engagements, and for remaining committed to the institution, despite significant changes in their personal and professional life.

As we approach 2021, I am aware that the pandemic's trials and tribulations are far from finished – not for UWC nor for our country or the rest of the world. But, if we learn from 2020, I am convinced that we not only will be able to serve the institution with courage and caution, but also to transform to the new normal by being flexible, efficient, ethical and open to change.

Ms Yasmin Forbes

Chairperson of Council

RECTORS OF UWC

1973 - present

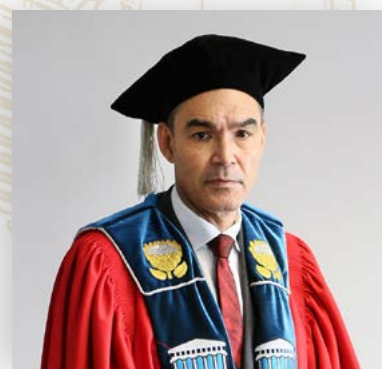
PROF CJ KRIEL
(1973)

PROF WYNAND MOUTON
*Interim Rector and
Vice-Chancellor (1974)*

PRESENT



PROF RICHARD VAN DER ROSS
(1975-1986)



PROF TYRONE PRETORIUS
(2015-present)



PROF JAKES GERWEL
(1987-1994)



PROF CECIL ABRAHAMS
(1995-2000)



PROF BRIAN O'CONNELL
(2001-2014)

RECTOR AND VICE-CHANCELLOR'S REPORT

INTRODUCTION

The impact of the COVID-19 pandemic on countries, developed and less-developed, was devastating. By the end of 2020, the global number of Covid-19 infections stood at 83 538 316 along with 1 820 469 recorded deaths. In South Africa, national lockdown efforts to help curb the spread of the virus, amplified what had been known all along – that the country was deeply unequal and that the levels of poverty and dispossession had not disappeared from our lives when apartheid had ended. In fact, it is very clear that generations of South Africa are caught in a seemingly inescapable cycle of poverty and unemployment that was exacerbated by the pandemic. This reality continues to serve as a vivid reminder never to lose sight of the university's mission and commitment that we exist for the common good.

When the pandemic threat emerged, I never felt more proud of the campus community's responsiveness to keep the doors of learning open and to rapidly shift to remote working, learning, teaching and research. The university's long-held values of equity, inclusion and social justice was most evident in its firm commitment that no student would be left behind as the pandemic caused upheaval and ushered in a new sense of normal.

Despite significant challenges we successfully concluded the 2020 academic year. I am proud of what we achieved collectively and wish to commend the senior management and all our staff, as well as our students and the student leadership, for the dedication and resilience shown during this extraordinary time in history.

COVID-19

On 11 March 2020, the United Nations declared the coronavirus a global pandemic and, 12 days later, President Cyril Ramaphosa announced that South Africa would enter a national lockdown from midnight on 26 March, leading to severe restrictions on all spheres of life. Although South Africa, at the time only had 405 confirmed cases as compared to the cumulative total of 1 057 161 confirmed cases by 31 December 2020, the system experienced a low health system readiness resulting in high levels of anxiety

at all levels about the immediate future. In response to the imminent threat, the university's executive management convened a COVID-19 Advisory Team and formulated a framework to ensure the Health, Safety and Welfare of the working environment for its students, staff, contractors and visitors. Drawing on support from Higher Health and subordinate to national regulations, the university developed an Integrated COVID-19 Implementation Plan to establish standard operating procedures and protocols and limit the spread of the novel Coronavirus Disease. In addition, it established a broad-based COVID-19 Response Task Team to raise awareness, coordinate and oversee the efficacy of the plan's implementation and promote a culture of health and safety. UWC is a multi-campus university with different sites of delivery and, while the pandemic continues to present new challenges, we have managed to ensure the uninterrupted continuity of our core academic mission and operating services to the extent possible.

LEADERSHIP

The value of leadership is often under-appreciated. I was on sabbatical during the first semester of 2020 when staff and students experienced immense uncertainty and anxiety under alert level 5 lockdown conditions. Under the able guidance of Acting Rector, Prof Vivienne Lawack, I was reassured by the leadership collective's ability to display a greater sense of cohesion and unity of purpose to maintain a healthy balance between the safety and well-being of staff and students and adherence to the university's core mission. I have a great appreciation for their sterling work and wish to express my gratitude to the senior management team, heads of departments and all other staff and students of the university who worked tirelessly to ensure that our academic project remained on track.

Over the past five years the Institutional Operating Plan (2016-2020) served the university well to instil confidence in its strategic direction through year-on-year improvements in all areas of strategic significance. However, the rapidly changing environment, compounded by technological advances, brought about a need to review the appropriateness and efficacy of the university's strategies. Realising that



"I am proud of what we achieved collectively."

institutional leaders simply don't have all the answers to complex issues, the senior management established eleven task teams, shortly before the onset of the COVID-19 pandemic in South Africa, to look beyond the immediate challenges to consider and reimagine UWC's future over the medium to long-term. Despite the constraints of the lockdown conditions the task teams worked tirelessly, consulted widely and stimulated candid and vibrant conversations that have contributed immensely to the shaping of a Discussion Document on which the IOP 2021-2025 will be built. We are greatly indebted to the commitment of the task team members and look forward to the adoption and implementation of a new Institutional Operating Plan responsive to new developments, emerging trends and changing behaviours. Drawing from these engagements, the leadership has identified four interdependent cross-cutting areas that have the greatest potential to leverage the University's capabilities to achieve its strategic goals in response to: an increasingly digital age; UWC's anchoring role in the sub-region; changing partnerships in the higher education ecosystem; and international opportunities. Over the next period, the leadership will invest sustained effort to harness the strategic potential of these cross-cutting areas and enhance UWC's change readiness.

The year saw the departure of two of our Deans – the Faculty of Dentistry's Prof Yusuf Osman, who had formally retired in 2019 but remained on into early 2020 and Prof Vuyokazi Nomlomo who resigned to take up a senior position at the University of Zululand. The recruitment process to find their replacements will continue into 2021 and I look forward to the new appointments. Prof Monwabisi Ralarala, appointed as from 1 January, has settled into his position as Dean of the Faculty of Arts while the extension of terms in office for Prof Lawack, DVC: Academic and Prof Pamela Dube, DVC: Student Development and Support also provided a sense of continuity and cohesion in the executive team.

MEANINGFUL STUDENT EXPERIENCE

Students are and will always be at the heart of the University. UWC is one of the most representative universities in the country where successive generations of graduates have been testament to a vibrant, sometimes turbulent, but always life changing experiences of studying at UWC. It is against the backdrop of diversity and dynamism that the university seeks to nurture a meaningful, caring and stimulating experience for its students.

In contrast with students' 2020 expectation of an integrated on-campus experience, much of this was short-lived as the majority of students in university residences and private accommodation were obliged or opted to return to their respective homes in compliance with national regulations. This meant that the 2020 cohort of new first-time entrants hardly spent one month on campus before they shifted to a fully online experience for the remainder of the year. UWC supported many out-of-town students with the cost

of transport arrangements while a limited number of vulnerable local and international students were allowed to remain in university residences. While this was not ideal during the pandemic, we were acutely aware that some of our students did not have ideal home and study circumstances and we therefore needed to ensure their safety and wellbeing.

Student Wellbeing

While the university has generally made good progress in enhancing the UWC student experience, including the opening of several new facilities that contribute significantly to enrich student life, many students faced significant non-curricular challenges during the lockdown period, including a lack of interpersonal connection with fellow students, anxieties about their mental and physical health, issues related to food insecurity and a lack of adequate study spaces and technology to participate actively in online learning. These challenges were most pronounced for first generation students and those from underserved and marginalised communities.

To mitigate some of these risks the university targeted students with the greatest need and, as mentioned above, several vulnerable students remained in university residence. Furthermore, the Student Development and Support offices made available remote individual mental health and counselling support by the Centre for Student Support Services (CSSS) and several online programmes that included self-mastery coaching sessions to help students adapt to a changed environment. Those students who remained in residence were provided with food and the accommodation facilities were regularly monitored and cleaned to ensure optimum health and safety standards.

The university employed a host of mechanisms to assist students to remain on track with their academic work while having to access their studies remotely such as the provision of devices and data to those who lacked the financial means to acquire these. In addition, the University amended the academic calendar to ensure students who were not able to participate in learning and teaching and/or exams remotely, were able to participate in intensive catch-up sessions and exams later in the year. Laboratory and clinical sessions were deferred so that as many students as possible were able to participate while funding options were explored to appoint more teaching assistants to help lecturers with the growing demands on workloads. The return of students to campus was dealt with a phased approach, first allowing students who required laboratory and technical equipment to complete their academic year along with the most vulnerable students, followed by all remaining vulnerable commuting and residence students.

In anticipation of students' return to campus the university has initiated a number of physical improvements to enrich student life. This included; (i) the refurbishment and equipping of a support unit for differently-abled students to provide important study and networking spaces for students to access specialised equipment, resources and expertise; (ii)

an upgrade of sports facilities; (iii) the design of an on-campus bus shelter to protect students from inclement weather; and (iv) the design and construction of a 2 720-bed student village adjacent to the main campus. The latter will not only double the number of UWC owned beds but will locate them within walking distance from the campus and study amenities, such as the high-performance sports facilities.

Sport has become a central part of university life and has the potential to bring the campus community closer together. The University has increased the number of sporting codes that it offers through the introduction of rowing and significant gains have particularly been made to advance women in sport. The increasing national media exposure of UWC's rugby, cricket, netball and women's soccer teams has been indicative of progress in these areas. Although the pandemic necessitated the suspension of sporting activities, several coaches actively maintained contact with athletes and arranged for ongoing training in specialised safe spaces.

Optimising student potential

The University employs several mechanisms to ascertain the needs of its students, including internal and external surveys that are designed to gauge the preparedness of our students to meet the demands of society once they exit the institution as well ones that determine how best to holistically support their academic journeys. Furthermore, the institution has, over the past years, developed policies and programmes that are designed to assist their personal and academic growth while taking concerted steps to provide an academic environment that is safe and conducive to learning and teaching.

The university conducted the annual Graduate Exit Survey to determine the levels of satisfaction that graduates experience with the institution while also establishing their career aspirations and desired places of work. In 2020, the Graduate Exit Survey showed that graduates not seeking employment rose from 28% in 2019 to 39% in 2020, suggesting that graduates might have been dissuaded from seeking employment by the Covid-19 pandemic and a shrinking job market. Yet, those students who did seek employment in 2020, 88% found employment within the first three months after graduating in comparison to the 86% the previous year, showing that the job market was still functioning even during lockdown conditions.

Similarly, the externally conducted Universum Survey showed our students' perceptions of the University, along with their future career expectations. The Universum Talent Research 2019, conducted via an online survey from September 2018 to March 2019 among students at higher education institutions in South Africa drew an overall response of 45 556 and an institutional response of 1 378 with a split of 35% male and 65% female. The respondents were from the following disciplines: Business/Commerce, Engineering/Technology, Healthcare/Health Sciences, Humanities/Liberal Arts/Education, Law and Natural Sciences.

Other student-centred initiatives include funding from the University Capacity Development Grant that allowed the Student Development and Support portfolio the opportunity to seek ways to strengthen efforts for projects linked to Gender-Based Violence and the Gender Reconciliation project. A further application has been made for a Gender Equality and Empowerment project for 2021-23 that will pay more attention to masculinities. Alongside this, there is an opportunity to expand the Make Your Mark (MYM) project, aimed at second-year students and involves data analytics and a referral approach based on the help-seeking behaviour of students and pointing them to appropriate academic and related support services.

EQUITABLE AND AFFORDABLE ACCESS

Patterns of access to higher education in South Africa remain skewed along lines of race and class. At UWC, the principle of equitable and affordable access has been a cornerstone of its six decades of existence and we will continue to place significant emphasis on ensuring that academically qualified students from socio-economically disadvantaged backgrounds will find a home at this institution along with the necessary support to realise their success.

In October 2020, Statistics South Africa published a high-level comparison of the 2019 revenue sources of the country's 26 public universities, distinguishing between three income categories: government grants, tuition fees, and other income. Excluding the two newly established universities, Sol Plaatje and Mpumalanga, UWC's tuition fee income is the seventh lowest among the universities.

While it is pleasing to note that the government-funded National Student Finance Aid Scheme (NSFAS) has, since its inception, enabled thousands of young people to enter tertiary institutions, we remain concerned about students who fall outside the financial parameters to qualify for NSFAS. The so-called "missing middle" – those students whose families earn beyond the NSFAS qualification threshold but who do not have the financial resources to fund their own studies – are consistently overlooked when financial resources are allocated for student funding and this will over time, give rise to generations of young people who have been side-lined from accessing any form of tertiary education and we must collectively find long-term solutions to this.

The breakdown below of the financial support our students received for 2020 illustrates the high levels of dependency our students have on financial aid in order to attend university as 85% of our 23 730 student population receive assistance in some form or another. This places significant strain on the institution in the context of UWC's already low tuition fees and the fact that since the student protests, the DHET has introduced regulation that determines annual increases in tuition and residence fees.

Number of student beneficiaries per year					
Fund	2016	2017	2018	2019	2020
NSFAS	7 185	5 734	7 856	9 119	10 728
UWC Bursaries	5 783	6 060	5 957	6 136	6 266
Other Bursaries	6 343	4 858	3 474	4 224	3 373
Total	19 311	16 652	17 287	19 479	20 367

ATTRACTING, RETAINING AND DEVELOPING EXCELLENT TALENT

Although well within national norms, staff continue to represent the largest single item of expenditure of the university's budget. We are pleased with the university's ability to attract and retain key talent and to maintain a critical mass of strong, productive researchers. Data shows that the proportion of permanent instruction and research staff with doctoral qualifications and NRF research ratings continue to compare very favourably amongst the best in the country. This is an area that continues to receive dedicated attention.

The changing environment in 2020 brought new working demands and higher levels of anxiety and uncertainty including work security and remote working, resulting in the need to implement support mechanisms to assist our staff. This has involved making available devices and data in order for work to continue as well as online training for our academic staff. With employees working remotely apart from

those in essential and maintenance services, the Human Resources Department implemented several measures such as developing flexible guidelines for remote working and provided a range of services to assist those struggling to cope with the extended lockdown, including wellness counselling. The HR department has also continued its own work, running the payroll and payment systems remotely and offering training programmes and workshops such as "Coping strategies for stress and burnout".

Employment equity remains a key consideration – not only for the university, but within a broader South African society and it is therefore imperative that UWC has a clear strategy that underpins transformation. In 2020, the university adopted a new five-year Employment Equity Plan (2020-2025) that was the result of a broad, consultative process across structures within the institution. Based on quantitative and qualitative analysis, the efforts for 2021 to 2025 will focus on priorities that will assist the University to improve appropriate diversity and inclusion initiatives.

Below is a table setting out the university's employees along racial and gender lines:

Personnel category	Race						Gender		
	White	Coloured	Indian	African	All Other	TOTAL	Male	Female	Unknown
1. Professional Staff Sub-Total	207	372	67	105	135	886	424	462	0
a. Instruction/Research Professional	187	255	47	77	129	695	333	362	0
b. Executive/ Administrative/ Managerial Professionals	11	60	14	14	2	101	53	48	0
c. Specialist/Support Professionals	9	57	6	14	4	90	38	52	0
2. Non-Professional Staff Sub-Total	27	588	12	167	6	800	339	461	0
a. Technical Employees	6	86	1	17	1	111	78	33	0
b. Non-Professional Administrative Employees	21	451	11	140	5	628	207	421	0
c. Crafts/Trades Employees	0	27	0	5	0	32	207	2	0
d. Service/Employees	0	24	0	5	0	29	24	5	0
3. Unknown	0	0	0	0	0	0	0	0	0
Total	234	960	79	272	141	1 686	763	923	0

Below is a breakdown of our staff complement according to categories over an eight-year period:

Staff category	2013	2014	2015	2016	2017	2018	2019	2020
Executive, management professionals	136	137	142	145	148	104	101	101
Instruction / Research professionals	574	615	645	678	658	681	679	695
Support professionals	42	29	43	34	40	77	79	90
Total professional staff	752	781	830	857	846	862	859	886
Technical staff	127	134	132	112	114	111	109	111
Non-professional administrative staff	580	612	630	589	586	608	609	628
Crafts / trades staff	43	40	41	40	38	34	32	32
Service staff	27	29	31	33	31	32	29	29
Total non-professional staff	777	815	834	774	769	785	779	800

ADMINISTRATIVE SYSTEMS IN THE DIGITAL AGE

Information Technology is a key enabler of any modern university's core academic, research and operational goals and, as it is increasingly available in various forms and its use becomes engrained in how we live and work.

At UWC, the shift from traditional office-based work towards remote working and learning technologies has not only increased the volume of online traffic but also heightened the university's exposure to information and cyber security. To help mitigate these risks the university has increased the use of cloud-based technologies and developed the necessary protocols to comply with the POPIA act that comes into effect in 2021.

During the 2020 year, the IT areas have been realigned to ensure an effective response to the Covid-19 pandemic. Significant work was done to improve the capacity and the resilience of the core digital infrastructure on campus to ensure business continuity and to allow for staff and students to be able to fulfil their respective duties. Several projects were undertaken and these included the redesign and development of a mobile-friendly website hosted on a cloud platform with the requisite disaster recovery and decentralised authoring to improve communication with key stakeholders. The use of a single website and the integration of a content management system provide for secure data and ease of navigation for internet users. Similarly, the development of the Intranet portal assisted to lay the foundation for more effective collaboration and also aiding the digitisation of key communications within and across departments. Other projects include: the implementation of the e-DRAMS project to improve on the university's Documents, Records and Archives Management processes; a Digital Marks Assessment project as part of a campus-wide digitisation initiative; and Project Synergy enabling the University to exploit the benefits of a robust Financial Management system. To enable improved connectivity and an online presence in open, outdoor spaces on campus, the university finalised a Public Private Partnership with Cell C to extend Wifi to students in peripheral spaces.

While we have made some strides in improving our IT environment, we are aware that there is still room for improvement and we must continue to pay attention to areas such as partnership agreements to support technology-enabled programmes, develop a next-generation ICT Strategy that will provide agility and link to the institution's strategic objectives, strengthen the ICT Governance Framework and review ICT policies and procedures.

Following the successful provision of devices and data in 2020, the university adopted a Bring Your Own Devices (BYOD) policy as part of a deliberate, staged journey to digitally transform the entire institution through smarter embeddedness of digital technologies, business processes and key competencies at all levels. The University stands to benefit from a well-conceived digital transformation strategy to harness its full potential.

CAMPUS INFRASTRUCTURE AND SURROUNDINGS

In 2020 the University continued to give effect to its anchoring role to contribute to the distinctiveness, vibrancy and character of its immediate surroundings and influence its immediate environments. As such, it immersed itself in its neighbourhoods and related capital projects to promote cultural, educational, developmental, social and economic relationships with its locales to support its academic priorities in meaningful ways. During the year it has initiated the design and implementation of a range of large-scale infrastructure projects. One of these was the launch and site handover of the south campus education precinct project (SCEPP) towards the consolidation of the respective Faculty of Education departments in a single location on campus. Funded through the DHET's Infrastructure and Efficiency Grant, the project involves an infill building and the repurposing, customisation and refurbishment of several learning, lecturing and office spaces to meet the needs of different science, maths, literacy, further education and digital learning programmes, to name a few. The second large-scale project launched in 2020 involves the expansion of the campus footprint with the construction of three student residential complexes to accommodate 2720 students in the Unibell student village within

walking distance from the main campus. The project is expected to be ready for occupation at the start of the 2022 academic year. Other projects in flight include the upgrading of the athletics track, and off-campus facilities to strengthen the university's capabilities in immersive technologies and aesthetics education and laboratory of kinetics objects respectively. With the support of a planning grant from the Andrew Mellon Foundation, the university has benchmarked the facility requirements towards the repurposing of state-of-the art archives building on campus. The report will inform the concept design and technical specification to customise the senate building, a former tricameral parliamentary seat, to preserve and curate the Robben Island Mayibuye collections and other archival material. Despite the trying conditions of the pandemic and several delays caused by the lockdown these projects are well on track.

REPUTATION MATTERS

The university's reputation is influenced by a complex combination of factors such as its academic profile, its culture and character, public prominence and accountability, employability, future viability, and endorsement by peers, to name a few. During 2020, UWC made significant strides in this goal area as determined by the current IOP and finds itself in an exciting position where it is increasingly acknowledged by peers and members of the public for its contribution to scholarly as well as socially relevant endeavours although we are conscious that further investment and progress in this area must be made.

We have taken cognizance of the fact that the university in order to be viewed as an employer of choice, a place of study and a research-led institution of note, several strategies needed to be developed to address various audience. In this regard, some of the Institutional Advancement initiatives have included developing an integrated digital marketing and communication strategy that considers uniform UWC branding, procuring the services of brand and marketing service provider and appointing a marketing and brand specialist to develop a coherent brand and corporate identity strategy. Internal communication has also been supported by improved IT infrastructure resulting in improved connectivity. Towards the end of 2020, UWC launched its intranet site as well as a new UWC website. Both of these significant developments required input and buy-in from the broader UWC community. One of the considerable advantages of the new website is that it is mobile-friendly.

Other significant reputational and publicity endeavours in 2020 included:

- The launch and establishment of a UWC Press and Imprint. This notion had been percolating in recent years with scholars, especially from the human and social sciences, motivating for a university-owned press platform for the production of scholarly and other outputs. Given the costs involved in setting up the infrastructure and appropriate staffing of such a facility, we were not able to accede to the requests. The UWC Press and Imprint will serve as an important catalyst to build on UWC's tradition of contributing to a public debate on issues that matter. The UWC Press, managed through a Service Level Agreement (SLA) with African Sun Media, holds great significance for UWC in terms of making

scholarly work more visible and allowing us to contribute to the knowledge economy through either printed works or digital formats.

- The launch of a tribute volume in celebration of significant achievements. As part of the 60th anniversary celebrations and the establishment of the UWC Press, we launched a tribute volume "From Hope to Action through Knowledge: The Renaissance of the University of the Western Cape, 2001 – 2014", in celebration of the contributions and achievements under the leadership of the former Rector and Vice-Chancellor, Prof Brian O'Connell.
- The launch of *Signals*, a quarterly online publication. The release of the first edition in November signalled our intention to give further impetus to our reputation as a research-led institution as its main focus is the institution's research achievements.

The reach and influence of social media is increasingly gaining significance as the modern journey of the student is dominated by mobility and the increased acceptance and utilisation of social media platforms. Such platforms have resulted in a decrease in the reliance on traditional media as a source of information. Although it has become easier for individual organisations to share their news and messages with a vast audience, the same audience is bombarded with information. The manner in which information is packaged for different audiences through the use of various platforms has become an essential part of modern communication. As a result, the university has embraced social media as an additional means to engage its students, extend its reach and monitor prevailing social media perceptions. This is evidenced in the exponential growth in volumes of its social media accounts and the range of journalism formats used, including instant messaging, long format journalism to engage alumni and to repurpose, curate and aggregate reliable, third party media mentions. Through the use of built-in analytics, the university will continue to use these to gain a better understanding of the experiences and expectations of its students and alumni.

Rankings

UWC maintained its steady progress in the international rankings and, in the 2021 Times Higher Education World Rankings, the University was placed in the 601-800 band alongside the University of Johannesburg and the University of Pretoria. The university was one of only 10 of the 26 public universities in the country to be ranked.

The institution performed well in the Times Higher Education (THE) World Subjects by Ranking 2021 with eight subjects being ranked as compared with last year's five subjects with the addition of Arts and Humanities (301-400), Psychology (501+) and Law (201+). Furthermore, we saw an improvement in our Education ranking that moved from last year's 301-400 band to the 251-300 band.

The Best Global Universities 2021 rankings, showing the top 1 500 universities worldwide with 13 indicators such as publications, books, global research reputation and conferences being used to calculate the scores, placed UWC at position 729 globally, 16th in Africa and 8th in South Africa while we gained rankings in a third subject, Clinical Medicine as compared to last

year's rankings where only Social Science and Space Science were ranked.

FINANCIAL VIABILITY

The South African economy was already struggling, and the impact of Covid-19 has, amongst others, resulted in a sharp decline in economic growth and a significant increase in unemployment, further increasing levels of poverty in an already hugely unequal society. Before Covid-19, the country already faced a challenging economic environment with international confidence in South Africa plummeting and international rating agencies downgrading South Africa to "junk status". The University, aware of the precarious nature of the South African economy set in place guidelines during the pandemic to ensure that its finances were managed prudently and efficiently and these included not making short-term decisions that would negatively impact the institution in the long-term, rigorous financial modelling, realistic pathways for sustainable success and transparency and accountability. Against this backdrop, UWC is very grateful for the significant support and invaluable contributions that philanthropy, its sponsors, donors and alumni played to enrich the lives of its students and advance knowledge for the common good.

Despite the many challenges, we are pleased that we ended the financial year in a stronger position than anticipated. This was largely due to being reimbursed by the DHET for some COVID-related expenses, contributions by stakeholders to boost the COVID relief fund and lower levels of expenditure as a result of restrictions on international travel and people's mobility. We are, however, acutely aware that these savings are once-off and cannot be sustained once the campus returns to some resemblance of normality. Given the national and higher education landscapes, we are intent on mitigating financial risks to the university's stability and a series of strategic measures have been developed and will continue being implemented, including international fundraising, adopting a collective sectoral approach to debt collection and tuition fees and a continuous review of UWC's budgeting processes to better align it to strategic outcomes.

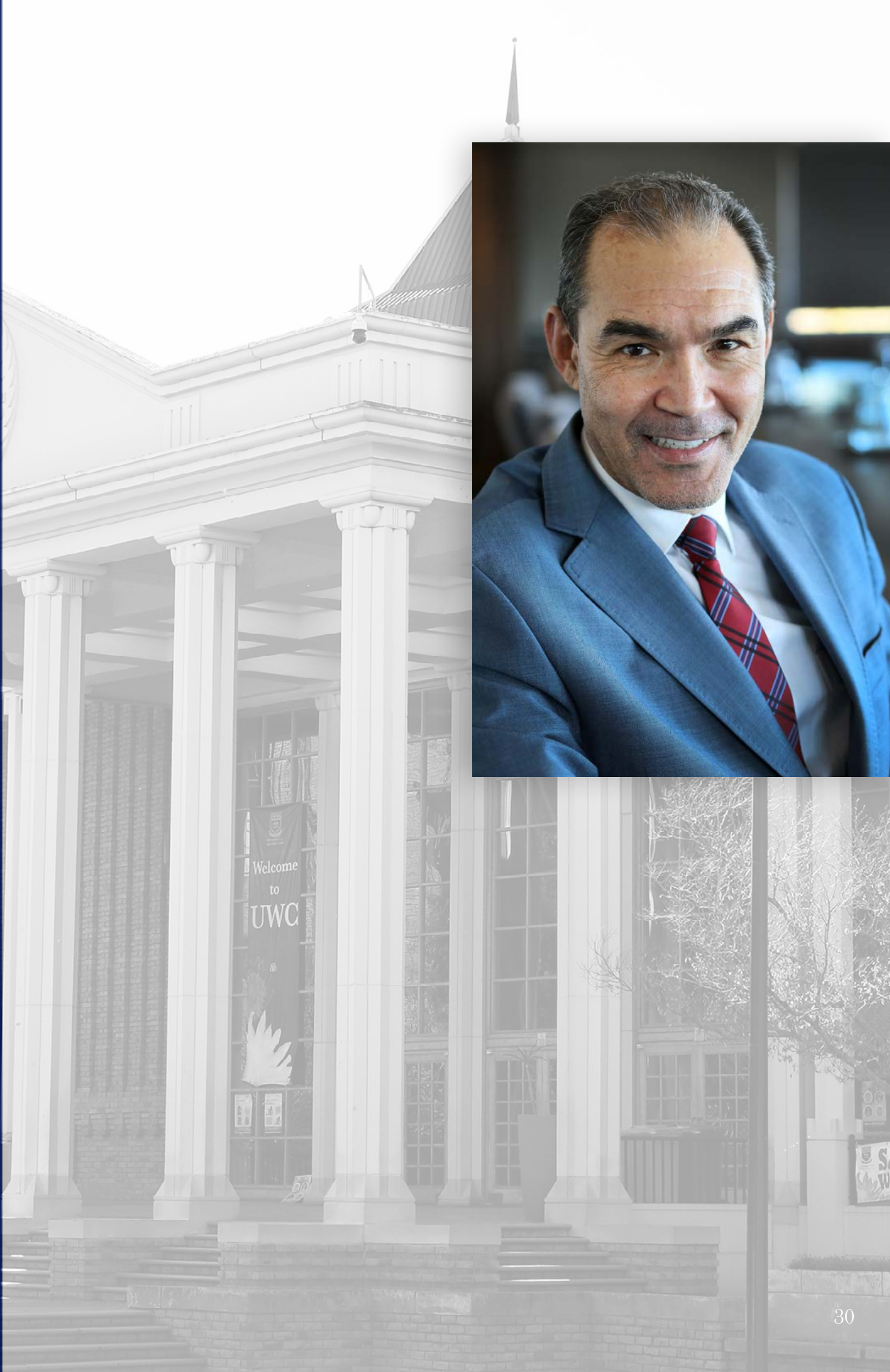
CONCLUSION

The longer-term impact of Covid-19 is yet to be quantified as the pandemic continues making its presence felt across the globe. Lives have been lost, families have been devastated and untold hardship has been felt through unemployment and poverty. Yet, in the midst of all the carnage wrought by the pandemic, we have seen humanity at its best sometimes – strangers helping others, the strength to move forward even after devastating suffering. There is something in the human spirit that is called on in times of crisis and we have seen this too at the University of the Western Cape. And while we know that 2021 will make its own demands on us as a university community, I am confident that, together, we will navigate our way through our challenges. Because our history has shown us that we are a resilient community, stronger together than apart.



Prof Tyrone Pretorius

Rector and Vice-Chancellor



REPORT OF THE CHAIRPERSON OF SENATE

INTRODUCTION

“Nothing in life is to be feared, it is only to be understood. Now is the time to understand more, so that we may fear less.” These were the prophetic words of Dr Marie Curie, scientist and two-time Nobel Prize winner, many decades ago. As the COVID-19 pandemic spread its infectious tentacles across the world in 2020, societies found themselves under siege, bearing witness to the devastating loss of life and livelihoods, and the accompanying fear of a disease that had no cure. In South Africa, citizens found themselves stripped of freedoms as a national state of disaster was declared, with a hard lockdown that restricted the movement of people and shut down businesses, schools and universities. Against this backdrop, universities play a critical role to raise awareness, and to advance and apply scientific knowledge to find sustainable solutions to the pandemic and the other grand challenges of our time.

The 2020 annual report is an opportunity to reflect on an extraordinary year. Despite the many challenges, Senate played an important role in guiding the University on this journey and focusing our attention on our mission of delivering an outstanding educational experience and serving various communities. There were many achievements, including the successful completion of the 2020 academic year and gaining a greater understanding of the needs of our students. Under the banner of #nostudentleftbehind, we were able to act proactively to focus our energy, efforts and commitment and to attend to the needs of vulnerable students to ensure that no student would be left behind.

It is perhaps ironic that the pandemic challenged us in the year that the institution celebrated 60 years of existence and all our celebration plans were forced to give way to harnessing our collective strength to mount a response to COVID-19. It was certainly a reminder of the many challenges that we have had to endure and overcome since the establishment of the University of the Western Cape, such as resistance to the apartheid state and near bankruptcy. We withstood those challenges and, as 2020 drew to a close, UWC and its community could be rightly proud of themselves for withstanding yet another one.

Having been on sabbatical for the early part of the 2020 academic year, I wish to thank my senior management colleagues, particularly Prof Vivienne Lawack, who, in her capacity as acting Rector and Vice-Chancellor, also performed the duties of chairperson of Senate during the first semester. I commend the leadership for the resilience, creativity as well as agility they displayed. I commend the heads of departments, who were our

frontline leaders during this time and assisted the University to deal with the effect that the pandemic had on the mental health and well-being of staff and students.

As Chairperson of Senate, it is my responsibility to ensure, as stated in the Higher Education Act of 1997, that Senate “is accountable to the council for the academic and research functions of the public higher education institution”. Through Senate and its auxiliary structures and committees, the greatest task for us in 2020 was to understand the challenges that the University community would face as the traditional, face-to-face student-lecturer interactions were replaced by online engagements, the on-campus facilities were closed, and protocols and procedures needed to be created and implemented to safeguard the integrity of what we had previously deemed as normal and traditional ways of learning, teaching and research. This Senate Report serves as an overview of the endeavours, challenges and opportunities faced by the University of the Western Cape in 2020.

COMPOSITION OF SENATE

The role of Senate is vital in overseeing the academic project, and its composition reflects this focus. But, as with our other governance bodies, Senate’s composition also shows that we recognise the value of broader participation. Senate is supported by its executive committee and a range of subcommittees. All the Senate subcommittees have clear terms of reference that set out their roles and responsibilities.

The UWC Senate consists of:

- members of the University executive
- Council representatives
- deans of faculties
- professors (along with specified visiting, extraordinary and honorary professors)
- directors of schools, centres and institutes at the University
- chairpersons of all academic departments or similar academic structures
- eight academic employees
- eight employees from the professional and support sector
- eight registered students
- the director of library services
- the director of teaching and learning
- the director of postgraduate studies

and such additional persons, not more than eight in number, as the Council, on the recommendation of the Senate, may decide upon.

LEADERSHIP AND FACULTIES

It is imperative that the University's leadership – at all levels within the institution – functions optimally in order to steer the University through challenges and crises, as well as to be able to seize opportunities for growth and development. This was all too evident during 2020, when the higher education sector in South Africa – and across the world – found itself faced with unprecedented changes and uncertainty. During the tumultuous year, Senate and its subcommittees dealt with the task of ensuring that coherent and cohesive strategies and processes were designed and implemented to drive the academic project in an altered environment.

Leadership at the level of the executive and deans experienced change at the dean level with the retirement of the Dean of the Faculty of Dentistry, Prof Yusuf Osman, who had formally retired in 2019 but continued into 2020. Prof Osman, one of the first students in the Dentistry Faculty, served the institution with distinction and we owe him a debt of gratitude for his commitment to the University. Prof Vuyokazi Nomlomo, Dean of the Faculty of Education, resigned to take up a position at the University of Zululand and, again, we are deeply appreciative of her decades-long dedication to the University. Processes are now under way to recruit their replacements, while Profs Neil Myburgh and Rajendran Govender are acting deans in the Faculties of Dentistry and Education respectively. Prof Monwabisi Knowledge Ralala, appointed as of 1 January, has settled into his position as Dean of the Faculty of Arts, while the extension of terms in office for Prof Lawack, DVC: Academic and Prof Pamela Dube, DVC: Student Development and Support also provided a sense of continuity and cohesion in the executive team.

UWC's academic programmes are offered through our seven faculties: the faculties of Arts; Community

and Health Sciences (CHS); Dentistry; Economic and Management Sciences (EMS); Education; Law; and Natural Sciences. The majority of the faculties – with the exception of Dentistry and certain departments in Community and Health Sciences – are located on the main campus in Bellville. The Faculty of Dentistry operates from two campuses, with the primary campus at the Tygerberg Hospital Complex in Bellville and a satellite campus in Mitchell's Plain. In 2019, we launched the Faculty of Community and Health Sciences (CHS) campus in the Bellville Central Business District (CBD). This campus is home to the departments of nursing, occupational therapy and physiotherapy, the School of Natural Medicine, as well as the faculty offices. The other CHS departments remain based on the main campus.

OUR STUDENT BODY

Students are and always will be at the heart of the University's endeavours. Since the founding of the University more than sixty years ago, successive generations of graduates have been a testament to the vibrant, sometimes turbulent, but always life-changing experience of studying at UWC. Many have gone on to be leaders in public life, business and academia. We are committed to ensuring that future generations of UWC students can also thrive and develop to their full potential. The achievement of this goal is central to the work of all sections of the University and features in every goal area of our Institutional Operating Plan. It is imperative that we offer students a holistic university experience, and this includes co-curricular experiences, institutional cultures and support services. These enrich the lives of students and nurture their talents and capabilities throughout their association with the University, from the first contact, through their undergraduate and postgraduate studies, to their becoming alumni and lifelong ambassadors of their alma mater.



“Nothing in life is to be feared, it is only to be understood. Now is the time to understand more, so that we may fear less.”
– Dr Marie Curie.

2020 student enrolment

The 2020 Annual Performance Plan shows a decrease in overall headcount enrolment of 4.3% against the target of 24 800 for both undergraduate and postgraduate students. The under-enrolment is particularly at postgraduate level, where it is 8.7% off target. This is mainly due to the reclassification of the Postgraduate Certificate in Education (PGCE) and all advanced diplomas as undergraduate qualifications. The enrolment mandate against which progress is measured still accounts for these qualifications as postgraduate. Enrolment at the level of Master's and doctoral qualifications was slightly above target, but the University did not meet its target in the category Honours and postgraduate diplomas. This matter is receiving continued attention, as Honours programmes constitute the University's pipeline to Master's and doctoral degrees. Our postgraduate numbers were further affected by the hard lockdown that banned travel into South Africa for several months, resulting in a loss of potential international students.

COVID-19 had a significant effect on all students and the University is satisfied with its overall undergraduate performance given the challenges faced in 2020. The under-enrolment in the undergraduate category

is slightly understated, as it includes students previously classified as postgraduate. First-time entering mainstream and extended curriculum (Foundation provision) enrolment was affected significantly by COVID-19, resulting in higher attrition in these enrolment categories. Annually, the first-time enrolment targets are also affected by students who drop out if they are not successful in terms of their National Student Financial Aid Scheme (NSFAS) applications.

The University has undertaken a review of its enrolment processes in order to address the underperformances in various categories and also to design a holistic strategy that will attend to both undergraduate and postgraduate enrolments. These shortcomings will be addressed in 2021, and there are already ongoing processes that include an integrated marketing and communication strategy for the better use of technology to reach diverse audiences who are potential students, the ongoing monitoring of recruitment and retention activities, flexible learning provision, and partnership agreements that provide access to non-traditional students.

Below are two tables that elaborate on our student enrolment over the past decade:

2010 – 2020 HEADCOUNT ENROLMENT IN DIFFERENT ENROLMENT CATEGORIES

Enrolment category	2010	2012	2014	2015	2016	2017	2018	2019	2020
First-time entering undergraduate students	3 783	3 871	4 109	4 048	5 056	4 575	4 537	4 829	4 405
Total undergraduate	14 297	15 595	16 159	16 258	17 320	17 595	17 447	18 855	18 724
Master's	1 489	1 511	1 667	1 767	1 821	1 988	2 049	2 170	2 188
Doctoral	504	603	714	792	885	968	1 029	1 095	1 140
Total postgraduate	3 762	3 996	4 424	4 123	4 476	4 848	5 388	4 929	5 006
Total students	18 059	19 591	20 583	20 381	21 796	22 443	22 835	23 784	23 730
Postgraduate enrolment as a proportion of total enrolment	20.8%	20.4%	21.5%	20.2%	20.2%	21.6%	21.6%	20.7%	21.1%

When considering student enrolment, it is also important to manage our enrolment processes in such a way that we achieve the desired enrolment mix across major fields of study as per the so-called Classification of Educational Subject Matter (CESM) categories.

2012 – 2020 ENROLMENT PER MAJOR FIELD OF STUDY

	2012	2014	2015	2016	2017	2018	2019	2019%	2020	2020%
Science, Engineering, Technology	7 118	7 794	7 716	8 118	8 408	8 367	8 577	36%	8 531	36%
Business/Management	2 667	2 512	2 437	2 715	2 820	2 936	2 895	12.2%	2 904	12.2%
Education	1 805	1 767	1 738	1 990	2 162	2 353	2 728	11.5%	2 640	11.1%
Other Humanities	8 000	8 510	8 489	8 974	9 053	9 179	9 584	40.3%	9 655	40.7%
TOTAL	19 590	20 583	20 383	21 797	22 443	22 835	23 784	100%	23 730	100%

The table that follows provides an overview of enrolment per level of study for each of UWC's faculties. The Economic and Management Sciences (EMS) faculty, which includes several social science subjects, is the largest faculty in terms of overall headcount, and the majority of postgraduate students are enrolled in the Faculty of Economic and Management Sciences, the Faculty of Arts and the Faculty of Natural Sciences.

2020 HEADCOUNT ENROLMENT PER FACULTY

Enrolment category	Arts	CHS	Dentistry	Education	EMS	Law	Science	TOTAL
First-time entering students	1 059	565	99	468	1 029	452	733	4 405
Headcount UG diplomas and degrees	3 909	2 751	512	2 375	4 313	1 976	2 888	18 724
Headcount Honours degrees and PG diplomas	164	171	111	182	804	48	198	1 678
Headcount Master's degrees	230	491	96	161	391	290	529	2 188
Headcount doctoral degrees	168	233	32	131	165	81	330	1 140
TOTAL headcount enrolment	5 530	4 211	850	3 317	6 702	2 847	4 678	23 730
Proportionate headcount per faculty	23%	18%	4%	14%	28%	12%	20%	100%

As with global gender statics, UWC has more female students enrolled than male students, with 61.21% of the 23 730 students being female. Global research has shown that, since the 1990s, women have begun outranking men in terms of university enrolment and points to a variety of factors, most of which emanate from the basic education phase.

Students	Male	Female	Total
First-time entering students	1 782	2 623	4 405
Headcount UG diplomas and degrees	7 118	1 1606	18 724
Headcount Honours and PG diplomas	699	979	1 678
Headcount Master's degrees	828	1 360	2 188
Headcount doctoral degrees	559	581	1 140
Total headcount enrolment	9 204	14 526	23 730

Student Retention Framework

A new Framework was introduced in 2020 as a best practice guide to responding to the issues prevalent in the higher education sector of South Africa, such as low participation by, high attrition of and low completion by students in both undergraduate and postgraduate programmes. UWC's Student Retention Framework has been developed from a student-centred perspective. Its broad scope starts with the recruitment stage to ensure that students are aware of the programmes offered at the University, to advise students on which academic programmes are best suited to their needs, as well as to identify those who would require mentorship as part of the first-year student experience. Other aspects of the Framework include an emphasis on embedding the graduate attributes within the academic programmes to prepare students to become UWC graduates who possess the appropriate attributes to meet the demands of the society which they will enter. The Framework also places importance on transforming teaching, learning and assessments by developing strategies to enhance student success, such as renewing the curriculum, promoting flexible learning approaches and providing

adequate resources to support learning and teaching. All sectors within the University were required to develop action plans aligned with the framework to ensure a holistic support strategy to ensure student success.

ACADEMIC PLANNING AND QUALITY ASSURANCE

Senate, through the Senate Academic Planning (SAP) Committee, plays an important role in developing the academic goals and objectives of the University and considers, develops and reviews academic plans for UWC's medium- and long-term future. SAP further considers, among others, proposals with regard to the introduction of new academic programmes and changes to existing programmes. These are recommended to Senate. Nationally, the Council on Higher Education (CHE) has executive responsibility for quality assurance and promotion. Multiple professional bodies are also involved in programme accreditation and quality assurance. The quality of our academic offerings are of the utmost importance, and programme and departmental reviews form an important part of the annual University cycle.

Internal departmental academic reviews were also conducted for the Interdisciplinary Centre for Sport Sciences and Development (ICSSD) in the Faculty of Community and Health Sciences (CHS), as well as for the Science Learning Centre Review (SLCA) in the Faculty of Education.

LEARNING AND TEACHING

Universities are required to focus on addressing global and local social, economic and environmental challenges through their research and innovation focus and, importantly, through their role in preparing graduates who are responsible citizens and ethical professionals able to contribute to finding solutions to achieve a more equitable and just society. If our graduates are to meet these requirements, we have to critically and rigorously consider our internal practices, policies and procedures. This requires continued attention being paid, amongst others, to what we teach, how we teach, how students learn, how we assess learning and how we build institutional and disciplinary cultures and structures that support students and staff alike. In considering all of the above, universities must remain cognisant of the rapidly changing world of work and the implications thereof in terms of the additional skills and attributes that will equip students for changing work environments, including global shifts in the nature of work.

The pandemic and subsequent national lockdown required significant and new shifts for the University, as face-to-face engagements between students and lecturers were halted and the campus closed down. This demanded a sense of urgency and agility in order to ensure that our academic project remained intact, while supporting both our academic staff and students to transition smoothly to an online learning and teaching environment.

To ensure University-wide protocols and guidelines, the UWC Learning, Teaching and Assessment Contingency Plan was adopted. This plan set out the conditions under which academic activities would take place, such as acknowledging that the University had a diverse student population and that some students might require specific assistance in order to complete the academic year, following a varied and phased approach to assessments, ensuring that academic rigour was maintained at all times and that budgetary adjustments would be made to ensure that learning and teaching would continue to take place. Moreover, the plan undertook that every faculty and lecturer would adopt an approach that was sensitive to and aligned with the University's values.

These overarching sets of principles allowed the University to design other processes and strategies to inform learning and teaching, such as the UWC Flexible Learning and Teaching (Online) Guide, the UWC Guiding Principles for Assessment during COVID-19, a Survey on Student Readiness for Online Learning, and the identification of students who were inactive online. The availability of devices was also a key area of concern for the University in terms of ensuring that students maintained their academic progress. To this end, the University received approval from the DHET to redirect some budgets to help give effect to the learning and teaching plan, while we launched the #NoStudentWillBeLeftBehind campaign for students who needed devices and data. It was heartening to see

so many donors step forward to assist our students. Several new academic programmes were approved by Senate; these include the Master of Dental Surgery in Paediatric Dentistry, Master's in Migration Studies, LL.M in Legal Pluralism and Family Law in Africa, Master of Education in Technical and Vocational Education and Training (TVET) Studies, BEd Honours in Foundation Phase Programme, and the Postgraduate Certificate in Education (PGCE) in Further Education and Training (FET) Teaching Online.

Technology and Learning and Teaching

There is an ongoing focus on the importance of digital resources and skills, and building the confidence of students and staff to use technology more effectively to support learning, pedagogical approaches and engagement. The Digital Academic Literacy (DAL) Programme is an important initiative that supports thousands of new students annually. The uptake of blended and flexible learning has been facilitated, amongst others, through the University's learning management system (iKamva). The Centre for Innovative Education and Communication Technologies (CIECT) continues to actively promote and support academics' development in eLearning. The COVID-19 lockdown necessitated the shifting of all academic programmes to online mode. This required tremendous effort and dedication from all teaching staff, various support units and students, and was a testament to the robustness of UWC's digital resources and infrastructure, despite significant challenges relating to access to devices and data provisioning. UWC has also begun to increase the capacity and skills of academics and students to engage with cutting-edge immersive technologies. For example, the University was able to optimise its virtual laboratory partnership with Learning Science UK to provide virtual access to the laboratory-based sciences when physical access to laboratories was restricted during the pandemic. Going forward, UWC would like to build on this and optimise approaches to flexible learning and provisioning in all its forms. This would require us, amongst others, to continue to expand our understanding and application of e-pedagogies, instructional design and assessment for online learning and teaching. Online learning must be planned for, and not treated as a fallback from face-to-face teaching. A renewed focus is also needed on teaching and assessment practices within a flexible and blended learning context.

In recognition of the role that the CIECT played in 2020, it was awarded a prestigious 2020 Learning Science Teaching Innovation Award for its effective rollout of the Learning Science laboratory-simulation programmes. Five Innovation Awards were announced from 40 nominations submitted by universities around the world. The judges commented that the CIECT's work was "a highly impressive, transformative project where numerous academics across multiple departments implemented LabSims into their teaching with great success. Collaboration between the IT team and faculty departments was vital and the deep level impact is evident".

The 1 400 modules that were created within the institutional learning management system, iKamva (Sakai platform), for the 2020 academic year (numbers across faculties) are reflected in Table 1.

Faculty	Online modules
Arts	285
Dentistry	87
Education	90
EMS	266
CHS	330
Law	95
Natural Sciences	247
Total	1 400

Student success

A significant aspect of the DVC: Academic's endeavours is to create mechanisms and structures to support the success of our students, and a number of relevant programmes have been launched over the last few years. One of these, the UWC First-Year Transition Programme (FYTP) is a new initiative at UWC that provides first-year undergraduate students with the necessary guidance, support and motivation to ensure that all students achieve a successful transition into university. The goal of the transition programme is to enhance first-year students' sense of belonging and connectedness to the University, which will encourage them to stay and succeed at UWC. Having been piloted in 2019, the programme involves the appointment of First-Year Transition Officers and First-Year Mentors who act as academic and social support and guides to the various on-campus support services.

In 2020, UWC successfully applied to become part of the Siyaphumelela Initiative, which is funded by the Kresge Foundation and managed by the South African Institute for Distance Education. The UWC project – Phumelela@UWC – builds on the institutional framework for student success and retention and focuses on three areas: strengthening the University's business intelligence capacity, using learning analytics to enhance student support, and curriculum and other support interventions. The Student Retention and Success Committee, chaired jointly by the DVCs responsible for teaching and learning and student

development and support, will oversee the project and we are confident that it will be an effective analytical tool to help manage student success.

With the restrictions of the pandemic, the University held a series of virtual graduations, a symbolic event in order for our graduands to graduate, and it was decided that a physical ceremony would be held later for those who choose to attend. Below is a breakdown of the diplomas, certificates and degrees awarded in 2020:

QUALIFICATION	TOTAL
Undergraduate Certificate and Diploma	450
Undergraduate Degrees	3 420
Postgraduate Certificate	184
Honours and Postgraduate Diploma	1 034
Master's	381
Doctoral	123
Total	5 592

Academic support

The Department of Higher Education and Training, Science and Innovation describes the New Generation of Academics Programme (nGAP) as involving "the recruitment of highly capable scholars as new academics, against carefully designed and balanced equity considerations and in light of the disciplinary areas of greatest need. It is envisaged to be the biggest programme within the Staffing South Africa's Universities Framework (SSAUF)". In the three-year development component, the nGAP lecturer benefits from research development and teaching development opportunities, and from an opportunity to complete or make substantial progress towards a Master's or doctoral degree, or to undertake postdoctoral studies. A set of criteria that includes equity goals, academic merit, and institutional and national priorities linked to the transformational agenda of the SSAUF, as well as other imperatives, is used to determine nGAP candidates, and UWC has been awarded 20 nGAP positions from Phase 1 (2016) to Phase 5 (2020).

Enrolment categories	2013	2014	2015	2016	2017	2018	2019	2020
Degree credit rate	81%	81%	84%	80.7%	80.2%	80.9%	81.0%	85.5%
Number of undergraduate degrees awarded	2 385	2 678	3 275	2 896	3 154	3 189	3 780	4 042
Graduates as a % of total headcount enrolment	21%	22%	23.5%	21.5%	21.3%	21.6%	22.2%	23.5%

RESEARCH AND INNOVATION

Through consecutive IOPs, UWC has expressed its intention to position itself as a university that is increasingly recognised for its capacity to produce and advance new knowledge in areas of recognised research strength, and to work towards the translation of knowledge through innovative endeavours.

Over the past 15 years, significant progress has been made in most of the key areas associated with research capacity building. Strengthening and consolidating UWC's research capabilities and diversifying and deepening the pool of productive researchers remain key priorities. As UWC is increasingly being recognised as one of the country's research-led universities, this position needs to be consolidated further, but in ways that harness a more explicit research identity.

Progress during the previous IOP cycle shows that, between 2016 and 2020, the number of National Research Foundation (NRF) A-rated researchers increased from three to seven, while the number of B-rated researchers increased from 26 to 35. Overall, the proportion of academic staff with NRF research ratings and with doctoral degree qualifications also increased. During this period, SARChI chair holders also increased from 13 to 18. Enrolment targets for Master's and doctoral students were slightly exceeded, and postdoctoral fellowships increased from 110 in 2016 to 137 in 2018. International research partnerships also continued to grow over this period, and it is encouraging to note that good progress has been reported for the support role provided to principal investigators by the Grants and Contracts Division of UWC's Department of Finance.

The University's research growth has been strengthened further by its five-year UWC Research Strategy (2016-2020), of which the aim was to create an enabling environment with a strong focus across the spectrum of researchers – from postgraduate students to leading researchers. The support mechanisms include the University Capacity Development Grant (UCDG), which assisted the University in reaching some of its objectives. Among these, 16 academics completed their PhDs and 11 leading researchers built research teams. Other grants, such as the Developing Research Scholar Programme, Academic and Doctoral Advancements Programme, University Staff Doctoral Programme and the Black Academics Advancement Programme, allowed the institution to focus on new emerging researchers.

The commitment to position UWC as an excellent research university with local relevance, regional impact and global recognition has seen the development of a set of strategic goals that include increasing opportunities for more researchers to participate in collaborative partnerships, deepening and expanding selected University partnerships, strengthening grant-writing and management capabilities, processes and systems, recruiting and retaining students in key niche areas, and developing an E-Research strategy.

In 2020, the CHE launched a national review of the doctoral programme at South Africa's 26 public universities on behalf of the National Research Foundation to ascertain the quality of the programme throughout the higher education system. The review came against the background of increasing competition for the funding of doctoral studies and questions about the quality and practices at individual institutions. The review process, particularly through the drafting of the Self-Evaluation Report by three subcommittees, allowed the University to revisit its practices and policies. We have had pleasing growth in doctoral numbers, with growth of 44% from 2014 (714) to 2018 (1 029), and many of our faculties have started the practice of inviting international examiners that allow us to benchmark ourselves against international universities. The review allowed us to interrogate our doctoral practices and has brought into sharp focus the oversight and monitoring of the quality of supervision and the time to degree within the benchmark periods. The formal processes, including a virtual site visit by a CHE-appointed panel, were completed in 2020 and the national review report is expected to be completed in 2021.

Research strengths

The National Research Foundation (NRF) plays a pivotal role in our research endeavours through its various funding mechanisms, which include the South African Research Chair Initiative (SARChI chairs), as well as the Flagship Programme in the Humanities and the Centre of Excellence in Food Security (CoE-FS), both located at UWC.

The CoE-FS, established in 2014, contributed significantly to new knowledge during 2020, particularly in relation to the pandemic. This was done through research, thought leadership and advocacy. Working as a multidisciplinary team of research leaders, project managers and students drawn from more than 35 collaborating institutions in South Africa and abroad, the Centre uses both deductive and inductive reasoning to better understand the changing nature of the food environments of vulnerable consumers and food producers – their responses, food security strategies, and choices within the context of a growing health and environmental crisis. Operating as a virtual centre, the CoE-FS published 59 papers in accredited journals and peer-reviewed books during the year. Seventeen of these publications were in journals with an impact factor greater than 3.0, and CoE-FS students authored or co-authored nine of these latter publications. Activities within the CoE-FS Communications and Engagement Strategy increased during 2020, publicising funded research and activities in numerous ways, including through networking and public events, the monthly newsletter, social media platforms, the website and external media coverage.

Some of the 2020 research projects included a wide array of subject areas, such as Innovation for Environmental Change Resilient Agriculture Drought responses in Cereals and Legumes; Microbial diversity of soil and plants; Crop rotation sequences and soil health in SA; All-inclusive One Health Risk Analysis for Community Health, Food Consumption Patterns, Nutrition and Health, Maternal Health and Nutritional Status of Mothers and Informal Social Protection in South Africa.

The Centre for Humanities Research (CHR), with its Flagship on Critical Thought in African Humanities, is a substantial contributor to new knowledge and research across multiple platforms and has successfully developed partnerships across and between institutions, particularly universities, schools, public arts projects, museums, archives and art galleries. It also is involved in nurturing future generations of humanities graduates, educators and cultural practitioners. Throughout 2020, it continued its focus on its three main research platforms, viz. Aesthetics and Politics, Migrating Violence, and On the Becoming Technical of the Human, through virtual engagements. Drawing on its international partnerships, the CHR brought together expert researchers on a wide array of topics, such as Foucault in Iran: Islamic Revolution after the Enlightenment; Publics and Policing: Spies, Surveillance, and Colonial Subjects in Anti-Colonial French Politics; The Black Aquatic: On Water, Art and Black Movement; Worldmaking After Empire: The Rise and Fall of Self-Determination; Aesthetics and Politics: A Dialogue Across Continents; Decolonizing Theory: Thinking Across Traditions; and In Search of Africa(s): Postcolonialism and the Universal.

The ratings and SARCHI chairs are reflected in the table and list below respectively.

NRF ratings	2015	2016	2017	2018	2019	2020
Number of staff with NRF ratings	124	142	142	150	146	152
A-rated researchers	3*	3*	3	3	6	7
B-rated researchers	25	33	32	36	36	34

*Includes one joint appointment between UWC and UCT

Institutes, Schools, Research Centres and research niches

The SARCHI Chairs are:

- Visual History and Theory – Prof Patricia Hayes
- Health Systems Governance – Prof Helen Schneider
- Bioinformatics and Human Health – Prof Alan Christoffels
- Poverty, Land and Agrarian Studies – Prof Ruth Hall
- Astronomy and Astrophysics – Prof Roy Maartens
- Cosmology and Multi-Wavelength Data – Prof Mario Santos
- Nuclear Science – Prof Smarajit Triambak
- Nano Electrochemistry and Sensor Technology – Prof Emmanuel Iwuoha
- Microbial Genomics – Prof Marla Tuffin
- Multi-level Government, Law and Development – Prof Nico Steytler
- Mathematics Education – Prof Cyril Julie
- Health Systems, Complexity and Social Change – Prof Asha George
- Teaching and Learning in TVET (Technical Vocational Education and Training) – Prof Joy Papier
- Observational Radio Astronomy (shared with UCT and SKA) – Prof Russ Taylor
- Analytical Systems and Processes for Priority and Emerging Contaminants (ASPPEC) – Prof Priscilla Baker
- Development of Human Capabilities and Social Cohesion through the Family – Prof Nicolette Roman
- Waste and Society – Prof Rina Schenck
- SA-UK Bilateral Chair in Social Protection for Food Security in South Africa – Dr Stephen Devereux
- Desmond Tutu Research Chair in Religion and Social Justice – Prof Sarojini Nadar

It is impossible in a report of this nature to give adequate coverage of the range of research initiatives in a specific year, but a brief mention of units, centres and institutes that contribute to UWC's growing reputation as a research-led university is provided below.

- The **South African National Bioinformatics Institute (SANBI)** is a major centre dedicated to the development of bioinformatics and genomics in South Africa.
- The **DST/MinTek Nanotechnology Innovation Centre: Biolabels Unit** is working on the identification of molecular biomarkers for diseases such as cancer, diabetes and HIV.
- The **South African Institute for Advanced Materials Chemistry (SAIAMC)** has been designated by the DST as a Competence Centre in Systems Analysis, Integration and Technology Validation for Hydrogen and Fuel Cell Technologies.
- The **Institute for Microbial Biotechnology and Metagenomics (IMBM)** conducts research on the exploitation of microbial genome diversity,

cloning and expression, and researches biofuels technology.

- The **Dullah Omar Institute for Constitutional Law, Governance and Human Rights** (previously the Community Law Centre) played a key role in drafting the South African Children's Act and the 2008 Child Justice Bill and currently enjoys observer status in the African Commission on Human and People's Rights.

Research funding

In the light of the aftermath of COVID-19, government subsidies to universities are unlikely to increase (in real terms) over the next years. Given that, at the best of times, the National Research Foundation (NRF) is only able to support a relatively small proportion of the postgraduates enrolled in the system, the NRF's new policy for postgraduate funding, introduced in 2020, is likely to result in a further reduction in postgraduate support.

Furthermore, the significant reductions in the budgets of the national science councils are likely to put a squeeze on the funding available for the purchase of expensive research equipment. And, in the likely event of a weakening of the currency against the dollar or other major currencies, the resultant strain on University finances is likely to affect library, ICT and research equipment acquisitions, as well as regional and international travel, amongst others. As the global financial effect of COVID-19 begins to influence international donor funding, there are signs that some donors/foundations that have traditionally supported research and scholarship in South Africa are reviewing and also refocusing their investment priorities.

It is pleasing to note, however, that our researchers are increasingly gaining traction in successfully applying for grants – either individually or as part of a consortium of researchers – and, in many instances, are appointed as principal investigators. Some of the significant grants awarded in 2020 include:

- With the support of the Andrew W. Mellon Foundation, under the programme: "Turning the tide: Consolidating an academic pipeline for staff to advance career pathways at South African universities", the Faculty of Arts awarded scholarships in three categories: i) Junior Faculty Fellowship, ii) Doctoral Fellowship and iii) Postdoctoral Fellowship to support candidates towards strengthening capacity for promotion, the completion of PhDs and research outputs and development. A total of 15 successful candidates stand to benefit from the Mellon grant from 2020 to 2024, and they will be hosted

in various academic departments and centres: Linguistics, Women and Gender Studies, Religion and Theology, History, Xhosa, Foreign Languages, Sociology Geography and Environmental Studies, English and Anthropology.

- A collaborative effort between the School of Pharmacy and the School of Public Health resulted in the successful award of a European and Developing Countries Clinical Trials Partnership (EDCTP2) to the value of 299 896 Euros over the next three years. The successful proposal, “Strengthening pharmacovigilance and regulatory capacities in four Southern African countries (SPaRCS)”, involves the two UWC entities being instrumental in facilitating the grant with their partners in Regulatory and Pharmacovigilance from Swaziland, Namibia, Zimbabwe and South Africa.
- Professor Admire Dube was appointed joint principal investigator on a United States NIH (R01) grant to study nanoparticles for the treatment of tuberculosis. Together with two other PIs, based at Stellenbosch University and the University of South Dakota, they successfully secured a five-year extension of their current research grant, worth US\$1.3 million, with approximately US\$500 000 earmarked for UWC (from 2020 to 2025).

Research events and achievements of note

With COVID19 as a dominant theme in 2020, many UWC researchers applied themselves to understand the broad effects of the pandemic. Some of these include:

- The Deputy Dean in the Faculty of Natural Sciences, Prof Gail Hughes of the Department of Medical Biosciences, was appointed as an epidemiology advisor to the Health National Palliative Association (HCPA), providing consultation and guidance on national prevention efforts for associations and staff in more than 100 organisations in South Africa. She also served as an epidemiology advisor/contributor to the COVID-19 Environmental Reference Group (CERG) consortium of national researchers and scientists from SA universities and research institutions, focusing on the influence of climate on the COVID-19 infection rate. Prof Hughes was invited by the University of Namibia as the only South African contributor and epidemiologist to a book project entitled “Covid-19: A Global Pandemic, a Namibian perspective”.
- Profs Derek Powell and Ebenezer Durojaye from the Faculty of Law’s Dullah Omar Institute started a project looking at the long-term effect of the pandemic on constitutional law and human rights in Africa through the lens of the concept of “constitutional resilience”.
- Prof Ben Bladergroen of the South African Institute for Advanced Materials Chemistry was part of a team involved in the design and production locally of ventilators and face masks.
- Prof Megan Shaw of the Department of Medical Biosciences was part of a team that isolated the COVID-19 virus in South African patients at Tygerberg hospital.
- The Centre for Humanities Research convened a series of short performances online in “The Humanities in Session” series to reflect on the humanities in times of a pandemic.
- Peter van Heusden of the South African National Bioinformatics Institute was a co-author of a report presenting the sequence, phylogenetic analysis and modelling of non-synonymous mutations of a SARS-CoV-2 genome that was detected in a South African patient with COVID-19, working with researchers from the National Institute for Communicable Diseases.
- The National Bioinformatics Institute (SANBI) was chosen by the World Health Organization (WHO) as one of three reference laboratories in the WHO network responsible for responding to the COVID-19 pandemic, in alignment with the Institute’s Pan-African strategy.

Other research achievements in 2020 include:

- The University gained its fourth A-rated researcher in Prof Mario Dos Santos, SARChI in Cosmology for Multi-Wavelength Data and the director of the UWC Centre for Radio Cosmology.
- The Deputy Dean of the Faculty of Education, Prof Rajendran Govender, was appointed as Editor-in-Chief of the journal *Pythagoras* in 2020 after serving as an Associate Editor since 2013.
- Prof Renette Bignaut and the staff of the Department of Statistics and Population Studies, in conjunction with Statistical Analytical Systems, launched the Women in Analytics Initiative. The aim of the Initiative is to expose Grade 11 learners and their teachers to careers in analytics and data science.
- Prof Nico Steytler was appointed to the International Jury for the Baxter Prize on Federalism, McGill University, Montreal and area editor of *Impact of Covid-19 on Federalism*, Lex Atlas: Covid-19, Oxford University Press. He was also appointed as editor of the second edition of the *Forum of Federations Handbook on Local Government in Federal Systems* (Forum of Federations).
- Prof Gavin Maneveldt of the Department of Biodiversity and Conservation Biology has been elected to the Board of Directors of the International Phycological Society (2020 to 2022).
- Dr Riaan Cedras of the Department of Biodiversity and Conservation Biology was selected from South Africa to co-lead the Network of Networks working group, which falls within the UN Decade of Ocean Science programme task team with the University of Hawaii. The UN Decade of Ocean Science programme is from 2021 to 2030.
- Prof Steward van Wyk (Departement Afrikaans & Nederlands) was honoured by the Railton Foundation for his contribution to and influence in community-related programmes in Swellendam.
- The Department of Biodiversity and Conservation Biology was selected to develop a multi-million rand marine laboratory to explore microplastic pollution as part of a DSI/NRF Joint Marine Laboratory (JML) programme to provide support to the ACEP Phuhlisca programme under the auspices of the South African Institute of Aquatic Biodiversity. The JML programme will address key marine and social/economic opportunities and challenges facing South Africa, and UWC is one of four universities that will benefit from this programme.
- Professor Dominic Mazvimavi of the Institute for Water Studies in the Department of Earth Sciences was invited to be part of a nine-member Stockholm Water Prize Nominating

Committee. The Nominating Committee considers nominations for the Laureate of the Stockholm Water Prize and recommends three candidates worthy of receiving this prestigious award. The Stockholm Water Prize is widely considered to be the Nobel Prize for water scientists. Notably, Prof Mazvimavi is the only representative on the nominating committee from the Southern Hemisphere.

Postgraduate support

The COVID-19 pandemic has had a serious effect on the flow of postgraduate students, postdoctoral fellows and researchers across borders, which is likely to remain constrained until the pandemic is brought under control. However, the extensive use of online platforms that was precipitated by the pandemic does offer new possibilities for building international (and national) networks without always having to incur travel and other opportunity costs.

Part of being a research-led university implies that a university will have a significant proportion of its students enrolled in postgraduate programmes, especially at the Master's and doctoral level. Honours degrees are important qualifications that form the pipeline to Masters' degrees for students who are not enrolled for professional programmes at the undergraduate level. Postgraduate diplomas often also cater for students from more than one

undergraduate disciplinary background, and at UWC such offerings include programmes that focus on new, multidisciplinary areas that have emerged in response to the fast-developing digital and technology landscape. Programmes delivered at the honours level are considered to be postgraduate programmes, but are largely taught programmes and therefore become an important intersection between the portfolios of the DVCs Academic and Research & Innovation and require greater coordination between these portfolios.

As indicated in the Annual Performance Report, UWC did not meet its overall postgraduate targets. The underperformance in this category of enrolment is largely the result of the reclassification of the Postgraduate Certificate in Education (PGCE) and all advanced diplomas as undergraduate qualifications. The enrolment mandate against which progress is measured still accounts for these qualifications as postgraduate. Enrolment at the level of Master's and doctoral qualifications was slightly above target, but the University did not meet its target in the category Honours and postgraduate diplomas. A number of programmes at the Honours level have been earmarked to be delivered online as part of a shift to the provision of blended learning by UWC, but progress in terms of its implementation has been slow, something that may have had an adverse effect on the attainment of enrolment targets.

Below are tables with a breakdown of Master's and doctoral degrees awarded per faculty over a number of years:

MASTER'S PER FACULTY	2016	2017	2018	2019	2020	Average
Arts	3.4	3.9	3.3	3.9	3.4	3.6
Community and Health	3.8	3.6	3.5	3.7	4.0	3.7
Dentistry	4.0	3.4	3.3	3.7	4.0	3.7
Education	4.2	3.8	4.6	4.8	5.0	4.5
Economic and Management Sciences	3.7	3.6	3.5	3.5	3.9	3.6
Law	2.6	2.5	2.6	2.7	3.6	2.8
Natural Sciences	2.8	2.9	3.0	3.0	3.4	3.0
University average	3.5	3.4	3.4	3.6	3.9	3.6

DOCTORATES PER FACULTY	2016	2017	2018	2019	2020	Average
Arts	4.3	4.2	5.1	5.0	6.2	5.0
Community and Health	4.5	5.0	5.2	5.5	5.8	5.2
Dentistry	4.4	0.0	3.5	4.6	4.5	3.4
Education	5.6	4.8	4.2	5.2	5.0	5.0
Economic and Management Sciences	4.4	4.7	5.5	4.4	5.0	4.8
Law	5.5	5.0	3.8	4.0	4.5	4.6
Natural Sciences	5.3	4.5	4.9	5.0	5.3	5.0
University average	4.9	4.0	4.6	4.8	5.2	4.7

Research output

This year's overall output has increased significantly and this is largely attributable to the projected increase in publication output. The University also continues to perform well in terms of graduating research Master's and doctoral students. As the Annual Performance Report shows, the numbers are not that high, so a difference between target and actual performance has a significant effect on the percentage performance. Given the COVID-19 context and the influence thereof on Master's students who could not work in laboratories or do fieldwork, performance in this area speaks to the efforts of students and staff to mitigate the contextual challenges of 2020. This indicator speaks to the ability to maintain good performance in terms of the time-to-degree of students in these enrolment categories.

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Publication units	365	406	483	485	507	483	516	582	632*
Research Master's	254	267	255	275	215	215	296	286	267
Doctorates	75	111	104	100	91	91	122	125	123
Weighted total	844	1 006	1 050	1 060	995	971	1 178	1 243	1 386

*Unaudited

INTERNATIONAL RECOGNITION AND PARTNERSHIPS

Internationalisation has been an important focus at UWC and is embedded as a cross-cutting theme across all goal areas in the IOP, as well as in the critical teaching and learning, research and student development imperatives. The focus globally has been on increasing the competencies of individuals to better appreciate and be enriched by the diversity of culture, language and experience of people across borders through academic mobility and exchange. Given UWC's history, it is particularly well-positioned to offer insights and experience from the African perspective. UWC has grounded its international partnerships in the principles of mutual reciprocity and respect, which is important to redress the skewed legacies of knowledge production.

Internationalisation is a crucial part of what UWC's Mission, encapsulates and will strengthen efforts towards realising the Institutional Vision. The recruitment of international students and staff enriches the experiences of the UWC community, strongly supporting increased diversity and inculcating a sense of belonging to the continent as well as supporting the Internationalisation@Home initiative. In view of the fact that most South African students cannot afford to travel abroad to benefit from the international exposure afforded by studying in another country, and the fact that there are limited funded opportunities available to support such experiences, the Internationalisation@Home initiative adds to the diversity and richness of the UWC student experience. The learning and teaching, as well as research and innovation goal areas will further benefit from UWC's internationalisation strategy of supporting staff and student mobility to its international partners through dedicated donor-funded programmes. Through focused attention being paid to establishing sustainable partnerships, UWC has developed a number of long-term strategic partnerships that continue to benefit the knowledge project of the institution.

Emphasis is also being placed on UWC's membership of strategic research and institutional consortia. This entails, among others, the leveraging of UWC's existing networks to access consortia of institutional partnerships. UWC staff and students would benefit mutually from this collective internationalisation strategy.

Examples of our 2020 international collaborations include:

University West, Sweden: After a long-standing relationship between our Department of Political Science and the University West, Sweden that has seen the exchange of students and staff, we held the formal opening of the digital Zoom Room on campus to enable teaching and further collaboration to take place. Discussions were also held between the leadership of both universities about broader future collaborations between UW and UWC. There was a particular focus on the Master's Programme in Work-Integrated Political Studies that is currently being developed. The programme links to UWC's Learning and Teaching focus in a number of ways. A key contribution is that the Master's Programme is developing an academic curriculum that speaks to graduate attributes envisaged in the UWC Graduate Attributes Charter. This programme aims to bridge the discipline-vocational gap by requiring research placement of Master's candidates with host organisations in civil society and government departments that explicitly do political research. It will be the first programme in the country to consciously develop a strong vocational link for Political Studies postgraduate students preferring a more applied research trajectory.

Multi-university research collaboration: The SARChI Chair in Nuclear Physics, Prof Smarajit Triambak, and Prof Robbie Lindsay are principal investigators in an international tonne-scale deep-underground next-generation neutrinoless double-beta experiment called nEXO. UWC joins other participating institutes, including Stanford University, CalTech, Yale University, McGill University, Duke University, Brookhaven

National Laboratory and Lawrence Livermore National Laboratory in this collaboration. In 2020, UWC was the only institution from Africa and the Southern Hemisphere to be part of the nEXO experiment, and our inclusion in the experiment was approved with “significant enthusiasm” by the nEXO Collaboration Board, which represents nearly 40 institutions worldwide. The experiment aims to measure something called neutrinoless double-beta decay, which is one of the holy grails of particle physics. If observed, it could answer fundamental questions, such as “Why is there no antimatter and how did it all disappear from the Universe?” Significant UWC postgraduate student participation in the nEXO project is expected.

China-South Africa Health Science Scholarship: In order to enhance education and cultural exchange between Chinese and South African higher education institutions, support the social engagement of South African universities and expedite the delivery of health care to South African communities, the Consulate General of the People’s Republic of China set up a China-South Africa Health Science Scholarship with the University of the Western Cape. The scholarship was a gift to mark the 60th anniversary of UWC’s founding and is intended to encourage academic research and exchange in the health sciences and other China-Africa collaborations. The scholarship is open to all UWC students and researchers who are devoted to studies in fields promoting cooperation between China and Africa, with a special focus on students and scholars in the Faculty of Natural Sciences and the Faculty of Community and Health Sciences.

Inter-university Webinar Series: A three-part webinar series on ‘Race and Racism’ was co-convened by UWC, Ghent University and the University of Missouri. Given the importance of discussions on race, apartheid, colonialism and the legacy of monuments celebrating slavery, this webinar series tapped into the issues and emotionality experienced by the Black Lives Matter movement. The first webinar, titled ‘Race and the psychic life of apartheid’, was hosted by UWC and focused on the psychological effect of the apartheid ideology on the minds of the oppressed, with the two other webinars focusing on colonialism and slavery.

COMMUNITY ENGAGEMENT

Integral to the core work of the University is the integration of a wide range of community engagement and service-learning activities into the formal curriculum at both the undergraduate and postgraduate levels. Working closely with faculties, UWC’s Community Engagement Unit (CEU) promotes and facilitates community engagement opportunities that increasingly seek to establish equitable partnerships with communities, especially those in the proximity of the campuses of the University. These partnerships play an important part in rooting UWC as

an anchor institution in its immediate environment, enabling it to better support local social and economic development. Signalling the importance of the work done within communities, the Community Engagement Excellence Awards now form part of the annual Academic Achievers Awards of the DVC: Academic.

One of the cornerstones of our engagements with communities is the empowerment of individuals and, in this regard, the Samsung Future Innovation Lab plays a vital role in skilling young people for the digital age. Officially launched in February 2020, the Samsung-sponsored Research and Development Academy aims to invest in previously disadvantaged young people in order for them to gain skills in software development and digital social innovation. In a country such as ours, with its considerably high youth unemployment, the R280 million investment by Samsung offers the opportunity for social change and having a real influence on the lives of the 80 young people who were selected.

CONCLUSION

This year has indeed been a time of fear, as well as of attempting to understand – to paraphrase Marie Curie. COVID-19 has tested us in ways that we have not experienced before and many within our campus community experienced great personal losses, deprivation and suffering. Yet, just as we have withstood challenges, restrictions and obstacles in the preceding decades, we have pulled through with the assistance of our networks of support. As the Chairperson of Senate, I am proud of our academic community, and the manner in which staff pulled in the same direction to ensure that our students’ academic ambitions and dreams remained on track.

“COVID-19 has tested us in ways that we have not experienced before and many within our campus community experienced great personal losses, deprivation and suffering.”



Prof Tyrone Pretorius

Rector and Vice-Chancellor



THEN AND NOW: Former Chancellor, Archbishop Emeritus Desmond Tutu officiating at a graduation ceremony in the 1980s and a graduate in the 2020s celebrating her academic achievement



REPORT OF THE INSTITUTIONAL FORUM

It gives me great pleasure to present the deliberations and discussions of the Institutional Forum (IF), an organisation of the University of the Western Cape that is comprised of representatives of the University Management, Senate, Council, academic and non-academic employees and the Student Representative Council. The Forum, an advisory body mandated by the Department of Higher Education, Science and Technology, holds the important function of ensuring that the University Council is informed of the views of internal stakeholders with respect to transformation and other matters. According to the Department's "Guidelines for Good Governance Practice and Governance Indicators for Councils of South African Public Higher Education Institutions", the Forum plays "an advisory role to councils as a way of broadening participation in institutional governance; they are meant to act as 'shock absorbers' in the transformation process by providing an arena in which issues pertaining to the institution's transformation agenda can be debated and discussed".

Our normal practices and deliberations were, of course, significantly disrupted by the COVID-19 pandemic and the subsequent measures announced by the South African president, Cyril Ramaphosa, to curb the spread of infections. The pandemic had a profound effect across the globe and we had to navigate our lives and responsibilities in an altogether different way. While the University closed its campuses and transitioned to an online learning and teaching environment, the members of the IF continued to dispense their duties as best as they could, and I commend my colleagues on the Forum for their continued diligence and commitment to the University.

I also wish to congratulate the University on its 60th anniversary as an institution of higher learning in South Africa and, although the pandemic put paid to any celebrations planned for 2020, UWC can rightly be proud of its achievements and positive growth over six decades. While there remains much to do, the Institutional Forum is proud of playing its role in assisting the institution in its development.

The Forum met three times in 2020 and deliberated on matters that included the transformation of the university sector, the appointment of senior management members and the writing of the institution's new Institutional Operating Plan.

The IF previously decided that transformation would be a standing item on its agenda and, as such, many of our engagements centred on this important issue

when we met with various University stakeholders. The Forum met with the Human Resources Department to discuss the University's Employment Equity Project Plan, and some of the key points of the meeting dealt with engagement with the University community to draw responses and comments on the Plan. This included an online survey and presentations to the Executive Management Committee and Deans with a view to completing the Plan by the end of April 2020.

At a meeting in April, the Forum was presented with a draft Employment Equity Plan (EEP) (2020-2025) and members considered the Plan to be of great importance to the institution, as it speaks to its transformation and the principle of inclusivity. The Chairperson of the Employment Equity Forum also addressed the IF, speaking to the history of the EEP, while Mr Meko Magida, Executive Director of Human Resources, presented both the qualitative and quantitative measures required to meet the targets in the Plan. The Forum endorsed the EE Plan for recommendation to Council, after it served at the relevant governance committees.

In the 2016/2017 budget speech, the Minister of Higher Education and Training, Science and Innovation announced that a ministerial task team would be established to examine and propose solutions to the obstacles preventing the optimum production of black academics at South African universities. In 2020, the Minister released the task team's report, "Report of the Ministerial Task Team on the Recruitment, Retention and Progression of Black South African Academics", which addressed, among others, barriers to success and alienating and exclusionary practices at institutions. When the Forum discussed the report, it noted the report's recommendations and agreed that those should be implemented at UWC. It further advised that the University should develop internal strategies to achieve targets, that is should not be dependent on the DHET processes, and that there should be a succession plan, taking into consideration the budget cuts due to the COVID-19 pandemic.

The Deputy Vice-Chancellor: Student Support and Development, Prof Pamela Dube, met with the IF as the institution's representative at Universities South Africa (USAf) and shared that USAf and the South African Police Services (SAPS) had formed a task team to deal with matters of safety and security at university campuses. While the task team's work was still in its infancy, the Forum cautioned that any recommendations should not create the perception of a militarising of campuses and that the SAPS should play a supporting role as opposed to leading the process.

The University's current Institutional Operating Plan (2016-2020), designed to provide a blueprint for the overall development and growth of the institution, is in its final year of implementation and a process has started to draft a new plan. The Forum thus met with the Institutional Planner, who provided an overview of the process and the various milestones envisaged to ensure a comprehensive and broad consultative process in the writing of the new IOP.

One of the Forum's responsibilities pertains to playing an advisory role to Council in the mediation of conflict among campus stakeholders. In this regard, we received an update from Prof Dube on student protest action at the institution and the subsequent closure of the University for one week. Prof Dube advised the IF that the protest related to private student accommodation and the loss of space at a private provider. The Student Representative Council also addressed the Forum about its concerns regarding accommodation, and the IF requested a written report on the matter in order to best advise Council.

The IF also plays an advisory role to Council in the appointment of candidates to senior management positions and we deliberated the appointment of a new Dean for the Faculty of Dentistry. The Senior Appointment Committee of Council (SACC) met on 17 March 2020 and shortlisted three candidates for the position. It had then decided that all three were unsuitable for appointment and a new recruitment process therefore was required. In its discussion, the Forum raised concerns about the lack of succession planning and the need to address equity issues, and therefore decided that it was unable to support the recommendations of the SACC.

The IF was presented with a report by the Student Development and Support Services Committee (SDSSC) that offered an overview of UWC's COVID-19 response, reports from the various SDSSC clusters and the Student Representative Council's fundraising initiatives. The Forum noted that support for student health and wellness was being addressed at a national level. The DHET is working with Higher Health (formerly HEAIDS) on a comprehensive programme to address student health and wellness matters. Higher Health released a policy on Gender-Based Violence and is actively involved in the response to COVID-19. It further released guidelines for the Post-School and Education Training Sector that are applicable to all higher education institutions.

The Forum further noted the update on the state of the campus in terms of the COVID-19 response. The Forum also noted that Higher Health had allocated a grant of R300 000 towards UWC Gender-Based Violence programmes, including workshops on Gender Reconciliation facilitated by Gender Works.

The Forum deliberated the amendments to the Student Disciplinary Rules and noted that the rules had served as a point of discussions and feedback for more than a year. It also noted that the SRC was of the view that the changes introduced were in the best interest of the students and that the amendments were progressive and spoke of the kind of transformation that they wanted at the University. The Forum recommended the amendments to Council for final approval.

CONCLUSION

As we reach the end of 2020, I am acutely aware of the toll that the year has taken on all of us and I am indebted to the members of the Institutional Forum for continuing their work with commitment. Although the demands on all of us have been significant – both professionally and personally – we remain dedicated to the University of the Western Cape and its ambitions to grow and develop as an institution of higher learning in South Africa.



“We remain dedicated to the University of the Western Cape and its ambitions to grow and develop as an institution of higher learning in South Africa.”

Mr Zolisa Menze

Chairperson

● The Superintendent of the Men's Residence is Mr. P. Dietrich who is assisted by his wife, Mrs. Dietrich (centre). With them in the cosy lounge are students resident in the hostel. Mr. Dietrich is also a principal of a primary school near the University College.



Accommodation for 100 Students

A SPACIOUS and comfortable men's residence, built on the University grounds, at a cost of R283,000, was officially opened on the 12th March, 1966, by Dr. N. Sieberhagen, Deputy Secretary for Coloured Affairs.

It offers accommodation for 100 students and is situated within a few hundred yards of the lecture-rooms, library and sports grounds. The twelve available single rooms are occupied by senior students, while 88 junior students are accommodated in spacious double rooms.

All bedrooms have built-in wardrobes and writing desks. The usual bed-linen, except blankets, are provided, and weekly laundering is done by a steam-laundry. Boarders make their own beds, sweep and clean their rooms.

All meals are prepared in a modern, well equipped kitchen according to dieticians' scales, and the food is well prepared, wholesome and sufficient. The self-help mode of serving meals

ensures quick and efficient service.

Residence fees are R200 p.a. inclusive, payable in two equal instalments, before 28th February and 31st July, and an initial repayable deposit of R1 per day for board and lodging is charged during short vacations. Residence is allocated for the academic year and not for a portion thereof. The residents are subject to the disciplinary regulations of the University Council.

As far as the Residence Staff is concerned, Mr. Paul Dietrich, Principal of the Elsie River Primary School No. 2, acts as Superintendent. Mr. Dietrich is most ably assisted by his wife, Mrs. Louisa Dietrich, who is the Matron of the residence. She is a former teacher with 14 years' experience and also holds the Senior Certificate of the Trinity College, London, for music. Mrs. Dietrich is assisted by Miss Annalise Rhoda and Mrs. Winnifred Wagenstroom, the two Assistant Matrons.

● Above: In the dining-room the residents sit at small separate tables.

● Middle: Boarders have to make their own beds—an awkward chore for male hands, perhaps, but the spread is smooth and smart!

● Right: A diligent Pharmacy student studies at a neat built-in desk with bookshelf.



CONTRASTS: A newspaper article recounting the opening of a 100-bed student residence in 1966 and, below, the new Unibell student accommodation currently under construction



COUNCIL'S STATEMENT ON GOVERNANCE

The University of the Western Cape and its Council are committed to the principles of transparency, accountability, fairness and social responsibility. Accordingly, for the period under review, the Council endorsed and practised, as far as is applicable, the principles of good governance as reflected in the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice of the King IV Report, as well as other generally accepted Guidelines and Codes on good governance. Council recognises the need to conduct its governance oversight function of the University with integrity and accountability. The Council Audit and Risk Committee monitors compliance with good governance principles and provides advice to Council, as needed.

During 2019, Council, through its Audit and Risk Committee, requested a high-level assessment and gap analysis of the University's application of the King IV principles that are deemed to be relevant to public universities. The assessment was completed in 2020 and initiatives are being implemented to attend to the identified gaps.

COUNCIL

The Council responsibilities are set out in the Institutional Statute and are in accordance with the stipulations of the Higher Education Act, 1997. The Council is responsible for the ongoing strategic direction of the institution and for the approval of major developments, which functions are facilitated by regular reports by management.

The role of the Chairperson of Council is separate from the role of the Rector and Vice-Chancellor. The Chairperson holds office for the duration of his/her term as a member of Council and may be re-elected for a second term, provided that the individual was re-elected as a member of Council.

In keeping with the Institutional Statute, the UWC Council comprises a maximum of 30 members, 60% of whom are members who are not registered students or employees of the University. Membership also includes staff and students, as per the categories outlined in the University's Statute. At its last meeting of the year, held on 26 November 2020, there were 25 members serving on Council, with vacancies in the categories representing donors, convocation and additional members. At that time, 15 (60%) of the members serving on Council were not in the employ of the University or student representatives. As of 1 December 2020, once the vacancies were filled, 65.5% of members were external to the University.

The Council meets at least four times per year and has several committees, including a Remuneration Committee, a Finance Committee, an Audit and Risk Committee, and a Membership Committee. All of the committees are formally constituted with terms of reference, and largely comprise Council members who are neither employees nor students of the University. Council committees meet before the scheduled quarterly Council meetings and report to the Council on their mandated areas of responsibility. A list of Council committees and information on the membership and attendance of Council, Finance, and Audit and Risk committee meetings are attached in the Annexures to this Annual Report.

Council held four (4) meetings in 2020. Council is ultimately accountable to the Minister, and members are fully cognisant of their collective and individual responsibilities. Council members do not receive remuneration for the meetings they attend.

In line with the Code of Conduct for Council, members are requested at every meeting of Council to declare, in writing, any conflict of interest relating to matters on the agenda, in addition to an annual declaration of interests that has to be submitted by all members. In 2020, Council performed a self-assessment of its activities and performance against its terms of reference.

FINANCE COMMITTEE

The Council's Finance Committee exercises control over all University funds and advises Council on financial strategy and financial progress against benchmarks and annual budgets. The Finance Committee is also responsible for:

- advising Council on the overall financial management of the University;
- assessing the financial planning of the University with respect to its financial viability and ensuring that the University continues to operate as a 'going concern';
- monitoring and advising Council on the ongoing performance of the University in relation to the approved operational and capital budgets;
- evaluating the annual financial statements of the University;
- evaluating the financial impact of material decisions taken; and
- advising Council on the long-term financing strategy with respect to immovable capital projects.

The Finance Committee meets at least once per quarter and continuously monitors and reports to Council regarding the University's financial performance and financial sustainability.

In 2020, the Committee performed a self-assessment of its activities and performance against its terms of reference.

TENDER COMMITTEE

The Tender Committee must ensure that a course of optimum value and efficiency is maintained by adopting best procurement practices and ensuring open and fair competition, subject to the University's approved procurement policies. The Committee also has the responsibility to develop and update policies with regard to:

- the procurement of goods and services in general;
- black empowerment equity;
- supplier selection; and
- other matters incidental to the procurement of goods and services and must submit such policies to Council for its approval.

The Committee must, after due process has been followed, award tenders and report on the awarding of such tenders to Council.

In exercising its duties, the Tender Committee must see to it that the procurement of goods and services takes place in a fair, transparent, efficient and cost-effective manner, and must report to Council at least twice a year. The external (Council) membership of this committee was increased to strengthen independent governance oversight.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee reviews the findings and reports of the University's internal and external auditors. Both the internal and external auditors have unrestricted access to the Committee, ensuring that their independence is in no way impaired. The Committee has a maximum of six (6) members and all members of the Audit and Risk Committee are independent of the University. The membership of the Committee only allows for Council members, or experts in the field, to serve on it. The Committee is chaired by a member of Council who is not the Chairperson of Council. In addition, a representative of the Auditor-General of South Africa is also invited to be present at all meetings of the Committee.

The Committee held five (5) meetings in 2020. The internal and external auditors and appropriate members of the executive management attended all the meetings.

The Audit and Risk Committee operates in accordance with Council-confirmed written terms of reference that clearly set out the Committee's responsibilities in relation to:

- assessing combined assurance and its appropriateness to address the significant risks facing the University;
- enterprise risk management oversight and internal controls.

- the approval of annual internal and external audit plans;
- overseeing both the internal and external audit functions;
- monitoring management's responsiveness to the findings and recommendations of the internal audit; and
- monitoring of the independence of the external auditor in the annual financial statements.

At UWC, the internal audit function is managed by an external service provider, appointed by the Audit and Risk Committee, to fulfil the function. As part of its oversight role, the Committee is responsible for the performance assessment of the internal and external audit service providers. The Committee also performed a self-assessment of its own performance.

The Audit and Risk Committee further assists Council in terms of exercising its information technology (IT) governance responsibility through internal audit reviews. These include issues of control design and operating effectiveness as they relate to the key applications affecting data in the Annual Financial Statements.

The Finance and Audit and Risk committees of Council have one joint meeting per year to consider, for recommendation to Council, the Annual Financial Statements and the report of the external independent auditors to Council.

In 2020, the Audit and Risk Committee reviewed and recommended to Council the University's Strategic Risk Register.

In 2020, the Committee also performed a self-assessment of its activities and performance against its terms of reference.

REMUNERATION COMMITTEE

The Remuneration Committee has the authority to take final decisions regarding the remuneration and conditions of employment of Council-appointed senior management, which includes the University executive and deans of faculties. Members of the Remuneration Committee are all external members of Council, with the Chairperson of Council as its chair. The Remuneration Committee conducts its business within formal parameters set by Council and stated in the Committee's standing orders.

There were no exceptional payments recommended by the Remuneration Committee in the year under review. The Annual Financial Statements in this Annual Report reflect the earnings of the senior management separately, with comparative figures for 2019.

MEMBERSHIP COMMITTEE

The Council Membership Committee considers nominations for Council vacancies in terms of the Institutional Statute and makes recommendations regarding suitable persons where applicable. The Committee assigns Council members to the various sub-committees and is responsible for the implementation of the Code of Conduct for Council members.

INFORMATION, COMMUNICATION AND TECHNOLOGY GOVERNANCE COMMITTEE

Council is responsible for information technology governance and is supported in fulfilling this function by the Information, Communication and Technology Governance Committee, a joint committee of Council and Senate, which is chaired by an external member of Council. The committee operates in accordance with approved standing orders that outline the Committee's responsibilities in relation to:

- overseeing policy and strategic matters;
- monitoring progress, compliance and risk; and
- monitoring progress and compliance with and risks to matters relating to information and communication technology (hardware and software).

Information technology forms an integral part of the teaching and learning, research, innovation and administrative operations of the University.

The Council Audit and Risk Committee also supports Council in terms of its IT governance responsibility, with oversight on IT-related reports received from the internal auditors.

CONFLICT MANAGEMENT

Council agreed in its Code of Conduct to deliberate immediately on matters in which conflict arises as a result of, for example, a declaration of vested interest, and to decide upon these matters in accordance with generally accepted practice. Council also has a Council Charter to regulate the conduct of Council members and to determine how it will enforce discipline in the event of a breach of the Code of Conduct.

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee is responsible for implementing Council-approved strategies and for operationally managing the University's affairs. The Executive Management Committee is chaired by the Vice-Chancellor and meets twice a month. The Committee's terms of reference encompass strategy development, collaboration between faculties and units, and maintaining and managing the University's operations in the most effective and efficient way. The Executive Management Committee is responsible, *inter alia*, for ensuring that the accounting records of the University are maintained in good order by the accounting information systems and personnel complement, and this is monitored by the Audit and Risk Committee through the work of the internal and external audit functions.

EMPLOYEE AND STUDENT PARTICIPATION

The University uses a variety of participating structures to resolve issues that affect employees and students directly and materially. These structures are designed to achieve good employer/employee and student relations and for the effective sharing of relevant

information, consultation, and the identification and resolution of conflict. They embrace goals relating to productivity, career security, legitimacy and identification with the University.

ETHICAL STANDARDS

The University is committed to the highest standards of integrity, behaviour and ethics in dealing with all stakeholders, including its Council members, managers, employees, students, customers, suppliers, competitors, donors and society at large. Council members and staff are expected to observe the institution's ethical obligations in order to conduct its business through the use of fair commercial competitive practices.

This Council Statement on Corporate Governance was approved by the Council of the University of the Western Cape at its meeting of 29 June 2021



“The University uses a variety of participating structures to resolve issues that affect employees and students directly and materially.”



COUNCIL STATEMENT ON TRANSFORMATION AND SUSTAINABILITY

The transformation of higher education in South Africa forms a key component of the broader processes of the political, social and economic transformation of our society. Council recognises that as a public higher education institutions in South Africa, UWC's practices and the manner in which the University makes sense of its knowledge generation and dissemination roles, can either reproduce the patterns of inequality that shaped our society, or they can be critical levers of change. The University and its Council are committed to striving to be such a lever.

Transformation continues to be at the heart of UWC's mission. It is strongly embedded in its history as a public institution actively working for the public good through its ongoing commitment to the transformation of the country. Transformation is woven into UWC's intellectual project, and its fruits are evident in the rich diversity of the University's student and staff composition. However, the University and its Council recognise that the transformation of higher education in South Africa is a dynamic and ongoing project, both as part of the broader political, social and economic transformation of the country, and because universities are powerful agents of national transformation.

UWC's 2035 vision, as articulated in the Institutional Operating Plan 2021 - 2025 (IOP), states that UWC is "anchored in its local and sub-regional context and inspired by its distinctive academic role in building a more equitable and dynamic society, the University continues to empower its students, staff and partners to advance its mission of serving the greater public good and searching for humane and sustainable solutions to the challenges of our time."

For UWC, its concern with sustainability forms a critical aspect of the larger transformational concern. Sustainability is not viewed primarily as a technical or environmental matter, but is regarded as a social necessity that speaks to a vision of the future in which elements critical to that future are sustained. On this basis, it requires the University to engage critically with its own institutional practices. Lasting transformation requires the University and its Council to pay rigorous attention to sustainability in the following broad areas:

THE STUDENT ENVIRONMENT

- Changing the size, shape and mix of the student population and the academic programme to facilitate greater access to higher education for previously disadvantaged learners, and their participation in programmes in which they have previously been under-represented and in which, in most instances, the country faces a shortage of skills;
- Giving students the opportunity to engage meaningfully with the campus community and to create an environment in which students experience a sense of belonging; and
- Providing an appropriate environment in support of the academic success of students and their holistic development as graduates who are: able to continue to engage critically within their respective contexts; engaged and committed citizens and accountable agents of social good; and confident lifelong learners, capable of critical reflection in constantly changing contexts.

THE WORKPLACE ENVIRONMENT

- Developing and supporting engaged leadership that is able to grapple with the challenges of building and shaping UWC's distinctive academic role as a public higher education institution in a fast-changing global context;
- Building and nurturing an institutional culture that is conducive to staff effectiveness and where the necessary autonomies of academic practice are respected within a framework of accountability and responsiveness to global challenges;
- Enriching the workplace through the attraction, development and management of diverse talent, which includes continued attention to the employment of staff in under-represented categories such as staff with disabilities and black African staff;
- Focusing on staff development, preparing and developing the new generation of academic and University leaders through focused programmes and interventions; and
- Continuously refining and monitoring its Reward Strategy that seeks to appropriately compensate employees.



"Transformation continues to be at the heart of UWC's mission."

THE LEARNING, TEACHING AND RESEARCH ENVIRONMENT

- Improving opportunities for all students to succeed in their studies through teaching and learning practices that are able to meaningfully address the learning needs of students;
- Provide responsive and enabling academic programmes with curriculum that will enable graduates to be better prepared to face 21st-century challenges;
- Promote and facilitate enhanced learning opportunities through the innovative use of emerging technologies; and
- Building and improving research capacity through targeted research development, creating a research-conducive environment and increasingly contributing to the production of new knowledge in support of the country's development and in addressing global challenges.

THE BUILT AND IT ENVIRONMENT

- Ensuring coherent and sustainable infrastructural development that promotes safe and supportive living and learning conditions and that enhances the organisation in support of the delivery of high-quality academic programmes, as well as supporting the requirements of research excellence;
- Optimising infrastructure utilisation and ensuring the quality and effectiveness of the infrastructure through ongoing maintenance and addressing backlog maintenance; and
- Supporting stable and modern information technology infrastructure to facilitate greater operational efficiency and improving access to learning and research opportunities and material.

THE NATURAL ENVIRONMENT

- Enhancing sustainable approaches to natural resources through institutional practices and ongoing academic inquiry through teaching, learning and research activities; and
- Protecting the natural environment and biodiversity on campus, especially as represented in the UWC Cape Flats Nature Reserve.

THE FINANCIAL ENVIRONMENT

- Developing a strong and increasingly diversified financial base that is better aligned with the funding of institutional strategies in support of strengthening the core mandate of the University; and
- Promoting and conducting its business through the use of fair and ethical commercial competitive practices.

THE PUBLIC DOMAIN

- Enhancing the internal and external standing and reputation of UWC as a dynamic academic institution of high repute through an integrated communication approach and public engagement that seeks to promote strong and enduring collaborations and partnerships between the University and its broad range of stakeholders.

THE LEADERSHIP, MANAGEMENT AND GOVERNANCE ENVIRONMENT

- Consistently scrutinising the University's strategic direction;
- Nurturing a culture of meaningful change to enhance the University's ability to adapt to new and changing circumstances whilst remaining true to its values and the pursuit of intellectual excellence; and
- Strengthening a culture of efficiency, accountability and good governance in the execution and oversight of strategic direction and strategy implementation.

Council is satisfied that the IOP brings appropriate focus to issues of sustainability and transformation as part of its focus on repositioning UWC as a vibrant and dynamic intellectual institution in the 21st century. This Council Statement on Transformation and Sustainability was approved by Council at its meeting of 29 June 2021 and is signed on its behalf by:



Ms Yasmin Forbes

Chairperson of Council



Prof Tyrone Pretorius

Rector and Vice-Chancellor



A DIFFERENT TIME: Scrumhalf, Julian Smith passing the ball during a game in the 1970s. Never playing for South Africa because of apartheid, Smith was widely recognised for his exceptional talent. During those days, UWC did not have sporting infrastructure, resulting in players having to change in cars and behind trees.



REACHING FOR GLORY: Scrumhalf Herschel Jantjies helped UWC win the FNB Varsity Shield in 2017. Two years later, he was part of the Springbok team that won the Webb Ellis Cup at the 2019 Rugby World Cup.



COUNCIL AUDIT AND RISK COMMITTEE

The Council Audit and Risk Committee (CAR) of the University of the Western Cape (UWC) has written terms of reference that specify that members of the Committee must be independent of the University. The Committee is chaired by an external member of Council and the Committee's terms of reference were approved by the UWC Council.

In accordance with its terms of reference, the Committee was able to fulfil its role as an independent committee, with accountability to Council.

KEY ASPECTS OF THE COMMITTEE'S MANDATE

In accordance with its terms of reference, the Committee has oversight over the following key areas:

- Combined Assurance
- Internal audit
- Enterprise Risk Management
- External audit

COMPOSITION OF THE COMMITTEE AND ATTENDANCE

The Committee's membership allows for a maximum of six members – three external Council members and three additional members – all of whom are independent of the University. There was one vacancy in 2020. The members of the Audit and Risk Committee come from various sectors and have a blend of skills that include, amongst others, experience in business, auditing, governance and risk management. The qualifications of the respective Audit and Risk Committee members are included in the Annexures to this Annual Report.

The table below reflects the attendance of meetings by members of the Committee.

Audit and Risk Committee members	5 March 2020	4 June 2020	18 August 2020	22 October 2020	23 November 2020 (S)
Ms Cindy Hess (Chair)	Present	Present	Apology	Present	Present
Mr Blum Khan	Apology	Present	Present	Present	Apology
Ms Ncamagu Mbulawa	Present	Present	Present	Apology	Present
Mr John Matthews	Present	Present	Present	Present	Present
Mr Nick Buick	Present	Present	Term came to an end on 30 June 2020		
Dr Patricia Hanekom	Term started on 1 July 2020		Apology	Present	Present

During 2020, the Committee held quarterly meetings and one special meeting that were all quorate and during which it carried out its oversight duties as set out in the terms of reference and summarised in the Council Statement on Governance.

All meetings were attended by the internal and external auditors. The auditors have unhindered access to the Committee and, at every meeting, there is provision for the auditors to meet with the Committee without management being present. The Office of the Auditor-General also has a standing invitation to attend the Committee meetings, and a representative attended two meetings.

SUMMARY OF THE MAIN ACTIVITIES UNDERTAKEN DURING THE YEAR

In executing its duties in 2020, the Committee attended to the following key matters:

- The approval of the Committee's annual work plan.
- Revision of aspects of the Committee's standing orders and recommended proposed changes to Council.
- Periodic reports on progress with the liquidation of the UWC Pension Fund, a defined benefit fund.
- The Strategic Risk Register and related reports that were tabled during quarters 2 and 4 were

discussed and recommended to Council with comments. In light of the COVID-19 global pandemic the Strategic Risk Register was also updated in quarter 3 and recommended to Council.

- The Operational Risk Report and Combined Assurance Report were discussed and recommended to Council.
- The Committee also engaged with the detailed Legal and ICT Risk Reports.
- The various internal audit reports that were received during 2020 were considered. Continued focus was given to information technology general controls (ITGC), although there were some improvement in the overall rating, the controls are still not at the desired operating control effectiveness and therefore still not satisfactory. The Committee engaged Management about the shortcomings and monitored and reported to Council on the efforts to address the identified weaknesses. Quarterly ICT Reports are now presented as a standing item on the CAR agenda.
- The high-level gap analysis of the UWC Procurement Policy in comparison with best practice procurement principles was concluded. The results of this review were also presented to Council and the Ad-hoc Tender Committee and UWC Procurement Policy enhancements ensued.
- The high-level assessment and gap analysis of UWC current application of the 16 Principles as contained in the King IV™ Code on Corporate Governance. The results were also presented to Council and it was noted that Universities South Africa (USAf) was developing higher education sector King IV™ guidelines that will be applied once finalised.

- There was quarterly monitoring of management progress in addressing all prior years' outstanding internal audit findings.
- The Ernst & Young (EY) external auditor's report on management issues that arose during the normal audit cycle for the year ended 31 December 2019.
- The internal audit plan and internal audit budget for 2021 were approved.
- In November 2020, following a tender process and confirmation by the Auditor General South Africa, the Committee recommended to Council the appointment of PricewaterhouseCoopers (PwC) as the external auditors effective from the 2020 financial year.
- The external audit coverage plan for the 2020 financial year and the external audit budget were approved.

Action plans arising from the various reviews are being implemented by management.

The Committee considered and recommended the following reports in this Annual Report to Council for approval:

- Council's Statement on Governance
- Report on Internal Operational Structures and Controls
- Report on Risk Exposure Assessment and the Management Thereof

SELF-ASSESSMENT OF THE COMMITTEE

In terms of good governance practices, the Committee performed a self-assessment of its activities and performance against its terms of reference and no shortcomings were identified.



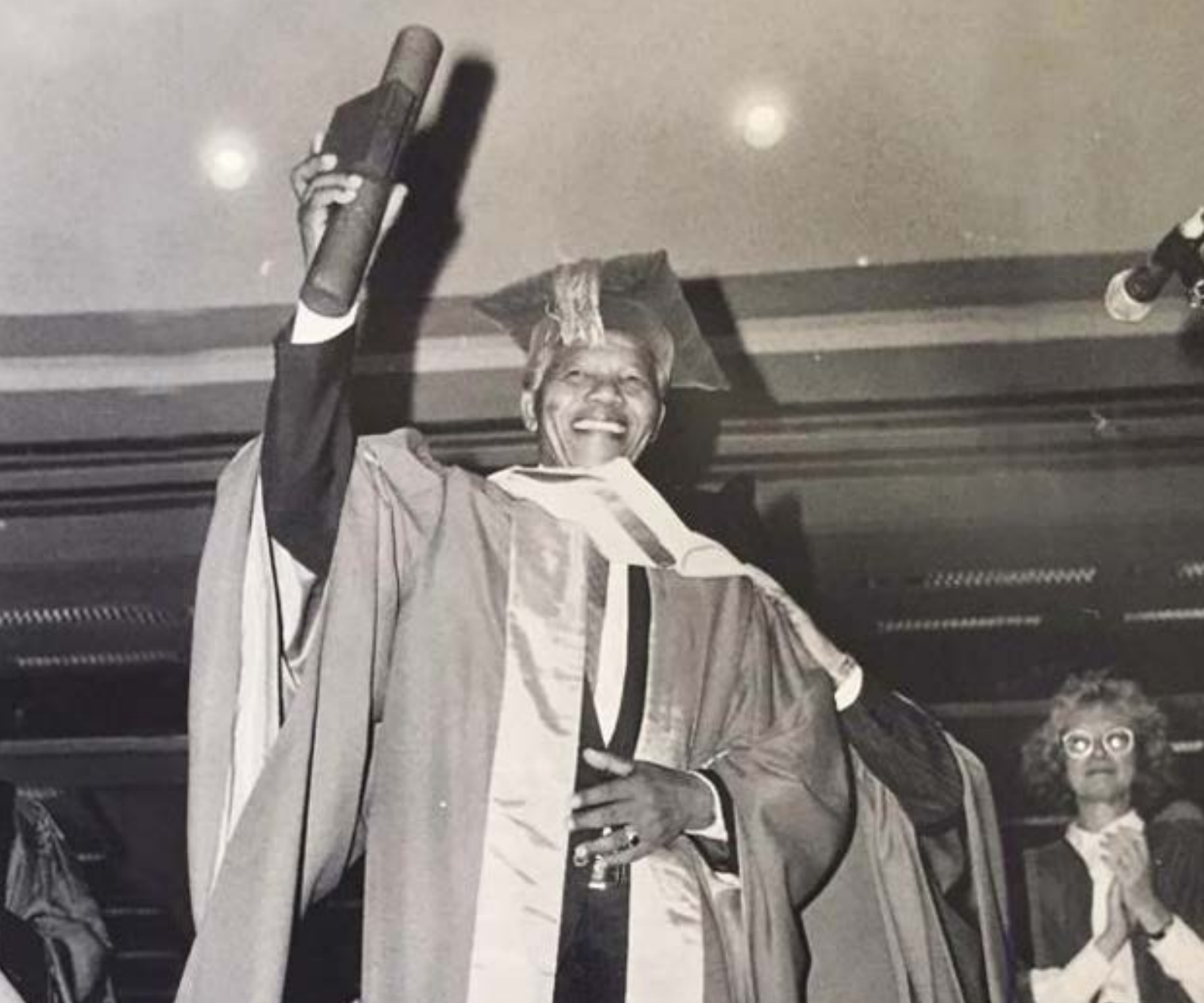
Ms Yasmin Forbes

Chairperson of Council



Ms Cindy Hess

Chairperson: Council Audit and Risk Committee



ACKNOWLEDGING MADIBA: Former South African president, Nelson Mandela, receiving an honorary doctorate nine months after being released from Victor Verster prison. UWC was the first university that bestowed an honorary doctorate on the anti-apartheid leader.

The citation for awarding the honorary doctorate reads:

“We have in our midst tonight the most widely honoured South African of all time. No South African is more admired and respected than Nelson Rolihlahla Mandela. He is a remarkable international figure. Now that he can move about the world, he mixes freely with presidents and prime ministers and heads of state, always open, never to be prescribed to, but with dignity and firmness introducing a new perspective on relationships.”

On accepting the award, Mr Mandela responded:

“Universities traditionally trained a select few for elitist posts within society. South Africa, for decades structured to serve the interests of a minority, in many respects surpassed other countries in this respect. As we lead our country away from minority domination to a people’s democracy, it is inappropriate that our universities continue to reproduce patterns and practises that will undermine what we are trying to build.

“UWC has taken the lead in the radical transformation of our thinking about the interests universities should serve. We must begin by recognising that ours is an African, developing country, the majority of whose inhabitants live in circumstances of poverty and who suffer a quality of life calculated to dehumanise them...”



REPORT ON THE INTERNAL SYSTEMS OF OPERATIONAL STRUCTURE AND CONTROL

The University of the Western Cape maintains systems of internal control and processes that promote the safeguarding of assets against unauthorised acquisition, use or disposal. These systems are designed to provide reasonable assurance to the University and its Council that the operational environment supports the safeguarding of the University's assets and the preparation and communication of reliable financial and other information.

The systems of internal control designed by management include the documentation of organisational structures, the assignment of responsibilities and the establishment of policies and procedures in key areas.

Technology-enabled information systems are in use throughout the organisation. Management's intention is that the systems should be designed in a manner that balances ease of use for all users while meeting internal control requirements. In utilising electronic technology to conduct transactions with staff and with third parties, management maintains that control aspects are subject to scrutiny and that procedures are designed and implemented to manage the risk of fraud or error. Executive management has increased their oversight over IT systems because of their increased complexity, the reliance on IT systems and an escalation in cybersecurity risks globally. The Audit and Risk Committee has also increased its scrutiny of the University's IT systems and related IT risks.

During 2020, the Director: Information and Communications Systems (ICS) presented quarterly reports to the Audit and Risk Committee, which focused on:

- ICS progress towards addressing all internal audit findings
- Top ICT strategic risks, including IT/cybersecurity risk
- ICS internal governance update
- ICS operational update

The Audit and Risk Committee noted the salient features of the ICS reports and the key risks, key projects and progress. There were no major changes to key IT systems during 2020. As part of addressing operational control concerns, ICS continues to focus on project delivery, IT governance, risks and internal IT controls, and the review and optimisation of internal processes. An upgrade to the firewall was implemented and is assisting in improving IT security. In addition, the Integrated Security and General IT Controls Framework is being contextualised for UWC to avoid duplication, while ensuring comprehensive coverage of relevant processes and controls. The objective is to produce combined control objectives with associated, consolidated controls, tests, test artefacts and performance measures that will be used to govern the system of IT controls.

Internal audit monitors the adequacy and effectiveness of internal control systems based on internal audit

coverage plans discussed with management and approved by the Audit and Risk Committee. Internal audit's findings and recommendations are reported to management and the Council via the Audit and Risk Committee. Corrective actions are taken by management to address control deficiencies and other opportunities for improving systems. The internal audit process includes a follow-up of agreed management action plans, the results of which are then reported to the Audit and Risk Committee.

The Audit and Risk Committee provided the necessary focus to ensure that the majority of the outstanding matters pertaining to previously reported internal and external audit findings, were resolved. In response, Management submitted detailed feedback on progress, supported by corrective action plans and due dates.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can only provide reasonable assurance with respect to the reporting of financial information and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances. In instances where it is detected that internal control systems have failed, it should be determined whether further investigation is required.

The Audit and Risk Committee received reports from the internal auditors on various internal audit projects at each of its four meetings during the year. The internal audit coverage is based on a rolling three-year plan, and therefore not all processes are covered in each year. Internal audit performed certain operational, financial and IT audits during the year, and reporting included follow-ups of previously reported findings. Feedback was also provided on the University's Strategic Risk Register and the emerging risks. Internal Audit also concluded both the high-level gap analysis of the UWC Procurement Policy in comparison with best practice procurement principles and the high-level assessment and gap analysis of UWC current application of the 16 Principles as contained in the King IV™ Code on Corporate Governance. In response to the recommendations of these reviews, UWC Management considered the recommendations and enhanced the UWC Procurement Policy, while they await further sectoral guidance on the King IV application from Universities South Africa (USAf).

Reports to the Audit and Risk Committee by both the internal and external auditors indicate that there are some outstanding items in terms of controls deemed to be inadequate or ineffective. These matters were reported to the Management, the Audit and Risk Committee and Council. The progress with addressing such issues will be reviewed in subsequent follow-up audits and duly reported.



Ms Cindy Hess

Chairperson: Council Audit and Risk Committee



Mr Granville Smith

*Director: Internal Audit function:
KPMG Services (Pty) Ltd*



REPORT ON RISK EXPOSURE ASSESSMENT

This report presents the University of the Western Cape's (UWC) Risk Exposure Assessment and the management thereof.

The University Council takes ultimate responsibility for risk management, which includes evaluating key risk areas and ensuring that processes for risk management and systems of internal control are implemented.

THE GOVERNANCE OF RISK MANAGEMENT

The University embarked on enterprise risk management more than a decade ago and has continued to further develop and refine its approach

to risk management and mitigation. UWC compiles a formal Strategic Risk Register that is updated every six months and presented to Council via the Audit and Risk Committee.

The Council Audit and Risk Committee, Council Finance Committee and Executive Management advise Council on key risks. In addition, the Council Safety, Health and Environmental Risk Committee reports important health and safety and environmental risk issues to the Audit and Risk Committee, which in turn reports on risk to Council.

The risk management governance structure at UWC is represented below:

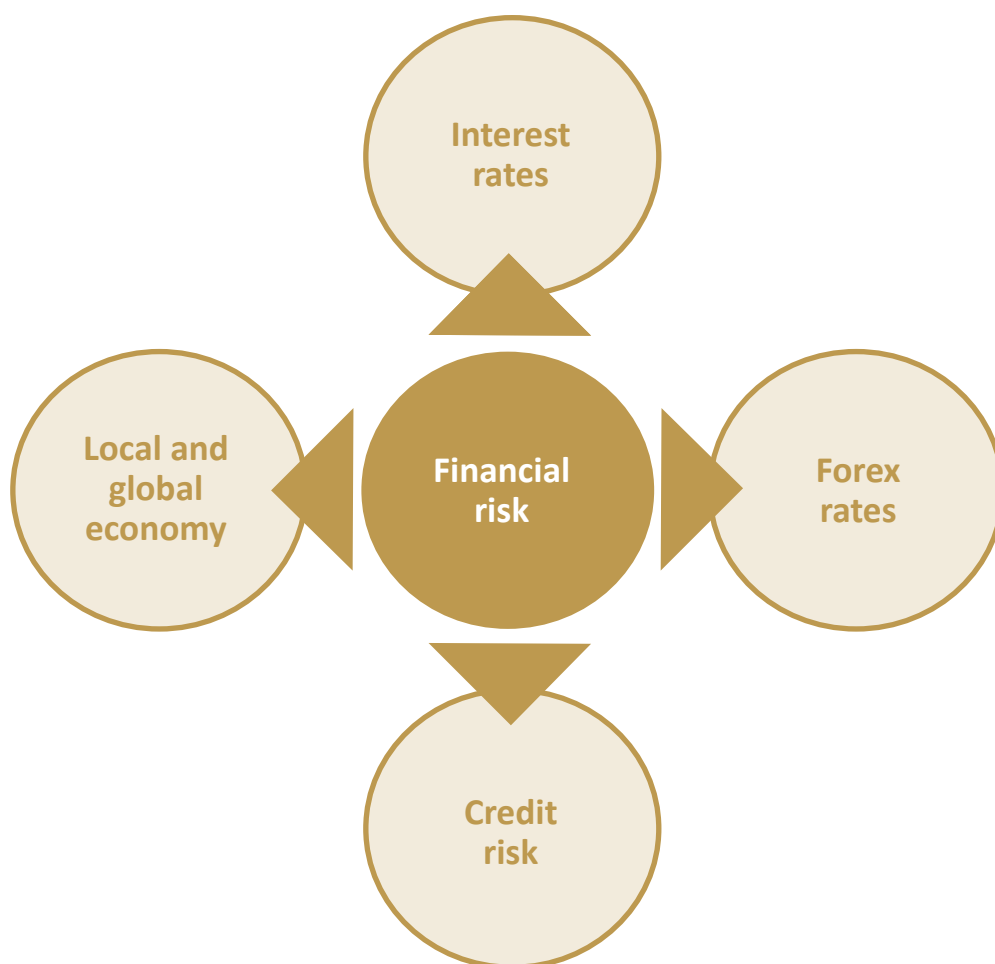


ASSESSMENT OF RISK EXPOSURE

UWC uses the framework of a higher education business model, as well as the objectives of its Institutional Operational Plan (IOP) to identify strategic risk exposure. The higher education model defines the main aspects of risk in terms of its macro-environment, and then in terms of the University's key operational areas. These key areas can be summarised as the

student experience, learning and teaching, research and innovation, and facilities and administrative services.

These risk exposures are first defined as inherent risks in terms of likelihood and impact, and then as residual risks after taking into account controls or actions by management. These risks can be categorised in terms of financial and non-financial risks.



FINANCIAL RISKS

The University is exposed to a range of financial risks, which include, for example, interest rate risk, foreign exchange rate risk, and credit risk. Shifts in international funding agencies' funding focus areas could also have a negative impact on the University's ability to continue to secure international research funding at current levels. In addition to the existing risks and challenges facing the South African economy, the impact of the global COVID-19 pandemic puts additional pressure on the economy. Further, the sporadic electricity blackouts also continue to impact the economy and investor confidence. Concerns around financial viability are intensified in the current climate where the South African government redirected funds to boost COVID-19 interventions and this could adversely impact future government grant and subsidy arrangements for higher education.

FOREIGN EXCHANGE RISK

The weakness and fluctuation of the Rand have a direct impact on the Restricted Funds, as a large portion of donor income is received in foreign currency. At times, the changes in exchange rates work to the advantage of the University, but currently they have a very negative impact on the cost of Library subscriptions to international research databases, the cost of internationally published books and e-books, and on the cost of imported specialised equipment and the maintenance thereof.

INTEREST RATE RISK

In the recent past, interest rates have been stable, but will always pose a degree of risk, as the University has more than one long-term loan and, if there are increases in interest rates, these affect such loans. The expansion of major infrastructure projects and the concomitant price escalation risk pose an additional risk to UWC's reserves.

CREDIT RISK

The fact that a significant proportion of UWC's applicant pool come from disadvantaged communities poses a specific credit risk. Students who do not succeed academically, or succeed only partly, may not qualify for continued financial aid (NSFAS or donors) and may not be able to honour their financial obligations to the University. This often results in higher dropout rates, with serious financial implications in terms of debt collection and academic output rates.

The continuous improvement of the range of academic support systems aims to mitigate this risk.

UWC continues to manage financial risk by paying particular attention to effective financial planning, cash flow management and the ongoing improvement of financial management systems.



NON-FINANCIAL RISKS

Non-financial factors that pose risks to UWC include:

- The impact of the global COVID-19 pandemic on all the academic activities of the University as well as the related effects on the health and wellbeing of both staff and students;
- Reputation management;
- Attracting and retaining appropriately skilled employees;
- Achieving student enrolment targets and throughput and retention rates;
- Operational risks resulting from process failures;
- Information technology systems; and
- The provision of sufficient and appropriate infrastructure.

NON-FINANCIAL RISK-MITIGATION ACTIONS

These risk areas are of strategic importance, as the materialisation thereof can have a significant direct and indirect financial impact on UWC. They are being addressed by the various actions plans within specific departments.

UWC strives to link its strategy with governance, performance and risk management. The University increasingly seeks to combine risk-mitigation measures with performance management information to

achieve greater alignment and, ultimately, improved performance.

MACRO-RISK FACTORS IN HIGHER EDUCATION

The global COVID-19 pandemic had a severe impact on the country, including every aspect of the higher education sector. In addition to the health risks some of the other risks include: the mental wellbeing of students and staff; facilitating effective online learning, teaching, research and remote working. The challenges faced by the schooling system is also likely to have an impact on the quality of the pool of future students. The ongoing ability of government to fund universities and the National Student Financial Aid Scheme (NSFAS) at the required levels pose significant risks to the higher education sector.

Risks associated with cybersecurity vulnerabilities, data privacy, identity management and the adequate protection and integration of data remain a concern globally and also affect the University's risk profile. As blended and fully online learning become more prominent and off-campus access the new norm, there are increased risks around privacy and data security. UWC's vision is to increasingly position itself as a modern university within the digital age. Rapid changes in information and communications technology (ICT) affect current delivery models and UWC's ability to manage its competitive risk with peer universities.

The above-mentioned risks have been captured as context to inform UWC's top 10 risks.

The University management submitted an updated Strategic Risk Register to the Audit and Risk Committee in October 2020, and the updated register was presented to Council during its November 2020 meeting. The top 10 risks identified by management's assessment of risk are as follows:

- UWC's ICT infrastructure could undermine the university's ability to deliver on its core functions and pursue its strategic intentions.
- COVID-19 pandemic.
- Failure to strengthen and diversify UWC financial base to secure financial sustainability.
- The teaching and learning process is not contextually responsive and fails to optimize learning opportunities to prepare 21st century graduates.
- Failure to provide students with a safe, meaningful and stimulating university experience.
- The size of the student body and the participation mix across academic programmes could be misaligned with UWC's national enrolment mandate and its strategic intentions.
- Failure to recruit, retain and develop UWC's staff key competencies and capabilities to rise to the contextual challenges in support of the institutional vision and strategic goals.
- Failure to position UWC, as an excellent research university with local relevance, regional impact and global recognition.
- Failure to provide effective leadership and governance to operationalise the new IOP and create a common vision and understanding of the strategic priorities for the UWC community at large.

- Failure to shape the internal and external standing and profile of UWC through the use of various communication and marketing.

COMBINED ASSURANCE PLAN

A combined assurance model incorporates and optimises all assurance services and functions so that, taken as a whole, these enable an effective control environment, support the integrity of information used for internal decision-making by management, the Council and its Committees, and support the integrity of the organisation's external reports.

The UWC Combined Assurance Plan (CAP) that provides a consolidated view of the key UWC assurance providers (both internal and external) for each key strategic risk identified was submitted to Council via the Council Audit and Risk Committee. UWC is now maintaining a combined assurance process to integrate risk management with the University's strategy and performance processes.

Risk management is an iterative process and the identification of risk is crucial to organisational improvement. The University is striving to embed this into its organisational culture and is formalising risk management procedures in a structured and disciplined manner, not only at a strategic level, but also by cascading this down at an operational level to enhance its risk management maturity.

The University's executive management is continuously monitoring UWC's risk profile to ensure emerging risks are identified and managed. This is done on an ongoing basis, considering the international, national and local context within which UWC operates.



Ms Cindy Hess

Chairperson: Council Audit and Risk Committee



Prof Tyrone Pretorius

Rector and Vice-Chancellor



STEEPED IN THE STRUGGLE: During the 1980s, there were frequent calls of “hek toe” that signalled students’ intention to march to Modderdam Road to confront the apartheid police. Often, staff and university leaders (as shown here) would be at the forefront of the marches.



PROUD REFLECTION: The march was re-enacted on 5 October 2014 during an alumni reunion. This time, the march was led by UWC’s first black rector, Prof Richard van der Ross, outgoing Rector, Prof Brian O’Connell and incoming Rector, Prof Tyrone Pretorius.



2020 FINANCIAL REVIEW

The entire world experienced the Coronavirus pandemic (COVID-19) and South Africa was no exception. South Africa as at year end had 1 057 161 confirmed positive cases identified with more than 28 459 deaths directly related to the pandemic as per the National Institute for Communicable Diseases.

The impact of COVID-19 on the global markets were severe as countries declared various levels of lockdown and health and safety precautions which changed people mobility, needs, earnings and market perceptions. The impact, amongst other, was thus reduction in revenue, rise in unemployment, disruptions to transport and travel, manufacturing industries, decline in tourism and pressure on health systems. A few vaccines were created during 2020 which brought hope to all. The implementation of vaccination programs varies across the world and has somewhat reduced the levels of uncertainty. South Africa have also experienced warnings of waves of infections which varied by country of which South Africa experienced its second wave of infections close to the year ended 31 December 2021.

Global economies were damaged causing a decline in GDP mainly due to the COVID-19 infection rates, lockdown rules, social distancing and business and consumer confidence due to uncertainty. The South African economy, shortly after it experienced a technical recession during 2019 and rating agencies status as "junk status" had to endure a hard lockdown which effectively closed many South African industries. The lockdown rules varied during 2020 according to the risk mitigation strategies compact that government designed as appropriate for the context of COVID-19 infection rates. The lockdown was devastating to the South African economy which compounded South Africa's already high unemployment rates. The rolling electricity blackouts hurt the South African economy which was a real blow to South Africans and investor confidence. The local markets had an unprecedented

crash in April 2020 and bounced back shortly thereafter but has effectively reduced in GDP in real terms by at least 7%.

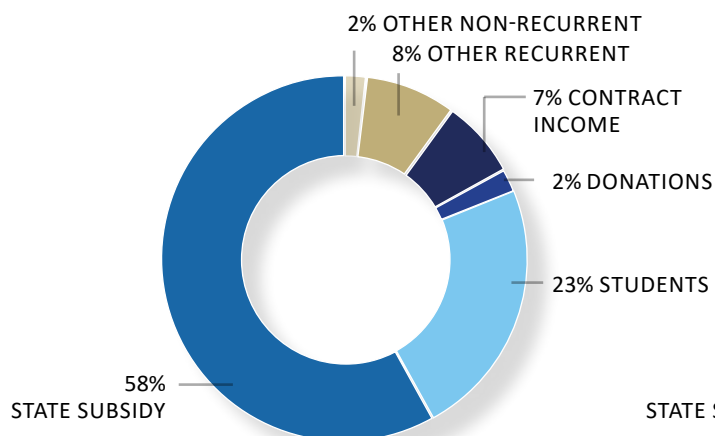
The University of the Western Cape had to navigate its finances with caution and sensitivity for the current year. The UWC Executive had to take decisions that were responsible and sensitive to the UWC stakeholders. Some of these decisions included strengthening the ICT infrastructure, scaling up on its learning management system, providing academic offerings online, closing the university to students and staff, working from home, implementing a COVID-19 integrated plan, health and safety protocols and supply, fundraising for students in need, facilitating supply for data connectivity and student digital devices to enable students to take classes remotely. All of these decisions had an impact on the university finances. The University adjusted its budgets due to the change in operating models and consulted with various stakeholders on its financial position.

OPERATING RESULTS REVENUE STREAMS CONSOLIDATED

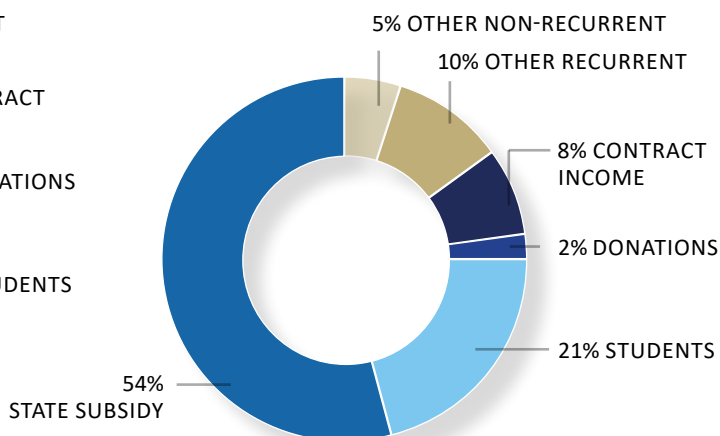
The University of the Western Cape experienced a most extraordinary financial year. With all the uncertainty prevailing within the public higher education sector, the delivered an operational surplus for 2020 mainly due to the change in the remote learning and teaching processes and lockdown rules prohibiting travel and working from home despite a reduction in state subsidy.

The University is funded from many sources that can broadly be categorised in the revenue streams highlighted below. The graphs below depict the size of the different revenue streams in proportion to the aggregate on consolidation. The table and pie-charts below show both the tuition income and bursary expense gross amounts.

SHARE OF REVENUE STREAMS 2020



SHARE OF REVENUE STREAMS 2019



Comparison of income derived from different revenue streams in 2020 and 2019

State subsidy constituted the largest portion of UWC's revenue streams, contributing 58% (2019: 54%) to income in proportion to the consolidated pool of funding and student income to the extent of 23% (2019: 21%). The remaining 19% (2019: 25%) is represented by third stream income items. Despite the state subsidy decrease, the state has increased in contributions to ring fenced funding such as the COVID-19 response grant. Other non-recurrent income of 2% (2019: 5%) comprises of the recognition of movement in market value now recognised through the Statement of Comprehensive Income which was

previously recognised through the Statement of Changes in Funds.

The University has intensified activity in third stream income that will be available as distributable reserves in order to compliment the University's operations and reserves. Many projects in this area are in force, with some in incubation phase. A UWC Innovations (Pty) Ltd commercial entity is in place that forms the platform for certain commercial projects.

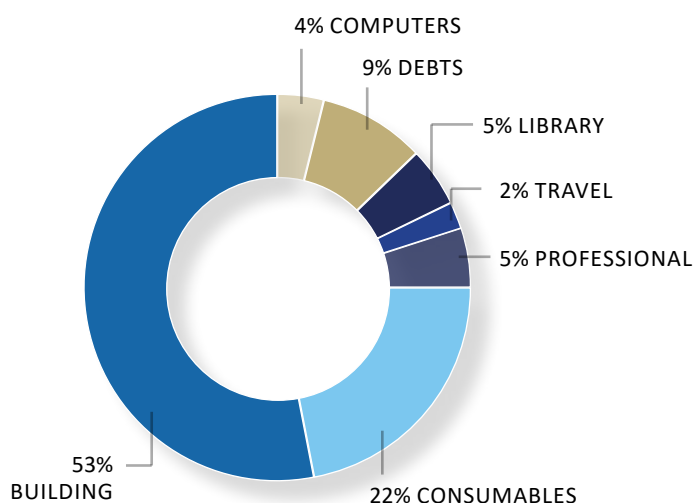
In 2020, UWC posted assets of R5.5 billion (2019: R5.2 billion) and a consolidated operating surplus of R159 million (2019: R288 million). The unrestricted operating surplus is 4% (2019: 7%) as a percentage of gross unrestricted income.

Abridged Income and Expenditure of Council-controlled and Student Accommodation Funds

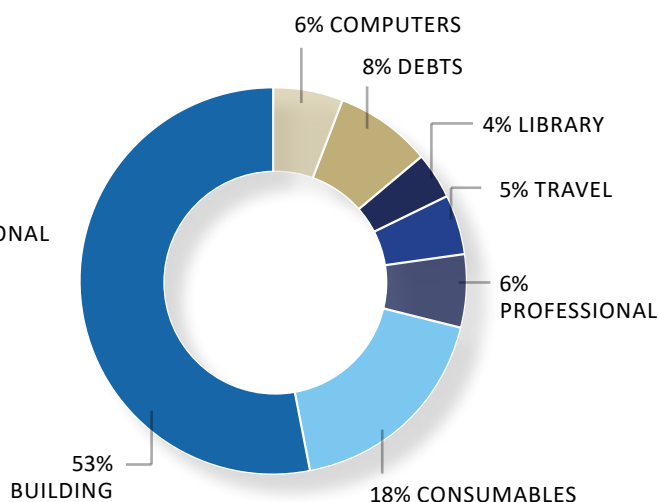
	2020 (Rmil)	% diff	2019 (Rmil)	% diff	2018 (Rmil)	% diff	2017 (Rmil)	% diff	2016 (Rmil)	% diff
TOTAL INCOME:	1 898.5	4%	1 822.1	11%	1 646.7	5%	1 563.0	2%	1 526.7	12%
State subsidies and grants	1 166.1	7%	1 085.7	10%	990.1	17%	846.2	5%	802.3	14%
Tuition and accommodation income	703.7	8%	653.6	9%	598.7	5%	570.4	4%	548.0	7%
Bursaries	(120.4)	7%	(112.6)	46%	(76.9)		0.0	0%	0.0	0%
Other recurrent income	148.8	-12%	169.1	28%	132.1	-10%	146.4	-17%	176.1	16%
Other non-recurrent income	0.3	-99%	26.3		2.7	0%	0.0	0%	0.3	100%
TOTAL EXPENSES:	1908.4	7%	1777.7	8%	1 642.5	6%	1 549.6	2%	1 522.2	13%
Employment costs	1 190.1	10%	1 081.3	11%	975.1	11%	879.7	9%	810.0	4%
Operating expenses	488.4	5%	467.2	-3%	482.5	-3%	498.7	-3%	515.5	13%
Depreciation	172.5	6%	162.5	21%	134.3	17%	115.1	14%	100.9	1%
Expected credit losses	44.6	13%	39.6	71%	23.2	100%	0.1	0%	0.0	0%
Retirement funds' adjustment	0.5	0%	1.7	-85%	10.9	-61%	27.8	-62%	73.0	0%
Disposal of property plant and equipment	0.0	0%	8.7	100%	0.0	0%	6.4	100%	0.0	100%
Finance costs	12.2	27%	16.7	0%	16.6	24%	21.9	100%	22.8	46%
Transfers of nominated bursaries	(91.1)		(81.2)	55%	(52.5)					
NET SURPLUS	81.2	-35%	125.6	122%	56.6	321%	13.4	196%	4.5	-71%
Capital Expenditure	352.2		232.8	-21%	296.1	-38%	478.8	81%	265.2	73%

The unrestricted operating surplus for 2020, as shown above, is R81.2 million (2019: R125.6 million).

OPERATING EXPENSES 2020



OPERATING EXPENSES 2019



OPERATING EXPENSES

Operating expenses has stabilised and all costs are within budget. The pie charts below reflect unrestricted operating expenses only.

Comparison of operating expenses in 2020 and 2019

Operating expenses include strategically funded intervention programmes that accelerate third stream income and supports teaching and learning initiatives as well as a range of research-related strategies. Depreciation remained in line with prior years as most of the current capital improvement and expansion projects reached completion during 2020. The impact of tariff increases associated with utilities like water and electricity has resulted in a larger increase share of buildings costs in proportion to other costs. However, due to the remote learning and teaching strategy implemented, savings accrued such as usage costs, travel costs, etc. COVID-19 operating costs were incurred as additional costs and were largely setoff against the savings generated such as personal protective equipment and additional cleaning costs as a result of COVID-19.

The Student Accommodation Fund yielded a loss of R8 million (2019: R8.2 million). The fund requires an acceleration in fee increases to break even. Ideally, the fund should yield at least a 5% return on capital for reinvestment on infrastructure.

STUDENT DEBT

The University has consistently improved its collection rate over the years with continued refinement of the debt collection process supported by dynamic management information and reporting to further direct engagement with individual students and their parents, student leadership, donors and stakeholders regarding the settlement of debt.

Although student debt recovery slowed down since the “#FeesMustFall” protests in 2015, there has been

considerable improvement of collections in the latter part of 2018. The University experienced its first cohort of qualifying “Fee-Free” students that was administered by the National Student Financial Aid Scheme (NSFAS) in the form of a grant.

UWC has a history of registering academically viable, indigent students without the necessary financial resources to pay their tuition and residence fees upfront and this supports UWC’s Mission statement that commits the University to providing meaningful access. In return, the University’s commitment to facilitate access is supported by students and families taking responsibility for the cost associated with higher education. At registration, all students are required to pay an upfront amount that is less than 15% of the average student billing per annum. It would be desirable to collect more fees at registration but it is a highly contested process at most universities in South Africa. Settlement agreements are entered into with individual students to stagger payments throughout the year. In most instances, these agreements are honoured by students. NSFAS, donors and various stakeholders have played a significant role in reducing student debt. In the current economic climate, we are very grateful to donors, parents, guardians and students for their unequivocal commitment to address student debt. Collections have declined as a result of unemployment due to the impact of COVID-19.

RESTRICTED FUNDS

Restricted Funds represent donations, grants and contracts accounted for during the year. The University continued to do well in this area and the fund generated a surplus of R77 million (2019: R 162 million). Lower investment income was due to declining equity market performance.

SIGNIFICANT ACCOUNTING ISSUES AND DISCLOSURES

The University’s financial reporting and preparation of financial statements are based on International

Financial Reporting Standards (IFRS). Below is an explanation of certain significant items in the financial statements.

GOVERNMENT GRANTS AND DISCLOSURE FOR GOVERNMENT ASSISTANCE

At year-end, the Government Grants relating to non-current assets (note 25) were valued at R1 448 million (2019: R1 380 million) in the Consolidated Statement of Financial Position. This is mainly as a result of grants received over the years from the DHET for infrastructural improvement and expansion projects. Although this is income received, in terms of IAS 20: Accounting for Government Grants and Disclosure for Government Assistance, the grant received is recognised as a liability (deferred income) and subsequently recognised as income over the period of the assets' useful life to match the costs to the related assets on a systematic basis. The DHET has committed funding for future years that will continue to influence this balance. The liability will not be discharged in full when the buildings are brought into use but will be reduced annually to the extent of the related costs for which they are intended to compensate, on a systematic basis.

The net effect is paradoxical, the more the DHET supports the University in expanding its infrastructure, the higher our liability on the Statement of Financial Position. The University carries a liability for the lifetime of the building or asset that will be reduced systematically over the life of the buildings or asset, even though it does not represent an obligation to be discharged in the future.

SERVICE CONCESSION: PROPERTY, PLANT AND EQUIPMENT

UWC adopted a process of capitalising the cost of student accommodation buildings, constructed on University land, on a "Build-Operate-Transfer" (BOT) basis on a registered notarial lease. The accounting policy requires full capitalisation of construction costs incurred and the depreciating of the building over its expected useful life. An equivalent liability is raised at the date of capitalisation and is derecognised over the life of the lease agreement as per note 2 and note 13. The payment obligation to discharge the loan for the construction is owned by the developer, Kovacs, who has undertaken the full risk of planning, development, management of operations and maintenance of the full project over a phased-in approach. The liability is therefore similar to Government Grants accounting policy in that the liability will be reduced systematically over a period of time, even though it does not represent an obligation to be settled in the future by the University.

LEASES

The University implemented IFRS16 "Leases", effective 1 July 2019. IFRS 16 requires lessees to recognise leased assets and liabilities on its Statement of Financial Position (Balance Sheet). In other words, assets that were traditionally recognised as an operating lease expense as transfer of ownership does not transfer at the end of the lease, is now being capitalised due to the university being able to exercise right to control of use. Leases of equipment with low values and less

than 12 months is expensed during the year. The net book value of leases capitalised is R35.6m.

INTANGIBLE ASSETS

The University previously recorded software as part of Property Plant and Equipment within the category Computer Equipment. In terms of IAS 38, the University is required to account for intangible assets where there are non-monetary assets without physical substance and is separately identifiable, measured at cost or using the revaluation method, and amortised on a systematic basis of their useful lives.

The University therefore reclassified its qualifying intangible assets, software, and accounted for the reclassification retrospectively.

INTEREST BEARING BORROWINGS

UWC entered into a long-term loan agreement with the Development Bank of South Africa (DBSA) to finance the completion of the Life Sciences Building during 2010. The initial loan value was R90 million at inception and was repayable over 10 years. The loan was paid in full during the 2020 financial year. A further loan of R219 million was entered into with ABSA Bank during 2015 for the completion of the Bellville Community and Health Sciences building, the Sports Stadium upgrade and expansion and the Chemical Sciences Building as detailed in note 9 of the Annual Financial Statements. The capital outstanding on the ABSA loan is R98million (2019: R120million).

UNIVERSITY OF THE WESTERN CAPE PENSION FUND – CONVERSION OFFER AND CLOSURE OF THE FUND

The University of the Western Cape Pension Fund (UWCPF) is a defined benefit plan that is registered and governed by the Pension Funds' Act, as amended, is held separate from the University's assets and is controlled by an independent Board of Trustees (BOT).

On 28 November 2013, the UWC Council directed that an offer must be presented by UWC and the BOT to active members of the UWCPF to convert, on a voluntary basis, their benefits with a 5% enhancement, from a defined benefit basis to a defined contribution basis. The decision further included that retired members be ceded to an insurer which would meet the current and future obligations. On 9 April 2015, Council mandated the closure of the Fund and on 30 June 2015, Council resolved that the Fund must be closed within 24 months of the date of conversion. The mandate of Council was duly executed and after extensive and protracted negotiations between the University and the BOT, the terms of the offer to members were agreed and an Agreement and Rule Amendment was signed on 3 December 2015. Members were consulted extensively and the conversion date was set effective 1 December 2016. Of the active 168 members of the UWCPF, 16 members chose to stay in the fund.

During 2017, the Conversion Report was submitted to the Financial Sector Conduct Authority (FSCA), previously the Financial Services Board (FSB). UWC was required to pay the Conversion Shortfall as per the Agreement between UWC and UWCPF. An amount of R32 980 000 was paid to UWCPF on 23 October 2017. The accrued benefits of DC members in the UWCPF are

to be transferred to the Sanlam Umbrella Fund with effect from 1 February 2018. The BOT and UWC agreed to transfer the remaining 16 members to the Sanlam Umbrella Fund effective 1 January 2019. There were no active members in the fund as at 31 December 2019.

In addition, UWCPF purchased a "With Profits Annuity" policy in the name of the UWCPF with a post retirement rate of 3.5% with Old Mutual Pensions. UWC paid an amount of R3 665 600 on 22 January 2018 to UWCPF to be applied to pensioners. The application to transfer the pensioners to Old Mutual Pensions was completed during 2019.

The liquidation of the UWCPF was expected to commence during 2020 but as a result of the COVID-19 outbreak, the FSCA did not grant formal permission for the liquidation to commence. The liquidation process is now expected to commence during 2021.

INFRASTRUCTURE IMPROVEMENT AND EXPANSION PROJECTS

The University continues its investment in infrastructure. Although a backlog of refurbishment and maintenance exists on existing infrastructure, annually UWC invests at least R40 million from its operating budget for the upkeep of the campus. We are very appreciative of the ongoing support from the DHET and our donors who believe in UWC and who continue to fund a myriad projects. It is noteworthy to mention the current projects.

South Campus Education Precinct Project: Funds were received from the DHET to relocate the Education Faculty and integrate its various departments into the South Campus. The project will provide new facilities and will also include the repurposing of existing infrastructure to better support the teaching and learning activities of the Faculty and campus wide. The construction programme has been delayed due to the COVID-19 lockdown rules and has commenced during 2020 when the restrictions of the lockdown were lifted.

Greatmore Street development: The University has also received funding for the repurposing of an old school building in Greatmore Street, Woodstock, to support the activities of the Centre for Humanities Research (CHR). The facility will be home to some of the CHR's projects focusing on the study of the humanities as an object of creativity that will include a Laboratory of Kinetic Objects (LoKO) for the making of and exploration of prosthetic art objects. It will also house the artist-in-residence programme, a documentary film laboratory, a public lecture and performance space, a dedicated facility to house projects on Communicating the Humanities (a four-year grant to build capacity in documentary filmmaking in the Arts and Sciences) as well as photographic archiving to support the research under the guidance of the SARCHI Research Chair in Visual History and Theory. The planning phase of the project was completed and the project commenced during 2020.

Unibell 2 700 Student Accommodation development: The University has commenced with its construction programme during 2020 for the installation of 2 700 student accommodation beds opposite the Unibell Station in Belhar consisting of three erven. The project was delayed due to the COVID-19 lockdown rules.

UWC Digital Innovation Hub: The University has purchased the old Transhex Building situated in Parow. The Digital Innovation Hub is intended to accommodate the specialised ICT equipment and showroom for virtual reality and augmented reality displays, learning and teaching programs and private sector use as third stream income. Construction is planned to commence during 2021.

CONCLUSION

The financial results for 2020 are a tribute to the efforts of the Council, its Finance and Audit & Risk committees, Executive Management, Finance Department leadership, Infrastructure and Engineering and the campus community, who all applied sound fiscal discipline.

The University remains a going concern during the COVID-19 pandemic and has projected sufficient liquidity post COVID-19, based on various assumptions and scenarios.

The periods during and post COVID-19 lockdown will require strong leadership, close engagement with stakeholders and unity for the university to remain a going concern.



Mrs Xoliswa Daku

Chairperson: Finance Committee



Mr Abduraghman Regal CA (SA)

Executive Director: Finance and Services



COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Council is responsible for the preparation, integrity and fair presentation of the financial statements of the University of the Western Cape (UWC).

The financial statements presented on pages 82 to 130 of the UWC 2020 Annual Report have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Minister of Higher Education and Training in the regulations in terms of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by the management. The Council has noted all reports included in the 2020 Annual Report and has approved all Council Statements included in the Report. Council confirms the accuracy and consistency of the approved documents with the financial statements.

The financial statements have been audited by PwC, who have been given unrestricted access to all financial records and related data, including minutes of meetings of the Council and its committees. The Council believes that representations made to the independent auditors during their audit were valid and appropriate.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements on pages 82 to 130 of this Annual Report were approved by Council on 29 June 2021 and are signed on its behalf by:



Ms Yasmin Forbes

Chairperson of Council



Prof Tyrone Pretorius

Rector and Vice-Chancellor



Ms Xoliswa Daku

Chairperson: Council Finance Committee



INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL AND THE MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION ON THE UNIVERSITY OF THE WESTERN CAPE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the University of the Western Cape and its subsidiaries (the group) set out on pages 82 to 130, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of the Western Cape as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of the University in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (Including International Independence Standards).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the consolidated financial statements

The Council is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997, and for such internal control as the Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.

Our procedures address the usefulness and reliability of the reported performance information, which must be based on the University's approved performance planning documents. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures do not examine whether the actions taken by the University enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the University's annual performance report for the year ended 31 December 2020:

Objectives	Pages in the annual performance report
Goal Area 1 – the size, shape and mix of the student population and academic Programmes	11
Goal Area 2 – Develop an environment conducive to excellence in learning and teaching in support of student success and retention	12
Goal Area 3 – Maintain a critical mass of strong, productive researchers	13
Goal Area 4 – Actively pursue greater representation in support of equity and diversity	13

We performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not identify any material findings on the usefulness and reliability of the reported performance information for these objectives:

- Goal Area 1 – the size, shape and mix of the student population and academic Programmes
- Goal Area 2 – Develop an environment conducive to excellence in learning and teaching in support of student success and retention
- Goal Area 3 – Maintain a critical mass of strong, productive researchers
- Goal Area 4 – Actively pursue greater representation in support of equity and diversity

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the University's compliance with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.

We did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

The Council is responsible for the other information. The other information comprises the information included in the "University of the Western Cape Annual Report 2020". The other information does not include the consolidated financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

Our opinion on the consolidated financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual

performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

We considered internal control relevant to our audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. We did not identify any significant deficiencies in internal control.

Other reports

We draw attention to the following engagements conducted by various parties which had, or could

have, an impact on the matters reported in the University's consolidated financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of our opinion on the consolidated financial statements or our findings on the reported performance information or compliance with legislation.

AUDIT-RELATED SERVICES AND SPECIAL AUDITS – AGREED-UPON PROCEDURES

Agreed-upon procedures on certificates were performed for grants, other funding and similar items. Below is a list of the agreed-upon procedures performed or in the process of being performed in relation to 2020 by ourselves:

Entity name/ engagement	Purpose of the engagement	Status of the engagement	Period covered
Department of Higher Education and Training – Infrastructure grant	Agreeing of expenditure to contracts and supporting information	Report issued	1 April 2020 – 31 March 2021
Department of Higher Education and Training – Research outputs	Verification of research journals	Report issued	1 January 2020 – 31 December 2020
PERSAL salary deduction facility	Agreeing of expenditure to contracts and supporting information	Report issued	1 January 2020 – 31 December 2020
Department of Higher Education and Training – HEMIS submission	Verification of inputs or information relating to the submission to the DHET	In Progress	1 January 2020 – 31 December 2020

18 Additional agreed-upon procedures were issued by other service providers.

PricewaterhouseCoopers Inc

**PricewaterhouseCoopers Inc.
Director: D Adriaans**

*Registered Auditor
Stellenbosch, South Africa
29 June 2021*



ANNEXURE

AUDITOR'S RESPONSIBILITY FOR THE AUDIT

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the consolidated financial statements, and the procedures performed on the reported performance information for selected objectives and on the University's compliance with respect to the selected subject matters.

CONSOLIDATED FINANCIAL STATEMENTS

In addition to our responsibility for the audit of the consolidated financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- conclude on the appropriateness of the Council's use of the going concern basis of accounting in the preparation of the consolidated financial statements. We also conclude, based on the audit

evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the University of the Western Cape and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause the University to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020	2019 *RESTATED	2018 *RESTATED
ASSETS		5 512 046 904	5 176 272 350	4 737 241 456
Non-Current Assets		4 074 845 989	3 794 677 489	3 631 597 519
Property, plant and equipment	2	2 414 079 357	2 207 932 234	2 120 907 347
Intangible Assets	2.3	108 527 929	116 664 927	130 076 707
Right-of-use assets	2.1	35 593 601	30 635 910	-
Service concession: Property, plant and equipment	2.2	176 050 874	180 116 820	183 813 134
Investments	3	1 338 411 736	1 256 717 323	1 194 464 339
Post employment fund surpluses		2 182 492	2 610 275	2 335 992
Retirement fund surplus	10.2	2 182 492	2 066 050	1 831 992
Pension fund surplus	10.1	-	544 225	504 000
Current Assets		1 437 200 915	1 381 594 861	1 105 643 937
Inventories	5	1 897 130	1 419 011	1 668 866
Accounts receivable		203 356 189	217 722 012	192 955 261
Student fee debtors	6	108 707 966	101 555 072	106 970 236
Other receivables	7	94 648 223	116 166 940	85 985 025
Cash and cash equivalents	8	1 149 645 712	1 066 931 916	908 533 164
Investments	3	81 884 414	95 073 931	2 045 698
Staff loans	4	417 470	447 991	440 948
FUNDS AND LIABILITIES		5 512 046 904	5 176 272 350	4 737 241 456
Funds available		3 075 748 980	2 917 069 444	2 654 211 341
Council controlled funds		(711 074 482)	(579 626 666)	(601 208 888)
Restricted use funds		1 301 199 714	1 227 168 975	1 063 493 483
Student accommodation funds		(58 528 986)	(74 456 150)	(75 914 478)
Property, plant and equipment and intangible asset funds		2 522 607 285	2 324 597 161	2 250 984 057
Service concession: Property, plant and equipment fund		21 545 449	19 386 124	16 857 167
Non-Current Liabilities		1 840 065 478	1 791 371 806	1 614 948 489
Interest-bearing borrowings	9	76 568 082	98 710 406	125 203 666
Lease Liabilities	15	25 450 896	25 907 003	-
Service concession: Liability	13	118 280 154	124 505 425	130 730 696
Deferred government grants	25	1 448 091 468	1 380 315 530	1 210 194 975
Contract liabilities	28	26 791 837	51 049 687	43 774 213
Leave pay provision	11	144 883 041	110 883 755	105 044 939
Current Liabilities		596 232 446	467 831 100	468 081 626
Accounts payable and accrued liabilities	12	389 410 627	313 959 690	349 480 866
Service concession: Liability	13	6 225 271	6 225 271	6 225 271
Deferred government grants	25	32 429 245	53 693 823	39 327 921
Contract liabilities	28	91 270 294	43 672 939	24 309 145
Lease Liabilities	15	14 435 630	7 126 432	-
Leave pay provision	11	40 715 951	16 907 517	17 766 950
Student deposits		-	-	316 045
Interest-bearing borrowings	9	21 745 428	26 245 428	30 655 428

* See note 31 for details of the restatement, as a result of a prior period error.

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	Council controlled funds	Restricted use funds	Student Accommodation funds	Service Concession: PPE	Property, plant and equipment, and intangible asset funds	Total Funds
FOR THE YEAR ENDED 31 DECEMBER 2020						
Accumulated funds at 1 January 2020 (ZAR)	(579 626 666)	1 227 168 975	(74 456 150)	19 386 124	2 324 597 161	2 917 069 444
Total comprehensive income for the year	89 185 076	77 476 145	(7 981 684)	-	-	158 679 537
Net surplus for the year	89 185 076	77 476 145	(7 981 684)	-	-	158 679 537
Transfers for acquisition/disposal of PPE	(351 582 852)	-	-	-	351 582 852	-
Transfer of depreciation on PPE	133 729 826	-	23 908 848	(4 065 946)	(153 572 728)	-
Transfers to eliminate dormant entities	225 479	(225 479)	-	-	-	-
Service Concession Liability release	(6 225 271)	-	-	6 225 271	-	-
Other inter-fund transfers	3 219 926	(3 219 926)	-	-	-	-
Accumulated funds at 31 December 2020	(711 074 482)	1 301 199 714	(58 528 986)	21 545 449	2 522 607 285	3 075 748 980
FOR THE YEAR ENDED 31 DECEMBER 2019						
Accumulated funds at 1 January 2019 (ZAR)	(601 208 888)	1 063 493 483	(75 914 478)	16 857 167	2 250 984 057	2 654 211 341
Adjustment on initial application of IFRS16	(467 331)	-	-	-	-	(467 331)
Total comprehensive income for the year	109 282 256	162 289 057	(8 245 879)	-	-	263 325 434
Net surplus for the year	133 862 136	162 289 057	(8 245 879)	-	-	287 905 314
Pension Fund	(24 579 880)	-	-	-	-	(24 579 880)
Transfers for acquisition/disposal of PPE	(223 687 663)	-	-	-	223 687 663	-
Transfer of depreciation on PPE	144 066 666	-	9 704 207	(3 696 314)	(150 074 559)	-
Transfers to eliminate dormant entities	190 473	(190 473)	-	-	-	-
Service Concession Liability release	(6 225 271)	-	-	6 225 271	-	-
Other inter-fund transfers	(1 576 908)	1 576 908	-	-	-	-
Accumulated funds at 31 December 2019	(579 626 666)	1 227 168 975	(74 456 150)	19 386 124	2 324 597 161	2 917 069 444

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31 DECEMBER 2020**

	NOTES	ZAR 2020	ZAR 2019
TOTAL INCOME		2 517 782 880	2 554 459 503
Recurrent revenue		2 470 082 543	2 434 233 303
State subsidies and grants	14	1 469 103 237	1 383 913 658
Student fee revenue	28	583 652 115	542 280 729
Tuition Fees		704 043 645	654 901 084
Bursaries		(120 391 530)	(112 620 355)
Income from contracts	28	175 054 598	213 912 223
For research		78 364 995	137 166 777
For other activities		96 689 603	76 745 446
Private gifts and grants		37 332 696	48 882 694
Other recurrent income	18.1 / 28	76 362 579	91 822 060
Sub-total		2 341 505 225	2 280 811 364
Interest revenue calculated using the effective interest method	16	65 072 909	87 443 531
Interest on investments at fair value through profit or loss	16	43 780 770	40 740 167
Dividends income	16	19 723 639	25 238 241
Non-recurrent items		47 700 337	120 226 200
Gain of marketable securities	16	47 380 534	93 935 967
Gain of settlement on defined benefit plan	10.1	-	26 290 233
Profit on disposal of property, plant and equipment		319 803	-
TOTAL EXPENDITURE		2 359 103 342	2 266 554 189
Recurrent items		2 358 559 117	2 256 138 293
Personnel		1 409 006 709	1 286 376 902
Academic professionals	17	735 898 870	676 166 202
Other personnel	17	673 107 839	610 210 700
Expected credit losses	18.2	44 613 732	39 591 927
Other operating expenses	18.2	720 216 902	751 010 053
Depreciation and amortisation	2	172 489 035	162 480 665
Sub-total		2 346 326 377	2 239 459 547
Finance costs	19	12 232 740	16 678 746
Non-recurrent items		544 225	10 415 896
Loss on disposal of Property, plant and equipment		-	8 745 768
Pension fund surplus expenditure	10.1	544 225	1 670 128
NET SURPLUS FOR THE YEAR		158 679 537	287 905 314
Other Comprehensive Income		-	(24 579 880)
Other Comprehensive Income not to be reclassified to surplus or deficit in subsequent periods		-	-
Remeasurement losses on defined benefit plan	10.1	-	(24 579 880)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		158 679 537	263 325 434
The surplus for the year is analysed as follows:			
Council Controlled Funds		89 185 076	133 862 136
Accommodation Funds		(7 981 684)	(8 245 879)
Restricted Funds - Normal activities		77 476 145	162 289 057
NET SURPLUS FOR THE YEAR		158 679 537	287 905 314

STATEMENT OF COMPREHENSIVE INCOME - COUNCIL CONTROLLED
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	COUNCIL CONTROLLED	
		ZAR 2020	ZAR 2019
TOTAL INCOME		1 810 667 381	1 743 682 173
Recurrent revenue		1 810 347 578	1 717 391 940
State subsidies and grants	14	1 166 071 446	1 085 699 180
Student fee revenue	28	498 104 296	466 940 372
Tuition Fees		618 495 826	579 560 727
Bursaries		(120 391 530)	(112 620 355)
Income from contracts	28	42 443 838	40 502 582
For other activities		42 443 838	40 502 582
Other recurrent income	18.1 / 28	51 814 832	62 014 188
Sub-Total		1 758 434 412	1 655 156 322
Interest revenue calculated using the effective interest method	16	51 913 166	62 235 618
Non-recurrent items		319 803	26 290 233
Profit on disposal of property, plant and equipment		319 803	-
Gain of settlement on defined benefit plan	10.1	-	26 290 233
TOTAL EXPENDITURE		1 812 586 343	1 691 024 512
Recurrent items		1 812 042 118	1 680 608 616
Personnel		1 170 944 369	1 062 631 628
Academic professionals	17	622 260 806	568 938 622
Other personnel	17	548 683 563	493 693 006
Expected credit losses	18.2	44 613 732	39 591 927
Other operating expenses	18.2	435 671 090	408 929 857
Depreciation (inc. leases) and amortisation		148 580 187	152 776 458
Sub-Total		1 799 809 378	1 663 929 870
Finance costs	19	12 232 740	16 678 746
Non-recurrent items		544 225	10 415 896
Loss on disposal of property, plant and equipment		-	8 745 768
Pension fund expenditure	10.1	544 225	1 670 128
Transfers of nominated bursary expenditure		91 104 038	81 204 475
NET SURPLUS FOR THE YEAR		89 185 076	133 862 136
Other Comprehensive Income			
Remeasurement losses on defined benefit plan	10.1	-	(24 579 880)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		89 185 076	109 282 256

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - STUDENT ACCOMODATION
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	STUDENT ACCOMMODATION	
		ZAR 2020	ZAR 2019
TOTAL INCOME		87 867 318	78 468 433
Recurrent revenue		87 867 318	78 468 433
Student fee revenue	28	85 249 584	74 086 146
Other recurrent income	18.1/28	2 617 734	4 382 287
TOTAL EXPENDITURE		95 849 002	86 714 312
Recurrent items		95 849 002	86 714 312
Personnel		19 180 850	18 711 977
Academic professionals	17	-	-
Other personnel	17	19 180 850	18 711 977
Other operating expenses	18.2	52 759 304	58 298 128
Depreciation and amortisation		23 908 848	9 704 207
NET DEFICIT FOR THE YEAR		(7 981 684)	(8 245 879)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - RESTRICTED USE FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	RESTRICTED USE FUNDS	
		ZAR 2020	ZAR 2019
TOTAL INCOME		619 248 181	732 308 897
Recurrent revenue		571 867 647	638 372 930
State subsidies and grants	14	303 031 791	298 214 478
Student fee revenue	28	298 235	1 254 211
Tuition Fees		298 235	1 254 211
Income from contracts	28	132 610 760	173 409 641
For research		78 364 995	137 166 777
For other activities		54 245 765	36 242 864
Private gifts and grants		37 332 696	48 882 694
Other recurrent income	18.1/28	21 930 013	25 425 585
Sub-Total		495 203 495	547 186 609
Interest revenue calculated using the effective interest method	16	13 159 743	25 207 913
Interest on investments at fair value through profit or loss	16	43 780 770	40 740 167
Dividends income	16	19 723 639	25 238 241
Non-recurrent items		47 380 534	93 935 967
Gain on market value of Investments	16	47 380 534	93 935 967
TOTAL EXPENDITURE		450 667 998	488 815 365
Recurrent items		450 667 998	488 815 365
Personnel		218 881 490	205 033 297
Academic professionals	17	113 638 064	107 227 580
Other personnel	17	105 243 426	97 805 717
Other operating expenses	18.2	231 786 508	283 782 068
Transfers of nominated bursary expenditure		(91 104 038)	(81 204 475)
NET SURPLUS FOR THE YEAR		77 476 145	162 289 057
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		77 476 145	162 289 057

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	ZAR 2020	ZAR *RESTATED 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus before interest and dividends	26	42 334 959	151 162 121
Adjusted for:			
Depreciation Property, plant and equipment & amortisation on intangible assets	2	157 638 674	153 770 870
Depreciation Right-of-use assets	2.1	14 850 361	8 709 795
Decrease in service concession: Liability	13	(6 225 271)	(6 225 271)
Expected credit losses	18.2	44 613 732	39 591 927
Fair Value adjustment on Investment	3	(47 367 159)	(93 935 967)
Government grants (recognised) / deferred during the year	25	(47 933 640)	43 202 680
Pension fund cost / expenditure included in surplus	10.1	544 225	1 670 128
Profit on sale of assets	2	(319 803)	-
Retirement fund income		(116 442)	(234 058)
Gain of settlement on defined benefit plan	10.1	-	(26 290 233)
		158 019 636	271 421 992
Working Capital adjustments			
(Increase) / Decrease in inventory		(478 119)	249 855
(Increase) in receivables		(30 247 909)	(64 358 678)
Decrease / (Increase) in staff loans		30 521	(7 043)
Increase in contract liabilities		23 339 505	26 639 268
Increase / (Decrease) in payables and provisions		133 258 658	(30 541 793)
(Decrease) in student deposits		-	(316 045)
Cash generated from operations		283 922 290	203 087 556
Interest received	26	108 853 679	128 183 698
Dividends received	16	19 723 639	25 238 241
Finance costs	19	(12 232 740)	(16 678 746)
Net cash flows from operating activities		400 266 868	339 830 749
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	2	(352 204 529)	(232 786 105)
Disposal of property, plant and equipment	2	544 582	9 098 442
Proceeds on disposal of current investments	3	13 189 517	-
Purchase of current investments	3	-	(93 028 233)
Purchase of marketable securities and fixed deposits	3	(804 276 536)	(417 791 216)
Proceeds on disposal of marketable securities	3	769 949 282	449 474 199
Net cash flows from investing activities		(372 797 684)	(285 032 913)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(12 954 960)	(6 779 604)
Repayment of long term loan: Absa	21.5	(21 745 428)	(21 903 257)
Repayment of long term loan: Development Bank of Southern Africa	21.5	(4 500 000)	(9 000 000)
Government grants received	25	94 445 000	141 283 777
Net cash flows from financing activities		55 244 612	103 600 916
Net increase in cash and cash equivalents		82 713 796	158 398 752
Cash and cash equivalents at the beginning of the year	8	1 066 931 916	908 533 164
Cash and cash equivalents at the end of the year	8	1 149 645 712	1 066 931 916

* See note 31 for details of the restatement, as a result of a prior period error.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The consolidated annual financial statements of Stellenbosch University are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee applicable to entities reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board. The consolidated annual financial statements are prepared on the historical cost basis, except where stated otherwise (refer to accounting policies). In the preparation of these consolidated annual financial statements in accordance with IFRS, a number of critical accounting estimates are relied upon. Areas requiring greater discretion, and areas involving significant assumptions and estimates, are discussed in note 1.20 to the consolidated annual financial statements.

Unless otherwise indicated, all amounts are expressed in South African Rands, which is the University's functional currency. All amounts are rounded off to the nearest South African Rand.

1.2 PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The University of the Western Cape Foundation is a structured entity controlled by the group and its results are included in the consolidated financial statements.

Separate accounting cost centres are created for funds separately identified for specific research or operational activities. These cost centres are accounted for within the University's general ledger, and are consolidated in the preparation of the financial statements. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

1.3 SEGMENT REPORTING

A segment is a recognised component of the university that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments. Segmentation provided in the Statement of Comprehensive Income of these financial statements is in terms of the guidelines prescribed by the Department of Higher Education and Training and is specifically not in terms of IFRS 8 (not required for the University).

1.4 FUNDS

Unrestricted funds

The unrestricted funds reflect the University's subsidised activities and also includes the tuition fees. Additions to these funds mainly comprise formula-subsidy, tuition fees and the sales and services of educational activities, as well as transfers from other funds to finance expenditure. Expenditure mainly comprises direct expenses in academic departments for training, research and community service, as well as other support service expenses, such as academic administration, library facilities, bursaries and loans. Institutional expenses, such as expenses incurred for the executive, student services, information technology and operating costs regarding land and buildings, are recorded here.

Restricted funds

These funds may be used only for the purposes that have been specified in legally binding terms by the provider of such funds or by another legally empowered person.

Student Accommodation Funds

These funds fall under the absolute discretion and control of Council, but are designated for a specific purpose such as student accommodation in order to support the achievement of strategic goals within the group.

Service concession fund

These funds fall under the absolute discretion and control of Council, but are designated for a specific purpose to ring-fence the financial impact of the service concession agreement in the statement of comprehensive income.

Property, plant, equipment and intangible assets

Funds for the acquisition of property, plant and equipment and intangible assets are transferred to the property, plant and equipment and intangible asset fund, which thereafter carries the funds representing the carrying value of the items of property, plant and equipment and intangible assets. The restricted use funds represent the unspent portion of funds received which the University has an obligation to spend in terms of a mandate.

Transfers between funds and reserves

Transfer of funds between segments occur under the following conditions. Funds are transferred from a segment if the project is concluded and the unspent funds are transferred resulting project closure. Funds can be transferred from a segment when the University co-funds projects under another segment and the stipulation is approved as a condition of funding.

1.5 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The University present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or sold or consumed in the normal operating cycle;
- Held primarily for trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

1.6 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and other sales taxes or duty.

Contract liabilities

In terms of IFRS15, revenue is to be recognised when performance obligations have been satisfied. This is either over time or at a point in time and not when revenue is received. In the case where funds have been received for Research Contracts in advance that relate to future periods, a contract liability is recognised on the difference between the funds received and the amount that the entity is entitled to for the year of assessment. Revenue is recognised in the Statement of Comprehensive income and the difference recognised as Current and Non-current portion of contract liabilities in the Statement of Financial Position. The transaction price, as agreed within each contract, is allocated based on the performance obligations within a contract, if applicable. The University does not provide bundles of goods or services where the allocated transaction price might differ from the stand alone selling price. The stand alone selling price for each contract is the transaction price per the contract.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.6 REVENUE RECOGNITION (CONTINUED)

State subsidies and grants

The University receives state subsidies and grants each year to assist in covering costs that will arise during that year. State subsidies and grants for general purposes are recognised as income in the financial year to which the subsidy relates. Subsidies for specific purposes are accounted for at the time they are available for expenditure for the purpose provided. If the funding is provided in advance of the specified requirement, the relevant amount is retained as a liability and accounted for as current or non-current as appropriate, and is released to the net surplus when the expenditure is incurred. When a grant relates to an asset, the recognition of revenue is deferred and released to income in equal annual amounts over the expected useful life of the relevant asset.

Student fee revenue

Tuition, registration and residence fee revenue are recognised in income in the academic year to which it relates. The University has assessed that the students simultaneously receive and consume the benefits provided within the year, as such revenue is recognised over time. Scholarships, bursaries and other financial aid provided by the University to students for tuition and residence fees are recognised as a reduction of fees.

Income from contracts

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods or services. The University has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue in this category can be recognised at a point in time or over time depending on the terms of the underlying contract.

Other service revenue

Revenue from services is recognised by reference to the stage of completion, determined on a cost or time apportionment basis, as appropriate, of the services involved and such revenue is recognised over time.

Income from private gifts and grants

Income from private gifts and grants is recognised when it accrues to the University. Unless specifically indicated otherwise, income is considered to accrue to the University when it is received and is recognised at a point in time.

Other recurrent income

Other recurrent income, involving the rendering of services, is recognised over time to the extent that the service has been provided. Other recurrent income includes gym membership fees, course note fees and short course fees.

Interest and dividends

Dividend income is recognised when the University's right to receive the payment is established and recorded as dividend income. Interest is recognised on the effective interest method, according to the terms of the contract and is recorded in interest income.

1.7 FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss.

At initial recognition financial assets are measured at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the University's business model for managing them. With the exception of trade receivables (student debt and other receivables) that do not contain a significant financing component, the University initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable at the acquisition date. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The University's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the University commits to purchase or sell the asset.

Fair value

The Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The University uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the University determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 3.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

The University measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The University's financial assets at amortised cost includes accounts receivables, staff loans and cash and cash equivalents.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.7 FINANCIAL INSTRUMENTS (CONTINUED)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, debt instruments may be designated at fair value through surplus or deficit on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. The University's business model is to measure and address the performance of its investments on a fair value basis and these investments are measured at a fair value.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed investments. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Financial liabilities

Financial liabilities include accounts payable, students with credit balances and interest bearing borrowings.

At initial recognition financial liabilities are recognised at fair value, taking into account any transaction costs incurred. Accounts payable, students with credit balances, assets, interest bearing borrowings and accrued liabilities are initially measured at fair value. They are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in surplus or deficit when the liabilities are de-recognised as well as through the amortisation process. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are de-recognised as well as through the amortisation process.

Offset

Financial assets and liabilities are offset and reported on a net basis when the University currently has a legally enforceable right to set off the recognised amounts as well as the intention to realise the assets and settle the liabilities on a net basis.

Derecognition

Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the University's consolidated statement of financial position) when

- The rights to receive cash flows from the asset have expired, or,
- The University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the university has transferred substantially all the risks and rewards of the asset, or (b) the university has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the University has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the University continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the University also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the University has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the University could be required to repay

Financial liability

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is currently a legally enforceable right to set off the recognised amounts; and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

The University recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the University expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For all other receivables, the University consider debtors in default when the contractual payments are 60 days past due.

For other receivables and student fees receivables, the University applies a simplified approach in calculating Expected Credit Losses (ECLs). Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.8 PROPERTY, PLANT AND EQUIPMENT

Purchased items of property, plant and equipment are initially recognised at cost, and thereafter stated at historical cost less accumulated depreciation (see below) and impairment losses. Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for and depreciated as separate components of property, plant and equipment.

Subsequent costs are included in an asset's carrying amount, or are recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits will flow to the University, and the cost of the item can be measured reliably. Maintenance and repairs, which do not meet these criteria, are charged against income as incurred. Depreciation is charged to net surplus of the statement of comprehensive income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated. No depreciation is recognised in work in progress. Residual values and remaining useful lives, are reassessed annually.

The estimated useful lives are as follows:

Buildings

- Primary Structure 10 to 50 years
- Components 10 to 15 years

Vehicles 4 to 10 years

Computer Equipment 1 to 5 years

Furniture and equipment 3 to 50 years

Library, museum and art acquisitions are expensed in the year of acquisition.

Impairments

The University assesses at the end of each financial reporting period whether there is any indication that an asset may be impaired. Where there is an indication of an impairment the assets carrying value is compared to its recoverable amount. The recoverable amount is the greater of the fair value of the asset less costs to sell, or the value in use. Any impairment losses, being an excess of carrying amount over recoverable amount, are included in net surplus of the statement of comprehensive income. Where there is an indication that previously recognised impairment losses may have decreased or no longer exist, the carrying amount of the asset is increased to its recoverable amount, and the reversal of the impairment recognised in net surplus in the statement of comprehensive income. The reversal of impairment of property, plant and equipment is limited to what the carrying value would have been had the impairment never occurred.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.9 INTANGIBLE ASSETS

Intangible Assets consists of an ERP system and IT software. Intangible Assets are amortised on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives as follows:

ERP System 10 - 20 years

IT Software 3 years

The carrying amount is reviewed annually and adjusted for impairment where it is considered necessary. The assets' residual values and useful lives are reviewed, and adjusted if appropriate on an annual basis.

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Purchased software and systems are capitalised at the costs incurred to obtain the specific item.

Development costs that are directly attributable to design and testing of identifiable and unique software products controlled by the University are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use

1.10 INVENTORIES

Inventory is valued at the lower of cost or net realisable value on a first-in-first-out basis. Net realisable value is the replacement cost of inventories.

1.11 RESEARCH COSTS

Research costs are recognised as expenditure in the year in which it is incurred, since it is inherent in the normal operations of a university.

1.12 LEASES

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of; whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
- b. A renewal option is exercised or extension granted, unless the term the renewal or extension was initially included in the lease term;
- c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
- d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

The University assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The University as a lessee

The University applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The University recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The University recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 2 to 10 years
- Equipment 3 years

If ownership of the leased asset transfers to the University at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 1.6 for impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the University recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the University and payments of penalties for terminating the lease, if the lease term reflects the University exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the University uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Please see note 15 for disclosure of lease liabilities.

iii) Short-term leases and leases of low-value assets

The University applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. A lease agreement of which the underlying assets have values of R100 000 or less are considered low value assets. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

1.13 PROVISIONS

Provisions are recognised where there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest or expense in the statement of comprehensive income.

1.14 OPERATING EXPENSES

Operating expenses, except where dealt with under a specific accounting policy, are charged to net surplus in the year in which they are incurred.

1.15 FOREIGN CURRENCIES

The University's financial statements are presented in South African Rands, which is the University's functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to net surplus of the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.16 SERVICE CONCESSION ARRANGEMENTS

Service concession arrangements are binding arrangements between a grantor and an operator in which the operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and the operator is compensated for its services over the period of the service concession arrangement. When an agreement of this nature is entered into, the grantor recognises a service concession asset when the grantor controls the services that may be provided with the use of the asset and retains the beneficial interest in the asset. This asset is initially recognised at its fair value and subsequently accounted for in the same manner as property, plant and equipment. A corresponding liability is raised which is classified either as a financial liability, where the grantor has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, or deferred revenue in the form of a grant of a right to use, where the grantor does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset. The university has entered into a right to use contract in respect of the construction and lease of a number of residences. This obligation to provide the operator with the right to use the asset is initially recognised at the fair value of the asset received. The revenue arising from providing the use of the asset is subsequently recognised in the net surplus over the period that the University is obliged to provide the operator with the right to use the asset, on a straight line basis.

1.17 EMPLOYEE BENEFITS

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The University operates a defined contribution fund for its employees. Contributions are made monthly to the University of the Western Cape Retirement Fund. A defined contribution plan is a retirement plan in terms of which the University makes fixed contributions to an external fund, recognised as an expense in the period in which services are rendered.

1.18 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.19 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.20 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash comprise deposits held at call with banks, cash on hand, other short term highly liquid investments and bank overdrafts. In the Statement of Financial Position, bank overdrafts are included under current liabilities.

1.21 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED AND NOT YET EFFECTIVE

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting
- Annual Improvements to IFRS Standards 2018-2020 Cycle.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	01 Jan 2023
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)	01 Jan 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS37)	01 Jan 2022

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.22 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The estimates and judgements made by management are evaluated continuously and are based on past experience and other factors, which include future expectations and are deemed reasonable under the given circumstances. Consequently, the accounting estimates used in the consolidated annual financial statements will not necessarily be in line with the actual outcome in subsequent periods. The estimates and assumptions below may have a material effect on the carrying amounts of assets and liabilities.

1.22.1 Revenue from contract with customers

The University applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Timing of research services

The University concluded that the revenue for research services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the University. The fact that another entity would not need to re-perform the research that the University has undertaken to date demonstrates that the customer simultaneously receives and consumes the benefits provided by the University. The University recognises revenue on the basis of stage completion for each research contract. The stage of completion is determined according to the deliverables noted in each contract, as well as the University's performance against them.

(ii) Governments Grants

The University considers the nature of the capital grants received from the government to represent a contribution from a capital provider and considers it to be a form of financing for purposes of its disclosure in the cash flow statement. The cash flows from the University's capital grants are thus categorised as part of financing activities in the cash flow statement.

(iii) Principal vs agent considerations

The University enters into collaborative research agreements between itself, funders and other Universities. Under these agreements, the University receives funds from the funders, and pays it over to other Universities when performance obligations have been met. The University recognises revenue to the extent that it controls the research services to be provided to the funders, and in such instances, the University is the principal. For the services provided by other Universities, the University has determined that it does not control the research services provided by the other Universities before they are transferred to the funders. The following factors indicate that the University does not control the services before they are transferred to the funders:

- The University is not primarily responsible for fulfilling the promise to provide the research services;
- The University has no discretion to determine the price of the services.

Therefore, the University determined that it is an agent in these contracts and did not recognise revenue relating to these contracts.

1.22.2 Provision for expected credit loss on accounts receivable (student and other receivables)

The University uses a provision matrix to calculate ECLs for trade receivables and student fees receivable. The provision rates are based on days past due and historic default dates. The provision matrix is initially based on the University's historical observed default rates. The University will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the higher education sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The University's historical credit loss experience and forecast of economic conditions may also not be representative of students or customers' actual default in the future. The information about the ECLs on the University's receivables is disclosed in Note 20.1

1.22.3 Property, plant and equipment

On an annual basis, management reviews the useful lives and residual values of immovable property, plant and equipment. In addition, management periodically obtains the opinion of external building specialists regarding the estimation of their useful lives. The useful lives and residual values of movable items of property, plant and equipment have been estimated with reference to historic information and market trends.

1.22.4 Employee benefits

Employee benefits in the form of annual leave entitlements are recognised and provided for when they accrue to employees with reference to services rendered up to the statement of financial position date. Annual leave, being non-accumulative in nature, is considered to be a short-term employee benefit due to the leave being a short compensated absence where the compensation is due to be settled within twelve months after the period the employee renders their services to the University. These benefits vest with the employee in the year in which they accrue. Long term leave consists of study leave and research leave. The leave liability is determined by applying probabilities determined from retirement benefit assumptions to the value of leave days outstanding at year end. The predicted leave utilisation is accounted for on the basis of a determined average historical utilisation rate.

1.22.5 Leases

Determining the lease term of contracts with renewal and termination options

The University determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The University has several lease contracts that include extension and termination options. The University applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the University reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The University included the renewal period as part of the lease term for leases of buildings with shorter non-cancellable period (i.e., three to five years). The University typically exercises its option to renew for these leases because there will be a significant negative effect on research or the provision of student accommodation if a replacement asset is not readily available. The renewal periods for buildings with longer non-cancellable periods (i.e., 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to note 16 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Property lease classification - University as lessor

The University has entered into commercial property leases on its investment portfolio. The University has determined, based on an evaluation on the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and the rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Estimating the incremental borrowing rate

The University cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the University would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the University 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The University estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 PROPERTY, PLANT AND EQUIPMENT

	Land & buildings ZAR	Furniture & equipment ZAR	Computer equipment ZAR	Vehicles ZAR	Total ZAR
Year ended 31 December 2020					
Opening net book value	1 868 167 378	194 145 170	45 670 087	8 313 783	2 116 296 418
Additions	161 487 934	18 814 993	20 771 279	2 683 552	203 757 758
Disposals	-	(522 248)	(8 580)	(90 849)	(621 677)
Depreciation charge	(71 293 059)	(34 221 859)	(30 887 937)	(1 204 742)	(137 607 597)
Closing net book value	1 958 362 253	178 216 056	35 544 849	9 701 744	2 181 824 902
At 31 December 2020					
Gross carrying amount	2 606 859 938	537 878 396	252 263 199	21 152 875	3 418 154 408
Gross accumulated depreciation	(648 497 685)	(359 662 339)	(216 718 350)	(11 451 131)	(1 236 329 506)
Net book value	1 958 362 253	178 216 056	35 544 849	9 701 744	2 181 824 902
Year ended 31 December 2019					
*Restated					
Opening net book value	1 783 833 029	201 979 150	58 360 047	8 227 639	2 052 399 865
Additions	154 874 149	26 258 707	16 964 429	2 604 077	200 701 362
Disposals	-	(263 349)	(471 650)	(1 024 062)	(1 759 061)
Depreciation charge	(70 539 800)	(33 829 338)	(29 182 739)	(1 493 871)	(135 045 748)
Closing net book value	1 868 167 378	194 145 170	45 670 087	8 313 783	2 116 296 418
At 31 December 2019					
*Restated					
Gross carrying amount	2 445 372 004	519 585 650	176 397 517	18 469 323	3 159 824 494
Gross accumulated depreciation	(577 204 626)	(325 440 480)	(130 727 430)	(10 155 540)	(1 043 528 076)
Net book value	1 868 167 378	194 145 170	45 670 087	8 313 783	2 116 296 418

LAND AND BUILDINGS

- Main campus, Robert Sobukwe Road, Bellville, described as whole or remainders of Erf numbers 14869, 17018, 40240, 40241, 40242, 40243, in Bellville Township, Province of the Western Cape.
- Rector's House, described as Erf number 563 in Bellville Township, Province of the Western Cape.
- Hector Petersen Residence, Amandel Road, Belhar, described as Erf number 29059 in Bellville Township, Province of the Western Cape.
- House in Observatory, Cape Town, described as Erf number 26498 in Observatory, City of Cape Town, Province of the Western Cape.
- Tygerberg Oral Health centre, described as Erf 15528 in Parow, City of Cape Town, Province of the Western Cape. (Legal transfer of this property took place in December 2011).
- Dentistry Building, Mitchells Plain Medical Centre, described as unit 2 of sectional title scheme 248 in Mitchells Plain, 29388, Province of the Western Cape.
- Bellville Community Health Science building - Erf No. 39713 located in Bellville City Centre and Section 139, 141, 146, 102-128 SS Bella Vista Bellville Township, Province of the Western Cape.
- Salus House - Erf No. 11044 located corner of Kruskal Avenue and Church Street Bellville Township, Province of the Western Cape

- Riverpark Flats- Sectional Title units located corner of First and Hoop Street Kuilsriver Township, Province of the Western Cape.
- Riverpark Erf 20924 Kuilsriver located corner of First and Hoop Street Kuilsriver Township, Province of the Western Cape.
- Gorvalla Lodge Modderdam Road Bellville Township, Province of the Western Cape.
- Vacant Land - Erf No. 24020 located Proton Road Belhar Township, Province of the Western Cape.
- Vacant Land - Erf No. 12015, 12016 and 40259 Bellville South Township, Province of the Western Cape.
- Vacant Land - Erf No.62053 a portion of Erf 29387 located corner of First Avenue and Fourth Avenue Mitchells Plain Township, Province of the Western Cape.
- Riverton Flats - Erf 3252 a portion of Erf 3253, Rietvlei Road Kuilsriver.
- Vacant Land - Erf No. 14139, 78 Kasselsvlei Road, Bellville South Township, Province of the Western Cape.
- Centre for Advanced Studies of African Society - Erf No. 45509, Rondebosch, 7 Nursery Road, 7701, Cape Town.
- Transhex Building - Erf 23559 located at 405 Voortrekker Road, Parow, Western Cape.
- Erf 38537, DJ Wood Street Oosterzee Bellville in the City of Cape Town, Division Cape, Western Cape Province.
- Sectional Title Unit - SS Bella Vista, 288, 201, Bellville, City of Cape Town, Western Cape Province.
- Erf 38746, 23 Mispel Way Tygervalley, Bellville, City of Cape Town, Western Cape Province.
- Erf 40932, 5 Education Street, Belhar Ext 8, Bellville, City of Cape Town Western Cape Province.
- Erf 40933, 15A Chancellor Street, Belhar Ext 8, Bellville, City of Cape Town Western Cape Province.
- Erf 40936, 5 Chancellor Street, Belhar Ext 8, Bellville, City of Cape Town Western Cape Province.

Work in Progress	Land & buildings ZAR	Furniture & equipment ZAR	Computer equipment ZAR	Total ZAR
Year ended 31 December 2020				
Opening net book value	34 231 474	2 137 221	55 267 121	91 635 816
Additions	145 808 057	-	7 015 998	152 824 055
Work in progress capitalised	(7 137 128)	(1 007 679)	(4 060 609)	(12 205 416)
Disposals	-	-	-	-
Closing net book value	172 902 403	1 129 542	58 222 510	232 254 455
At 31 December 2020				
Gross carrying amount	172 902 403	1 129 542	58 222 510	232 254 455
Gross accumulated depreciation	-	-	-	-
Net book value	172 902 403	1 129 542	58 222 510	232 254 455
Year ended 31 December 2019				
Opening net book value	22 906 903	1 129 542	44 471 038	68 507 483
Additions	46 205 640	1 007 679	30 304 694	77 518 013
Work in progress capitalised	(34 881 069)	-	(12 169 230)	(47 050 299)
Disposals	-	-	(7 339 381)	(7 339 381)
Closing net book value	34 231 474	2 137 221	55 267 121	91 635 816
At 31 December 2019				
Gross carrying amount	34 231 474	2 137 221	55 267 121	91 635 816
Net book value	34 231 474	2 137 221	55 267 121	91 635 816

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2.1 RIGHT-OF-USE ASSETS

The University has lease contracts for property and equipment used in its operations. Leases of property have lease terms between 2 and 10 years, while equipment generally have lease terms of 3 years. The University's obligations under its leases are secured by the lessor's title to the leased assets. The University is restricted from assigning and subleasing the leased assets. There are lease contracts that include extension and termination options, which are further discussed in note 15. The University has certain leases of office equipment with lease terms of less than 12 months with low values. The University applies the "short term lease" and "lease of low value assets" recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings ZAR	Equipment ZAR	2020 ZAR
Opening net book value	25 260 551	5 375 359	30 635 910
Additions	19 808 052	-	19 808 052
Depreciation	(12 007 449)	(2 842 912)	(14 850 361)
Closing net book value	33 061 154	2 532 447	35 593 601
Reconciliation			
Gross carrying amount	51 035 370	8 118 387	59 153 757
Accumulated depreciation	(17 974 216)	(5 585 940)	(23 560 156)
Net book value	33 061 154	2 532 447	35 593 601

	Buildings ZAR	Equipment ZAR	2019 ZAR
IFRS 16 day 1 adjustment	10 431 707	3 874 192	14 305 899
Additions	20 795 611	4 244 195	25 039 806
Depreciation	(5 966 767)	(2 743 028)	(8 709 795)
Closing net book value	25 260 551	5 375 359	30 635 910
Reconciliation			
Gross carrying amount	31 227 318	8 118 387	39 345 705
Accumulated depreciation	(5 966 767)	(2 743 028)	(8 709 795)
Net book value	25 260 551	5 375 359	30 635 910

Please refer to note 15 for the carrying amounts of lease liabilities and the movements during the period.

2.2 SERVICE CONCESSION: PROPERTY, PLANT AND EQUIPMENT

Kovacs Student Housing Project

UWC has appointed KOVACS in terms of a development agreement in a "Build Operate Transfer" (BOT) model whereby UWC leases land to KOVACS with a right to develop student residences exclusive to UWC students with a right to collect rentals at full credit risk. The development agreement to UWC is regulated by a "Development Agreement", "Lease Agreement" and a "Management Agreement". The salient points of the agreements are: 1) The terms of the lease is 25 years plus 3 years of development; 2) KOVACS takes full risk of the business model; 3) The design and development of student accommodation stock is the responsibility of KOVACS with approval from UWC; 4) The total number of beds contracted amounts to 1100. The asset will be depreciated over its useful life. The obligation from KOVACS' right to earn rental income from the use of the asset will be released to revenue on a straight line basis over the term of the lease. The land rentals will need to be recognised on a straight-line basis. At the end of the lease term only the asset will remain on the statement of financial position and this will continue to depreciate over the remaining useful life.

The development occurred as follows:

- Phase 1 of the service concession agreement was completed with construction costs of R68 251 244 having been incurred. 334 beds were available at the beginning of 2012.
- Phase 2 consists of the construction of 3 accommodation blocks with actual cost incurred of R53 696 848. A total of 288 beds were available for use at beginning of 2013.
- Phase 3 comprises the balance of the development entailing the construction of 478 beds at a cost of R84 047 617 were available at the beginning of 2014.

Reconciliation of KOVACS building	2020 ZAR	2019 ZAR
Opening net book value	180 116 820	183 813 134
Additions	-	-
Depreciation charge	(4 065 946)	(3 696 314)
Closing net book value	176 050 874	180 116 820
Reconciliation		
Gross carrying amount	205 995 709	205 995 709
Gross accumulated depreciation	(29 944 835)	(25 878 889)
Net book value	176 050 874	180 116 820

2.3 INTANGIBLE ASSETS

Intangible Asset - Software	2020 ZAR	2019 *RESTATED ZAR
Opening net book value	116 664 927	130 076 707
Additions	3 767 524	7 190 970
WIP capitalised	4 060 609	12 169 230
Disposals	-	(17 596 535)
Amortisation	(15 965 131)	(15 175 445)
Closing net book value	108 527 929	116 664 927
Reconciliation		
Gross carrying amount	200 721 405	192 893 272
Gross accumulated amortisation	(92 193 476)	(76 228 345)
Net book value	108 527 929	116 664 927

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3 INVESTMENTS

	ZAR 2020	ZAR 2019
Investments:		
Local equity and mutual funds	803 270 919	767 132 606
Interest bearing investments	396 584 770	244 152 064
Offshore investments	126 409 162	223 563 076
Endowment policy	5 838 430	5 536 895
Fixed deposits	6 308 455	16 332 682
	1 338 411 736	1 256 717 323
Current investments		
Money market unit trusts	81 884 414	95 073 931
	1 420 296 150	1 351 791 254
Reconciliation		
Opening value	1 351 791 254	1 196 510 037
Purchase of marketable securities and fixed deposits	804 276 536	417 791 216
Investments into Money market unit trusts	-	93 028 233
Disposal of Money market unit trusts	(13 189 517)	-
Disposals	(769 949 282)	(449 474 199)
Fair value adjustment - surplus or (loss)	47 367 159	93 935 967
Closing value	1 420 296 150	1 351 791 254
Financial assets at fair value through profit or loss	1 413 987 695	1 335 458 572
Financial assets at amortised cost	6 308 455	16 332 682
	1 420 296 150	1 351 791 254

3.1 FAIR VALUE HIERARCHY

The University uses the hierarchy prescribed by IFRS 13 for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques that use inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example, instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are categorised as level 2. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, bond and equity prices and foreign currency exchange rates and equity indices. The net present value model was used to value the below endowment policies included in level 2.

Level 3: Valuation techniques using inputs that are not based on observable market data.

	31-Dec-20 ZAR	Level 1 ZAR	Level 2 ZAR	Level 3 ZAR
Local equity and mutual funds	803 270 919	803 270 919	-	-
Interest bearing Investments	396 584 770	396 584 770	-	-
Offshore investments	126 409 162	126 409 162	-	-
Endowment policies	5 838 430	-	5 838 430	-
Money market unit trusts	81 884 414	81 884 414	-	-
Total	1 413 987 695	1 408 149 266	5 838 430	-

During the reporting period ended 31 December 2020, there were no transfers between level 1 and level 2 fair value investments and no transfers into and out of level 3 fair value measurements.

	31-Dec-19 ZAR	Level 1 ZAR	Level 2 ZAR	Level 3 ZAR
Local equity and mutual funds	767 132 606	767 132 606	-	-
Interest bearing Investments	244 152 064	244 152 064	-	-
Offshore investments	223 563 076	223 563 076	-	-
Endowment policies	5 536 895	-	5 536 895	-
Money market unit trusts	95 073 931	95 073 931	-	-
Total	1 335 458 572	1 329 921 677	5 536 895	-

During the reporting period ended 31 December 2019, there were no transfers between level 1 and level 2 fair value investments and no transfers into and out of level 3 fair value measurements.

4. STAFF LOANS

Staff Loans	ZAR 2020	ZAR 2019
Gross amount	880 770	911 291
Less impairment	(463 300)	(463 300)
	417 470	447 991

These loans are unsecured and attract interest at 15% with repayment terms varying from 1 to 12 months. The carrying value of staff loans approximate fair value.

5. INVENTORIES

Inventories	ZAR 2020	ZAR 2019
Maintenance store (at cost)	1 897 130	1 419 011
	1 897 130	1 419 011

Amounts expensed relating to inventory are included in repairs and maintenance under other operating expenses.

6. STUDENT FEE DEBTORS

Student Fee Debtors	ZAR 2020	ZAR 2019
Gross amount	443 230 509	392 792 680
Less impairment	(334 522 543)	(291 237 608)
	108 707 966	101 555 072

Ageing of student debtors:	More than 2 years	Between 1 and 2 years	Less than 1 year	Total Debtors
Debtors	37 003 029	8 482 401	63 222 535	108 707 966

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6 STUDENT FEE DEBTORS (CONTINUED)

Student fee debt is non-interest bearing. Minimum payments are required on registration and on subsequent prescribed dates as published in the University's fee handbook. The portion of student debt which is considered doubtful after taking into account collections subsequent to year end and historic patterns of collection by the University as well as by professional debt collectors, is impaired. The impairment takes into account the present value of future expected cash flows. The fair value of student fee debtors is R108 707 966 (2019: R101 555 072) based on a discounted cash flow. The debtors book of the University is subject to collective impairment.

Refer to note 20.1 for further information in this regard.

Movement in the expected credit loss allowance of student fee debtors were as follows:	ZAR 2020	ZAR 2019
At 1 January	(291 237 608)	(257 533 622)
Charge for the year	(43 284 935)	(33 703 986)
At 31 December	(334 522 543)	(291 237 608)

7. OTHER RECEIVABLES

	ZAR 2020	ZAR 2019
Prepayments	14 891 787	20 006 877
Accounts receivable	47 215 651	37 855 887
Gross amount	74 442 248	63 753 688
Less: Impairment	(27 226 597)	(25 897 801)
Other receivables in respect of subsidies, contracts and grants	7 125 575	25 607 525
Sundry receivables	25 415 210	32 696 651
Gross amount	32 077 387	39 358 828
Less: Impairment	(6 662 177)	(6 662 177)
	94 648 223	116 166 940

The majority of the impairment of R27 226 597 (2019: R25 897 801) represents sundry debtors relating to charges for rental and other cost recoveries. Sundry receivables comprise of amounts due from the Provincial Government of the Western Cape for salary recoveries, interest receivable on fixed deposits and value added tax due from the South African Revenue Service. The majority of the impairment of R6 662 177 (2019: R6 662 177) is in respect of disputed expenditure on a project which is in the process of being resolved. Other receivables are non-interest bearing with no fixed term of payment and comprise amounts due from the National Research Foundation.

These amounts are not discounted and their carrying amounts approximate their fair value, due to the short term nature of the receivables.

Impairment: Accounts Receivable	ZAR 2020	ZAR 2019
Movement in the impairment provision of accounts receivable were as follows:		
At 1 January	(25 897 801)	(20 009 997)
Charge for the year	(1 328 796)	(5 887 804)
Closing balance at 31 December	(27 226 597)	(25 897 801)

Impairment: Sundry receivables	ZAR 2020	ZAR 2019
Movement in the impairment provision of sundry receivables were as follows:		
At 1 January	(6 662 177)	(6 662 177)
Closing balance at 31 December	(6 662 177)	(6 662 177)

8. CASH AND CASH EQUIVALENTS

	ZAR 2020	ZAR 2019
Cash at bank and on hand	589 861 065	533 631 873
Fixed Deposits	535 619 407	513 196 890
Short term bank deposits	24 165 240	20 103 153
	1 149 645 712	1 066 931 916

Short term bank deposits and fixed deposits are short term and highly liquid. These deposits are at market related fixed rates of between 5.46% and 7.6% (2019: 7.65% and 8.51%) and their carrying amounts approximate fair value. They are classified as cash equivalents as management consider them to be accessible prior to prescribed maturity.

At year end the University had an unutilised overdraft facility of R15 000 000 (2019: R15 000 000).

At 31 December 2020 the University had available R124 645 428 (2019: R102 900 000) of undrawn committed facilities in respect of which all conditions precedent had been met.

Furthermore, at 31 December 2020 the University had available R120 000 000 (2019: R153 000 000) of unutilised loan facilities that can be taken out if required.

9. INTEREST BEARING BORROWINGS

	ZAR 2020	ZAR 2019
Non-current		
Non-current portion of Development Bank of South Africa loan	-	-
Non-current portion of Absa loan	76 568 082	98 710 406
Total non-current borrowings	76 568 082	98 710 406
Current		
Current portion of Development Bank of South Africa loan	-	4 500 000
Current portion of Absa loan	21 745 428	21 745 428
Total current borrowings	21 745 428	26 245 428
TOTAL INTEREST BEARING BORROWINGS	98 313 511	124 955 834

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9 INTEREST BEARING BORROWINGS (CONTINUED)

The University entered into a ten year term loan of R90 000 000 with the Development Bank Of South Africa, repayable by 30 June 2020 in half yearly instalments, with a floating rate of 6 months Jibar rate plus 305 basis points. R4 500 000 capital was repaid during the year.

During 2016, the University entered into a loan agreement with Absa Bank, for an amount of R219 000 000, repayable by 2025 in half yearly instalments, with a floating rate of 3 months Jibar rate plus 220 basis points. R21 745 428 capital was repaid during the year.

These balances are stated at the present value of the future cash flows payable in terms of the loan agreement and the carrying value approximates its fair value at year-end.

	2020	2019
Effective interest rates on long term loans	8,57%	8,81%
The carrying amounts of fixed interest-bearing long term loans are as follows:	ZAR 2020	ZAR 2019
DBSA loan	-	4 500 000
ABSA loan	98 313 511	120 455 834
	98 313 511	124 955 834
Maturity of interest bearing borrowings	ZAR 2020	ZAR 2019
Less than one year	27 683 263	36 288 996
Between year 1 and 2	27 255 676	29 684 139
Between year 2 and 5	62 488 881	77 844 823
Over 5 years	-	11 324 464
	117 427 821	155 142 422

Debt covenants

Under the terms of the loan facilities the University is required to comply with the following covenants:

Current ratio (including cash) more than 100%

Student debt to income not more than 10%

Total debt to average income not more than 25%

As at 31 December 2020 the University complied with the covenant ratios being current ratio 262% (2019: 339%), student debt income 4% (2019: 4%) and total debt to average income 4% (2019: 5%)

10. POST EMPLOYMENT BENEFIT INFORMATION

The University contributes to the University of the Western Cape Retirement Fund, a defined contribution fund. This is registered under and governed by the Pensions' Fund Act, 1956 as amended. The assets of the fund are held independently of the University's assets in separate trustee administered funds.

The Council approved the conversion of the University of the Western Cape Pension Fund from a defined benefit fund to the Sanlam Defined Contribution Fund in 2017. The Defined Contribution Fund converted to a Sanlam Umbrella Fund as at 01 February 2018. Active members were given the option to take up the University's conversion offer by 31 March 2017. During the 2018 year, active members elected to take the conversion offer which resulted in a settlement cost to the fund amounting to R30 million. R528 million worth of fund assets were transferred to the Sanlam Umbrella Fund. Sixteen active members did not take up the conversion offer and were transferred to the Sanlam Umbrella Fund. Pensioners converted to a pension umbrella fund with Old Mutual and their pension obligation was taken over on 1 February 2018. An application to the Financial Sector Conduct Authority to approve the transfer of pensioners' assets is still pending. Upon receiving approval the pensioners' assets will be transferred from the Defined Benefit Fund to the pensioners' individual funds at Old Mutual.

During the prior financial year the transfer from the Defined Benefit Fund members to the Sanlam Umbrella Pension Fund was submitted and approved.

The effective date of transfer was 1 January 2019. There are no active members or pensioners as at 31 December 2020. The Defined Benefit fund is closed to new members.

10.1 UNIVERSITY OF THE WESTERN CAPE PENSION FUND

The following summarises the components of the net benefit expense recognised in the statement of comprehensive income, the fund status and amounts recognised in the statement of financial position for the plan.

	ZAR 2020	ZAR 2019
Net benefit expense		
Current service cost	544 225	1 658 696
Interest cost on benefit obligation	-	30 359 281
Interest on plan assets	-	(32 923 894)
Interest cost on asset ceiling	-	2 576 045
Net benefit expense	544 225	1 670 128

	2020			
	Fund Assets	Fund Liabilities	Asset Ceiling	Net Asset/ (Liability)
	ZAR	ZAR	ZAR	ZAR
Balance at the beginning of the year	14 586 887	-	(14 042 662)	544 225
Pension cost included in surplus for the year:				
Current service costs	(14 586 887)	-	14 042 662	(544 225)
Interest income/expense	-	-	-	-
	(14 586 887)	-	14 042 662	(544 225)
Transferred to umbrella fund	-	-	-	-
Gains/(losses) in net surplus:	-	-	-	-
Gain on settlement of defined benefit obligation	-	-	-	-
Remeasurement gains/(losses) in other comprehensive income:				
Returns from plan assets in excess of interest	-	-	-	-
Actuarial gains and losses: Asset ceiling	-	-	-	-
	-	-	-	-
Contributions	-	-	-	-
Balance at the end of the year	-	-	-	-

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. POST EMPLOYMENT BENEFIT INFORMATION (CONTINUED)

	2019			
	Fund Assets	Fund Liabilities	Asset Ceiling	Net Asset/ (Liability)
	ZAR	ZAR	ZAR	ZAR
Balance at the beginning of the year	316 145 936	(290 967 176)	(24 674 760)	504 000
Pension cost included in surplus for the year:				
Current service costs	-	(1 658 696)	-	(1 658 696)
Interest income/expense	32 923 894	(30 359 281)	(2 576 045)	(11 432)
	32 923 894	(32 017 977)	(2 576 045)	(1 670 128)
Transferred to umbrella fund	(296 694 920)	296 694 920	-	-
Gains/(losses) in net surplus:				
Gain on settlement of defined benefit obligation	-	26 290 233	-	26 290 233
Remeasurement gains/(losses) in other comprehensive income:				
Returns from plan assets in excess of interest	(37 788 023)	-	-	(37 788 023)
Actuarial gains and losses: Asset ceiling	-	-	13 208 143	13 208 143
	(37 788 023)	26 290 233	13 208 143	1 710 353
Contributions	-	-	-	-
Balance at the end of the year	14 586 887	-	(14 042 662)	544 225

	ZAR 2020	ZAR 2019
Major categories of plan assets		
Prescient Yield Quantplus	-	4 774 160
Sanlam Lifestage Accumulation Portfolio	-	24 328 603
Sanlam Capital Protection preservation	-	-
SIM Cash Fund	-	34 900 349
Old Mutual Annuities - Pensioner assets	-	-
Current Assets	-	17 096 129
Current Liabilities	-	(66 512 353)
	-	14 586 888

10.2 University of the Western Cape Retirement Fund

The University of the Western Cape Retirement Fund is a defined contribution fund, of which the majority of permanent and long-term contract employees are members. The current year contribution to the Fund for the benefit of employees was R82 802 674 (2019: R73 881 327). The fund commenced with effect 1 March 1995. The fund is currently being administered by Sanlam. An independent Board of Trustees is responsible for the governance of the fund. The Board of Trustees consists of 4 member elected trustees and 4 Council nominated trustees.

An amount of R2 622 000 was allocated to the employer at the surplus apportionment date (1 March 2004). The accumulated value of the employer surplus amounts to R2 182 492 (2019: R2 066 050) after adding investment return.

11. LEAVE PAY PROVISION

	ZAR 2020	ZAR 2019
Opening balance	127 791 272	122 811 889
Provision released during current year	(13 222 874)	(11 467 239)
Additional provision raised	71 012 594	16 446 622
	185 580 992	127 791 272
Total leave pay liability	185 598 992	127 791 272
Current portion shown under current liabilities	40 715 951	16 907 517
Non-current portion	144 883 041	110 883 755

Employee benefits in the form of annual leave entitlements are recognised and provided for when they accrue to employees with reference to services rendered up to the statement of financial position date as at 31 December 2020. Annual leave, being non-accumulative in nature, is considered to be a short-term employee benefit due to the leave being a short compensated absence where the compensation is due to be settled within twelve months after the period the employee renders their services to the University. These benefits vest with the employee in the year in which they accrue. Long term leave consists of study leave and research leave. The leave liability is determined by applying probabilities determined from the retirement benefit assumptions to the value of leave days outstanding at year end.

The University has a policy to pay long term leave on retirement as follows:

- Qualifying academic staff who started before 01 January 1999, a maximum of 365 days;
- Qualifying academic staff who started after 01 January 1999, a maximum of 90 days;
- Qualifying academic staff from the Faculty of Dentistry will bank leave as at 31 December 2011 who started before 01 January 1999, a maximum of 365 days;
- Qualifying academic staff from the Faculty of Dentistry will bank leave as at 31 December 2011 who started after 01 January 1999, a maximum of 90 days;
- Qualifying administration and support staff who started prior to 13 June 2003, a maximum of 250 days.
- Qualifying administration and support staff who started after 13 June 2003, will not be paid for any long term leave days accrued.

Study and research leave may be granted to allow academic staff uninterrupted research work, usually away from campus, and is not regarded as vacation.

The following assumptions were used in calculating the estimated liability:

- Staff over 55 years old - Assume will stay to retirement
- Staff 50 to 54 years old - Assume 88% will stay to retirement.
- Staff 45 to 49 years old - Assume 68% will stay to retirement.
- Staff 40 to 44 years old - Assume 40% will stay to retirement.
- Staff 35 to 39 years old - Assume 21% will stay to retirement.

In order to fairly represent the liability, management has assumed future salary increases of 6.38% per annum (2019: 6.3%) while the discount rate that has been applied is 10.53% (2019: 10.5%).

The leave liability includes predicted leave liability utilisation days that is based on the historical average utilisation rate, academic staff at a discounted rate of 0.576% and administration and support staff at 1.8%

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	ZAR 2020	ZAR 2019
Trade payables	91 172 779	112 190 674
Salary deductions	1 702 225	1 180 067
Students with credit balances	84 999 438	44 615 858
Bursaries control	106 203 248	93 022 979
NRF Deposit	36 100 000	36 100 000
Other payables	69 232 937	26 850 112
	389 410 627	313 959 690

Accounts payable and accrued liabilities comprise a variety of items, which are non-interest bearing. Trade payables have settlement terms ranging from 7 to 30 days, and other items of accounts payable and accrued liabilities have no specific terms of repayment. The carrying amounts approximate their fair values due to the short term nature of the payables.

13. SERVICE CONCESSION: LIABILITY

A notarial lease arrangement with Kovacs (Pty) Ltd for the lease of land (Student Housing Project) was entered into in 2010. The payment in terms of the lease commenced on 1 January 2014 and the lease period is 25 years. This liability represents the obligation to provide Kovacs with a right to use the residences to earn rental income from availability for use to the end of the lease term. This liability will be released over the period that the residences are available for use. This lease is classified as an operating lease. Refer to note 2.2 for further detail regarding Kovacs.

	ZAR 2020	ZAR 2019
Year ended 31 December		
Opening balance	130 730 696	136 955 967
Liability released during the current year	(6 225 271)	(6 225 271)
	124 505 425	130 730 696
Current portion	6 225 271	6 225 271
Non-current portion	118 280 154	124 505 425
	124 505 425	130 730 696

14. STATE SUBSIDIES AND GRANTS

	ZAR 2020	ZAR 2019
State subsidy for general purposes	1 137 621 446	1 085 699 180
Subsidy released on Capital and Clinical grants from Department of Higher Education and Training (Restricted use)	17 575 553	17 490 053
State subsidy fee increase	-	-
State grants and contracts for research (Restricted use)	174 065 261	201 841 758
Historically disadvantaged institutions subsidy, clinical and foundation training subsidy (Restricted use)	97 890 977	78 882 667
Covid-19 Grant (General Fund)	28 450 000	-
Covid-19 Grant (Restricted Fund)	13 500 000	-
	<u>1 469 103 237</u>	<u>1 383 913 658</u>

15. LEASE LIABILITIES

	ZAR 2020	ZAR 2019
Opening balance	33 033 435	14 773 230
Leases entered into during the year	19 808 051	25 039 809
Interest incurred	3 790 011	2 941 305
Lease repayments	(16 744 971)	(9 720 909)
	<u>39 886 526</u>	<u>33 033 435</u>

	ZAR 2020	ZAR 2019
Current	14 435 630	7 126 432
Non-current	25 450 896	25 907 003
	<u>39 886 526</u>	<u>33 033 435</u>

Maturity of lease liabilities (undiscounted amounts)	ZAR 2020	ZAR 2019
Less than one year	16 690 478	17 068 234
Between year 1 and 2	22 095 983	32 093 627
Between year 2 and 5	8 139 855	16 299 367
Over 5 years	2 586 119	1 119 422
	<u>49 512 435</u>	<u>66 580 650</u>

The incremental borrowing rates applied for lease liabilities range from 7.75% to 8.78%.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15 LEASE LIABILITIES (CONTINUED)

The following are the amounts recognised in profit or loss:

	ZAR 2020	ZAR 2019
Depreciation expense of right-of-use assets	14 850 361	8 709 795
Interest expense on lease liabilities	3 790 011	2 941 305
Expense relating to short-term leases	3 323 192	353 327
Expense relating to leases of low-value assets	135 247	4 319 501
Expense relating to variable lease payments	3 105 161	2 372 309
Total amount recognised in profit or loss	25 203 972	18 696 237

The University had total cash outflows for leases of R19 819 493 in 2020. The University also had non-cash additions to right-of-use assets and lease liabilities of R19 808 052 in 2020.

The University has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the University's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see note 1.19).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	WITHIN 5 YEARS	MORE THAN 5 YEARS	TOTAL
Extension options expected not to be exercised	13 483 870	12 665 553	26 149 423
Termination options expected to be exercised	-	-	-
	13 483 870	12 665 553	26 149 423

16. INCOME FROM INVESTMENTS

	2020 ZAR		
	Council controlled	Restricted use	TOTAL
Interest received			
Interest on investments at fair value through profit or loss	-	43 780 770	43 780 770
Interest revenue on bank accounts and fixed deposits calculated using the effective interest method	51 913 166	13 159 743	65 072 909
Total interest received	51 913 166	56 940 513	108 853 679
Dividends received		19 723 639	19 723 639
Total interest and dividends received	51 913 166	76 664 152	128 577 318
Fair value market adjustment gains	-	47 380 534	47 380 534
	2019 ZAR		
	Council controlled	Restricted use	TOTAL
Interest received			
Interest on investments at fair value through profit or loss	-	40 740 167	40 740 167
Interest revenue on bank accounts and fixed deposits calculated using the effective interest method	62 235 618	25 207 913	87 443 531
Total interest received	62 235 618	65 948 080	128 183 698
Dividends received	-	25 238 241	25 238 241
Total interest and dividends received	62 235 618	91 186 321	153 421 939
Fair value market adjustment loss	-	93 935 967	93 935 967

17. PERSONNEL COSTS

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2020 Total ZAR
Academic professionals				
Salaries	574 124 853	108 256 984	-	682 381 837
Post employment benefit contributions	48 135 953	5 381 080	-	53 517 033
Total - academic professionals	622 260 806	113 638 064	-	735 898 870
Other personnel				
Salaries	512 104 335	103 423 176	17 692 889	633 220 400
Post employment benefit contributions	36 579 228	1 820 250	1 487 961	39 887 439
Total - other personnel	548 683 563	105 243 426	19 180 850	673 107 839
TOTAL PERSONNEL COSTS	1 170 944 369	218 881 490	19 180 850	1 409 006 709

Average monthly personnel employed by the University during the 2020 year:

Full time	1 513
Part time	1 838
	3 351

Remuneration of key management personnel:

The following disclosures relate to compensation paid to the key management of the University.

Remuneration is based on the cost of employment to the institution comprising flexible remuneration packages.

Name	Office held	Months in office	Short term employee benefits (1) R '000s	Post- employment benefits R '000s	Actual Amount R '000s
Pretorius TB	Rector	12	3 725	229	3 954
Lawton-Misra N	Registrar	12	2 154	218	2 372
Regal A	Executive Director: Finance and Services	12	2 166	234	2 400
Magida ME	Executive Director: Human Resources	12	1 947	206	2 153
Lawack VA	Vice Rector: Academic Affairs	12	2 849	279	3 127
Frantz JM	Vice Rector: Research	12	2 837	158	2 996
Dube PZ	Vice Rector: Student Development and Support	12	2 591	276	2 867

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17. PERSONNEL COSTS (CONTINUED)

		Months in office	Short term employee benefits (1)	Post- employment benefits	Actual Amount
Deans	Faculties				
Esau MV	Economic and Management Sciences	12	1 797	121	1 918
Nomlomo VS	Education	12	2 703	221	2 925
Ralarala M	Arts	12	1 726	184	1 911
De Ville JR	Law	12	1 796	116	1 912
Rhoda AJ	Community and Health	12	1 706	206	1 912
Davies-Coleman MT	Natural Sciences	12	1 724	189	1 912

Exceptional payment amounts - each exceeding in annual aggregate R249 999

No exceptional payments were made during the year.

Payments for attendance at meetings of the council and its subcommittees

It is not University policy to remunerate council members for attendance at meetings.

(1) This amount includes accumulated leave paid out upon retirement or when employees leave the university

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2019 TOTAL ZAR
Academic professionals				
Salaries	524 744 343	103 097 118	-	627 841 461
Post employment benefit contributions	44 194 279	4 130 462	-	48 324 741
Total - academic professionals	568 938 622	107 227 580	-	676 166 202
Other personnel				
Salaries	460 594 864	96 244 001	17 291 990	574 130 855
Post employment benefit contributions	33 098 142	1 561 716	1 419 987	36 079 845
Total - other personnel	493 693 006	97 805 717	18 711 977	610 210 700
TOTAL PERSONNEL COSTS	1 062 631 628	205 033 297	18 711 977	1 286 376 902

Average monthly personnel employed by the University during the 2019 year:

Full time	1 703
Part time	1 493
	<u>3 196</u>

Remuneration of key management personnel:

The following disclosures relate to compensation paid to the key management of the University.

Remuneration is based on the cost of employment to the institution comprising flexible remuneration packages.

		Months in office	Short term employee benefits (1)	Post- employment benefits	Actual Amount
Name	Office held		R '000s	R '000s	R '000s
Pretorius TB	Rector	12	3 553	229	3 782
Lawton-Misra N	Registrar	12	1 915	208	2 123
Regal A	Executive Director: Finance and Services	12	2 071	223	2 294
Magida ME	Executive Director: Human Resources	12	1 864	197	2 062
Lawack VA	Vice Rector: Academic Affairs	12	2 427	266	2 693
Frantz JM	Vice Rector: Research	12	2 537	153	2 691
Dube PZ	Vice Rector: Student Development and Support	12	2 429	263	2 692
Deans	Faculties				
Esau MV	Economic and Management Sciences	12	1 712	111	1 823
Nomlomo VS	Education	12	1 632	198	1 831
Brown D	Arts	6	906	-	906
Clowes	Acting Dean: Arts	6	639	49	688
Osman YI	Dentistry	12	118	-	118
De Ville JR	Law	12	1 715	113	1 828
Rhoda AJ	Community and Health Science	12	1 632	195	1 827
Davies- Coleman MT	Natural Sciences	12	1 648	180	1 828

Exceptional payment amounts - each exceeding in annual aggregate R249 999

No exceptional payments were made during the year.

Payments for attendance at meetings of the council and its subcommittees

It is not University policy to remunerate council members for attendance at meetings.

(1) This amount includes accumulated leave paid out upon retirement or when employees leave the university

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. OTHER OPERATING REVENUES AND EXPENSES

18.1 OTHER RECURRENT INCOME

OTHER RECURRENT INCOME	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2020 TOTAL ZAR
	51 814 832	21 930 013	2 617 734	76 362 579

Other recurrent income arises from activities associated with the University's core teaching and research activities, but not directly derived there from such as hiring of facilities, conferences and preparatory courses.

18.2 OTHER OPERATING EXPENSES

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2020 TOTAL ZAR
Academic consumable material	19 833 646	56 824 424	4 500	76 662 570
Advertising	6 346 145	3 078 357	330 886	9 755 388
Expected credit losses (Bad Debt)	44 613 732	-	-	44 613 732
Bursaries and prizes	14 223 110	85 998 981	8 782	100 230 873
Cleaning	51 622 777	30 285	15 430 649	67 083 711
Computer maintenance and licensing	39 840 553	14 201 723	3 767	54 046 043
Utilities	59 711 119	53 598	15 280 951	75 045 668
Entertainment	5 996 623	2 069 227	454 641	8 520 491
Food provisions	70 965	13 605	529	85 099
Insurance	4 418 126	-	-	4 418 126
Journals and subscriptions	20 619 555	9 928 122	-	30 547 677
Library and art acquisitions	2 468 438	575 270	-	3 043 708
Postage and telephone	17 914 483	1 570 027	855 595	20 340 105
Printing and stationery	14 414 039	1 851 127	272 971	16 538 137
Professional services	26 308 552	28 274 399	142 453	54 725 404
Protective clothing	19 908 280	167 392	9 867	20 085 539
Rent of buildings	3 349 641	505 695	(149 543)	3 705 793
Repairs and maintenance	20 386 245	2 381 315	73 325	22 840 885
Security contracts	56 596 919	118 203	19 073 921	75 789 043
Sundries	28 321 174	492 515	148 064	28 961 753
Travel and subsistence	9 249 505	22 512 187	526 865	32 288 557
Vehicle expenses	2 301 205	1 140 056	291 081	3 732 342
Student Transport	12 314 215	-	-	12 314 215
	480 829 047	231 786 508	52 759 304	765 374 859

18. OTHER OPERATING REVENUES AND EXPENSES (CONTINUED)

18.1 OTHER RECURRENT INCOME

OTHER RECURRENT INCOME	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2019 TOTAL ZAR
	62 014 188	25 425 585	4 382 287	91 822 060

Other recurrent income arises from activities associated with the University's core teaching and research activities, but not directly derived there from such as hiring of facilities, conferences and preparatory courses.

18.2 OTHER OPERATING EXPENSES

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2019 TOTAL ZAR
Academic consumable material	14 018 202	85 037 631	20 497	99 076 330
Advertising	7 457 882	4 527 805	367 214	12 352 901
Expected credit losses (Bad Debt)	39 591 927	-	-	39 591 927
Bursaries and prizes	-	48 038 395	-	48 038 395
Cleaning	55 121 660	83 751	15 777 260	70 982 671
Computer maintenance and licensing	28 712 114	3 678 649	28 490	32 419 253
Utilities	65 930 179	88 128	18 154 954	84 173 261
Entertainment	17 112 673	8 158 049	1 747 676	27 018 398
Food provisions	286 937	108 178	17 159	412 274
Insurance	3 845 600	5 514	-	3 851 114
Journals and subscriptions	19 429 593	12 615 029	-	32 044 622
Library and art acquisitions	1 942 174	1 506 087	-	3 448 261
Postage and telephone	7 592 721	1 835 875	729 434	10 158 030
Printing and stationery	13 360 711	4 065 432	524 355	17 950 498
Professional services	31 838 554	38 318 431	300 726	70 457 711
Protective clothing	7 509 071	611 965	93 980	8 215 016
Rent of buildings	3 007 466	235 544	82 304	3 325 314
Repairs and maintenance	26 424 973	782 834	214 381	27 422 188
Security contracts	53 058 633	30 726	17 723 767	70 813 126
Sundries	416 724	951 812	277 248	1 645 784
Travel and subsistence	25 740 222	72 433 010	654 072	98 827 304
Vehicle expenses	1 004 665	669 223	1 584 611	3 258 499
Student Transport	25 119 103	-	-	25 119 103
	448 521 784	283 782 068	58 298 128	790 601 980

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. FINANCE AND RELATED COSTS

Finance costs	ZAR 2020	ZAR 2019
Long term loans	8 442 729	13 737 441
Lease liabilities	3 790 011	2 941 305
	12 232 740	16 678 746

Other related costs	ZAR 2020	ZAR 2019
Portfolio administration costs	11 124 430	10 591 911
	11 124 430	10 591 911

Portfolio administration costs are included under professional services of other operating expenses.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The University's principal financial instruments comprise accounts receivables (student and other receivables), investments, non-current fixed deposits, student deposits, cash and cash equivalents and interest bearing borrowings and accounts payable. The University manages a substantial portfolio of financial assets with a long-term view to growing the portfolio in order to provide financial stability and support for new initiatives and strategic choices. The main risks arising from the University's financial instruments are market, credit and liquidity risks. The Council, through its Finance and Investment Committees, reviews and agrees policies for managing each of these risks which are summarised below.

20.1 CREDIT RISK MANAGEMENT

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The University is subject to credit risk with student fee receivables, other receivables and cash and cash equivalents.

Student fees receivable

The University has implemented various policies to recover long outstanding credit risk disclosure for other receivables debt including using debt collectors and agreeing monthly payment schemes with students. The outstanding fees balance at year end is widely spread amongst numerous students indicating no particular concentration of credit risk. The maximum credit risk exposure for student fee receivables is equal to the carrying amount of the student fee receivable at year end. At year end the maximum exposure to student fees is R108 707 966 (2019: R101 555 072), after the current year impairment provision. The provision rates are based on days past due for groupings of student debt with a similar age. Refer note 6 for further details.

	More than 2 years	Between 1 and 2 years	Less than 1 year	Total Debtors
Expected credit loss rate	86%	86%	48%	
Estimated total gross carrying amount at default	262 552 894	60 186 398	120 491 217	443 230 509
Expected credit loss	225 549 865	51 703 997	57 268 681	334 522 543

Trade Receivables

The University applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales / services rendered over a period of 36 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Historical loss rates are then accordingly adjusted.

On that basis, the loss allowance as at 31 December 2020 was determined as follows for trade receivables.

	Over 90 Days	61 - 90 Days	31 - 60 Days	Current	Total Debtors
Expected credit loss rate	43%	0%	0%	0%	
Estimated total gross carrying amount at default	63 873 340	18 679	2 616 783	7 933 445	74 442 247
Expected credit loss	27 226 597	-	-	-	27 226 597

Sundry Receivables	More than 2 years	Between 1 and 2 years	Less than 1 year	Total Debtors
Expected credit loss rate	100%	-	0%	
Estimated total gross carrying amount at default	6 559 803	-	25 517 584	32 077 387
Expected credit loss	6 559 803	-	102 374	6 662 177

Cash and cash equivalents

The University deposits with major banks of high quality credit standing. At year end the management of the University did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

At year-end the University's cash was invested with institutions that have been awarded the Moody's short-term rating:

Standard Bank BB-, Investec BB-, ABSA BB-, Grindrod BB-, and Nedbank BB-.

20.2 MARKET RISK

Market rate risk comprises interest risk, price risk and currency risk.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

21.1 INTEREST RATE RISK MANAGEMENT

Interest rate risk on investments, long term loans and cash is managed by utilising a mix of fixed and variable rate instruments that avoid a concentration of risk. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all variables held constant, of the University surplus. There is no material impact on the University equity.

Interest rate risk table

The effect on financial assets and liabilities due to reasonable possible change in interest rates with all other variable rates held constant is as follows:

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial Assets

Interest rate changes	ZAR 2020	ZAR 2019
The effect of a 1% increase in interest rate	11 496 457	10 669 319
The effect of a 1% decrease in interest rate	(11 496 457)	(10 669 319)

Financial Liabilities

Interest rate changes	ZAR 2020	ZAR 2019
The effect of a 1% increase in interest rate	(983 135)	(1 249 558)
The effect of a 1% decrease in interest rate	983 135	1 249 558

21.2 PRICE RISK

There is an exposure to price risk on investments due to the fair value or future cash flows of financial instruments which will fluctuate because of changes in market prices. The risk is managed by our portfolio manager.

Price risk table:

The effect on equity due reasonable possible changes in equity indices, with all other variables held constant is as follows:

Price risk changes	ZAR 2020	ZAR 2019
The effect of a 5% increase in price risk on funds	71 014 808	67 586 563
The effect of a 5% decrease in price risk on funds	(71 014 808)	(67 586 563)

21.3 FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The University's exposure to the risk of changes in foreign exchange rates relates primarily to the investments in foreign denominated investment funds.

Foreign currency sensitivity

The table below illustrates the effect of 10% increases in US Dollar rates on surplus for the year with reference to the University's investment portfolio. The sensitivity analysis is prepared with all other variables held constant, and is based on the balances at year end taking into account the reasonable possible changes in the next 12 months. The actual results may differ from the sensitivity analysis and the difference could be material. The effect shown in the sensitivity analysis is on the net surplus of the University based on the changes to the exchange rates.

	Increase/Decrease in US Dollar rate	Exposure
2020	10%	R 12 640 916
	-10%	(12 640 916)
2019	10%	R 22 356 308
	-10%	(22 356 308)

21.4 LIQUIDITY RISK

The University manages its liquidity risk by maintaining a sufficient cash buffer and an overdraft facility at all times. Deposits are held at central banks that can be easily accessible for liquidity management purposes. At the year end, the University had an unutilised overdraft facility of R15 000 000 available. The table below summarises the maturity profile of the University's financial liabilities as at 31 December based on contractual undiscounted payments.

The University's financial liabilities include long term loans, accounts payable and lease liabilities. The financial assets such as investments, student fee debtors, accounts receivable and cash and short term deposits arise directly from its operations.

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
At 31 December 2020					
Trade payables	91 172 779				91 172 779
Other payables		298 237 848			298 237 848
Lease liabilities	3 577 056	10 858 575	21 925 724	3 525 171	39 886 526
Interest bearing borrowings		21 745 428	76 568 082	-	98 313 511
Total	94 749 835	330 841 851	98 493 807	3 525 171	527 610 664
	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
At 31 December 2019					
Trade payables	112 190 674				112 190 674
Other payables		201 769 016			201 769 016
Lease liabilities	1 704 578	4 995 846	21 120 649	5 311 196	33 132 269
Interest bearing borrowings		26 245 428	98 710 406	-	124 955 834
	113 895 252	233 010 290	119 831 055	5 311 196	472 047 793

Interest bearing borrowings above are the discounted amounts. Refer to note 9 for the undiscounted contractual amounts.

Lease liabilities are the discounted amounts. Refer to note 15 for the undiscounted contractual amounts.

21.5 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Lease liabilities	ZAR 2020	ZAR 2019
Opening balance	33 033 435	14 773 230
Leases entered into during the year	19 808 051	25 039 809
Interest paid	3 790 011	2 941 305
Leases: Capital repayments	(12 954 960)	(6 779 604)
Leases: Interest repayments	(3 790 011)	(2 941 305)
	39 886 526	33 033 435
Government grants liabilities	ZAR 2020	ZAR 2019
Opening balance	1 434 009 353	1 249 522 896
Received during the year	94 445 000	141 283 777
Government grants (recognised) / deferred during the year	(47 933 640)	43 202 680
	1 480 520 713	1 434 009 353

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.5 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

Interest bearing loans and borrowings	ZAR 2020	ZAR 2019
Balance as at 1 January	(124 955 834)	(155 859 094)
Repayment of long term loan: Absa	21 745 428	21 745 428
Repayment of long term loan: Development Bank of Southern Africa	4 500 000	9 000 000
Interest charged	(8 426 415)	(12 701 370)
Interest paid	8 823 310	12 859 202
Balance as at 31 December	(98 313 511)	(124 955 834)

21.6 FAIR VALUE

Management has assessed that the carrying amount of all financial instruments approximates its fair value. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair values largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

21.7 CAPITAL MANAGEMENT

The capital of the University comprises both restricted funds designated for specific purposes and unrestricted funds, being funds that can be controlled by Council at its discretion. The University has a healthy relationship of reserves to assets, however it must be remembered that much of the asset base is held in designated investments and in property which has restricted alienability. The University's policy is to apply conservative financing.

Internal loans are used for managerial purposes at a rate appropriate to the inherent risk. Debt is avoided but, where utilised, the policy is to settle in as short a period as possible, not exceeding 10 years, except in exceptional circumstances.

22 COMMITMENTS AND CONTINGENT LIABILITY

22.1 CAPITAL COMMITMENTS

	ZAR 2020	ZAR 2019
Amounts allocated for capital expenditure at reporting date, but not contracted	455 175 000	662 424 000
Capital expenditure contracted for at year end, but not yet incurred	357 789 000	6 000 000
Total planned capital expenditure	812 964 000	668 424 000

The above approved capital expenditure relates to amounts formally designated for the acquisition, construction, improvement or major maintenance of items of property, plant and equipment.

The total planned capital expenditure reflects the planned expenditure to be incurred during the next 12 months.

22.2 OPERATING LEASE COMMITMENTS - UNIVERSITY AS LESSOR

The future minimum lease receipts under the operating leases are as follows:

	ZAR 2020	ZAR 2019
Not later than 1 year	138 905	126 277
Later than 1 year and not later than 5 years	709 122	644 656
Later than 5 years	5 485 907	5 689 277
	6 333 934	6 460 210

The University has entered into a "Build Operate Transfer" (BOT) model whereby UWC leases land to KOVACS with a right to develop student residences exclusive to UWC students with a right to collect rentals at full risk. The terms of the lease is 25 years plus 3 years development.

23. TRANSFERS TO CLEAR DORMANT ENTITIES

Entities that comprise restricted funds have been reviewed to identify entities that have been inactive for a substantial period. The accumulated surpluses or deficits in such entities are represented by credits and debits, respectively, in the accumulated funds of these entities.

Where management is of the opinion that no claim or restriction will apply to the credit balances in such a fund, the amount in the fund is transferred to the Council Controlled funds of the University.

Where management is of the opinion that no recovery or settlement is likely of any debit balances in such a fund, an appropriate amount is transferred from Council Controlled funds to eliminate such debit balance.

	ZAR Restricted use	ZAR 2020	ZAR 2019
Transfers to clear entities with credit balances	(225 479)	(225 479)	(234 123)
Transfers to clear entities with debit balances	-	-	43 650
	(225 479)	(225 479)	(190 473)

Entities with debit balances mainly comprise entities previously cleared as dormant which were reinstated.

24. RELATED PARTIES

Due to the nature of the University's operations and the composition of its Council (being drawn from public and private sector organisations) it is possible that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arms length and in accordance with the University's regulations and normal procurement procedures. The Department of Higher Education and Training is a related party and transactions with them comprise various subsidies and grants received amounting to R1 345 238 360 (2019: R1 360 401 170). The University of the Western Cape Foundation is a related party to the University and transactions comprise of operational services provided and distributions received. The outstanding debtors' balance with the University of the Western Cape Foundation at 31 December 2020 is R5 931 990 (2019: R9 468 540) and distributions received during the year amounted to R14 749 564 (2019: R7 635 120). None of the University's Council Members declared having business interest with the University.

Please refer to note 17 for additional disclosure relating to key management.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

25. DEFERRED GOVERNMENT GRANTS

According to IAS 20: Accounting for Government Grants and Disclosure of Government Assistance, government grants related to assets shall be recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. The deferred revenue will be recognised as income on a systematic and rational basis over the useful life of the assets.

	ZAR 2020	ZAR 2019
At 1 January	1 434 009 353	1 249 522 896
Received during the year	94 445 000	141 283 777
Deferred during the year	147 389 458	135 741 401
Recognised during the year	(195 323 098)	(92 538 721)
At 31 December	1 480 520 713	1 434 009 353
Total government grants relating to assets	1 480 520 713	1 434 009 353
Current portion	32 429 245	53 693 823
Non-current portion	1 448 091 468	1 380 315 530

26. NOTES TO THE CASH FLOW STATEMENT

	Notes	ZAR 2020	ZAR 2019
Net surplus before interest and dividends			
Net surplus/(deficit) from			
Council controlled funds		89 185 076	133 862 136
Restricted use funds		77 476 145	162 289 057
Student accommodation funds		(7 981 684)	(8 245 879)
Consolidated net surplus for the year		158 679 537	287 905 314
Separately disclosed items		(116 344 578)	(136 743 193)
Interest received	16	(108 853 679)	(128 183 698)
Interest earned and reinvested	16	-	-
Dividends received	16	(19 723 639)	(25 238 241)
Finance costs	19	12 232 740	16 678 746
Net surplus before interest and dividends		42 334 959	151 162 121
During 2020 no interest was reinvested			

27. GOING CONCERN AND EVENTS AFTER THE REPORTING PERIOD

27.1 GOING CONCERN

Management have assessed the recoverability of the student fee debtors as at 31 December 2020 and are satisfied that the provision raised is adequate and appropriate.

The COVID-19 pandemic has brought significant uncertainty to the South African economy with thousands of job losses that could have a negative impact on future student debt collection and state subsidy thus posing a threat to the University's financial position. The University has reviewed its operational model and financial sustainability and concluded that the advent of the third wave of COVID-19 infections during 2021 is adequately accounted for within the assumptions that underpin the University operating as a going concern.

27.2 EVENTS AFTER THE REPORTING PERIOD

No material events which would have influenced users of the financial statements in making accurate evaluations and decisions, took place after the date of the financial statements, that have not been adequately disclosed or accounted for.

28. REVENUE FROM CONTRACTS

Contract Liabilities	ZAR 2020	ZAR 2019
Current	91 270 294	43 672 939
Non-current	26 791 837	51 049 687
	118 062 131	94 722 626
Revenue from contracts with customers		
Tuition and other fees	583 652 115	542 280 729
Income from research contracts	78 364 995	137 166 777
Income from general contracts	96 689 603	76 745 446
Rendering of services	76 362 579	91 822 060
	835 069 292	848 015 012

29. INTERFUND TRANSFERS

In certain instances the University has to contribute to restricted use funds from the University's council controlled funds

	ZAR 2020	ZAR 2019
Interfund transfers from Council controlled funds	3 219 926	(1 576 908)
Interfund transfers to Restricted use funds	(3 219 926)	1 576 908
	-	-

Entities with debit balances mainly comprise entities previously cleared as dormant which were reinstated.

30. LITIGATION

The University faces various litigation claims, the outcome of which is uncertain.

The most significant litigation claim is related to a claim against the University by KOVACS. A provision of R37m is included in accounts payable in relation to the KOVACS claim. Please refer to Note 12.

31. RESTATEMENT OF COMPARATIVE AMOUNTS

31.1 CLASSIFICATION OF INTANGIBLE ASSETS

During the year management reassessed the classification of internally developed and purchased software and identified that a number of these items were previously classified as computer equipment under property, plant and equipment. This should be classified as Intangible Assets.

The correction of the classification has been applied retrospectively. This has resulted in a restatement of the comparative consolidated financial statements for the year ended 31 December 2019, with the impact on the respective financial statement line items as follows.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

31. RESTATEMENT OF COMPARATIVE AMOUNTS (CONTINUED)

31.1 CLASSIFICATION OF INTANGIBLE ASSETS (CONTINUED)

	2019 ZAR			2018 ZAR		
	Original balance	Restatement	Restated Balance	Original balance	Restatement	Restated Balance
Effect on statement of financial position						
Non-current assets						
Property, plant and equipment	2 324 597 161	(116 664 927)	2 207 932 234	2 250 984 054	(130 076 707)	2 120 907 347
Non-current assets						
Intangible assets	-	116 664 927	116 664 927	-	130 076 707	130 076 707

31.2 CLASSIFICATION IN THE CASH FLOW STATEMENT

The cash flow statement was restated to present expected credit losses as a separate adjustment to the net surplus for the year.

Previously this was included in the working capital adjustments relating to receivables.

Additionally the cash flows relating to government grants received previously included a non cash portion relating to government grants deferred during the year. The government grants received included within financing activities was restated to correct this.

The reclassification had no impact on total cashflows, the statement of financial position, the statement of comprehensive income or statement of changes in funds.



A RESILIENT INSTITUTION: UWC has been widely recognised for the role it played in the struggle against apartheid and the space it provided for returning exiles such as Dullah Omar, Kader Asmal, Zola Skweyiya and Bridgette Mabandla.



ANNEXURES

ANNEXURE 1: COMPOSITION, MEMBERSHIP AND ATTENDANCE OF KEY COMMITTEES (31 DECEMBER 2020)

COMPOSITION AND MEMBERSHIP OF THE COUNCIL OF THE UNIVERSITY OF THE WESTERN CAPE

In accordance with the Institutional Statute,
membership comprises of the following categories:

The Rector and Vice-Rectors

Prof Tyrone Pretorius
Prof Vivienne Lawack
Prof Pamela Dube
Prof Jose Frantz

Five persons appointed by the Minister of Education

Ms Xoliswa Daku
Ms Cindy Hess
Ms Nocamagu Mbulawa
Ms Colleen Subhanni
Dr Anshumali Padayachee

Two members of Senate

Prof Bhekithemba Mngomezulu (Term ended 30 Nov 2020)
Prof Alan Christoffels (Term ended 30 Nov 2020)
Prof Mmaki Jantjies (Term started 1 Dec 2020)
Mr Shamiel Jassiem (Term started 1 Dec 2020)

One academic employee

Dr Ronel Maart (Term ended 30 Nov 2020)
Dr Razia Adam (Term started 1 Dec 2020)

One non-academic employee

Ms Esme Jacobs (Term ended 30 Nov 2020)
Mr Clint Prins (Term started 1 Dec 2020)

Two registered students

Ms Sasha-Lee Douglas (SRC President 2019 - 2020)
Mr Njongali Kali (SRC Secretary General 2019 - 2020)

Two Donors

Dr Biren Valodia
vacant

One member of the City of Cape Town

ClI Antonio Van der Rheede

Two persons elected by Convocation

Dr Llewellyn MacMaster (Term ended 24 August 2020)
Judge Nathan Erasmus (Term ended 24 August 2020)
Ms Senamile Masango (Term started 1 Dec 2020)
Mr Bantu Mazingi (Term started 1 Dec 2020)

One member of organised business in the Western Cape

Mr Michael Gelderbloem (interim term from 1 Jan 2020)

One member of organised business in South Africa

Mr Richard Menell

One member of organised labour in South Africa

Mr Zolisa Menze

One member of organised labour in the Western Cape

Mr Matthew Parks

One person designated by the Premier of the Western Cape

Adv. Nazreen Bawa

Not more than five additional members having special knowledge or experience

Ms Yasmin Forbes
Mr Thobile Lamati
Mr Blum Khan
Ambassador Ebrahim Rasool (Term started 1 December 2020)
Judge Nathan Erasmus (Term started 1 December 2020)

COMPOSITION AND MEMBERSHIP OF THE AUDIT AND RISK COMMITTEE OF THE UNIVERSITY OF THE WESTERN CAPE WITH MEMBERS' HIGHEST QUALIFICATIONS

In accordance with the Institutional Statute,
membership comprises of the following categories:

Three (3) members of Council

Mr Blum Khan	Chartered Accountant (University of Cape Town)
Ms Cindy Hess	Chartered Accountant (University of Cape Town)
Ms Nocamagu Mbulawa	Chartered Accountant (University of South Africa)

THREE INDEPENDENT MEMBERS – NOT IN THE EMPLOY OF UWC

Mr Nick Buick	Chartered Accountant (SA); CTA; BCOM (University of Cape Town) (Term ended 30 June 2020)
Dr Patricia Hanekom	MSc Financial Economics (University of London) (Term started 1 July 2020)
Mr John Matthews	BCOM (University of Cape Town)

COMPOSITION AND MEMBERSHIP OF THE FINANCE COMMITTEE OF THE UNIVERSITY OF THE WESTERN CAPE

In accordance with the Institutional Statute, membership comprises of the following categories:

The Rector

Prof Tyrone Pretorius

The Vice-Rectors

Prof Vivienne Lawack
Prof Pamela Dube
Prof Jose Frantz

The Executive Director: Finance and Services

Mr Abduraghaman (Manie) Regal

An additional member of the Management Committee

Dr Nita Lawton-Misra

ONE DEAN DESIGNATED ANNUALLY BY THE EXECUTIVE COMMITTEE OF SENATE

Prof Vuyakazi Nomlomo

Two members of Senate

Prof Jade Jansen
Prof Michelle Esau

A minimum of two and a maximum of four members of Council

Ms Xoliswa Daku
Mr Richard Menell
Mr Thobile Lamati
Mr Njonga Kali

COMPOSITION AND MEMBERSHIP OF THE INSTITUTIONAL FORUM OF THE UNIVERSITY OF THE WESTERN CAPE, 2020

In accordance with the Institutional Statute, membership comprises of the following categories:

Three representatives of the Management

Mr Meko Magida
Prof Pamela Dube
Prof Jose Frantz

Three representatives of the Senate

Prof M Jantjies
Prof Brian Van Wyk
Dr F Moosa

Three representatives of Council

Mr Z Menze
Ms Xoliswa Daku
Dr Llewellyn MacMaster (Term ended 24 Aug 2020)

Three representatives of the academic employees elected by an organisation representing such employees

Prof Riekie Wandrag (Term ended 31 Mar 2020)
Prof Leon Pretorius (Term ended 31 Mar 2020)
Dr Muneer Abduroaf (Term ended 31 Mar 2020/ 2nd Term started 1 April 2020)
Prof Rachel Fanelwa Ajayi (Term started 1 Apr 2020)
Prof Martin Onani (Term started Apr 2020)

Three representatives of the non-academic employees elected by an organisation representing such employees

Dr Clifford Jacobs
Mr Siseko Mtenganya
Mr Oscar Linnert

Three representatives of the students elected by the Student Representative Council

Ms Xola Nkuklu
Ms Mandelwa Mpambo
Mr Singalakhla Pakade

A MAXIMUM OF FOUR PERSONS NOT BEING IN THE EMPLOY OF THE UNIVERSITY

Not appointed

VISITING UWC

1



2



3



4



5



VISITING UWC: Over the years, the university has welcomed global and local leaders to its campus. 1. Former Secretary-General of the United Nations, Kofi Annan 2. Former US Secretary of State, Hillary Rodham Clinton 3. Former Irish President Mary Robinson. 4. Mozambican politician and humanitarian, Graça Machel 5. Former South African president, Thabo Mbeki



ANNEXURES

ANNEXURE 2: ATTENDANCE BY COUNCILLORS OF COUNCIL, FINANCE AND AUDIT & RISK COMMITTEE MEETINGS

COUNCILLOR	COUNCIL: 4 meetings	FINANCE: 5 meetings	AUDIT AND RISK: 5 meetings
1. Prof Tyrone Pretorius	2 out of 2	2 out of 5	3 out of 5
2. Prof Vivienne Lawack	4 out of 4	3 out of 5	3 out of 5
3. Prof Pamela Dube	4 out of 4	4 out of 5	-
4. Prof Jose Frantz	4 out of 4	3 out of 5	2 out of 5
5. Ms Xoliswa Daku	1 out of 4	4 out of 5	-
6. Ms Cindy Hess	4 out of 4	-	4 out of 5
7. Ms Nocamagu Mbulawa	3 out of 4	-	4 out of 5
8. Ms Colleen Subhanni	4 out of 4	-	-
9. Dr Anshumali Padayachee	3 out of 4	-	-
10. Prof Bhekithemba Mngomezulu	4 out of 4	-	-
11. Prof Alan Christoffels	4 out of 4	-	-
12. Ms Sasha-Lee Douglas (SRC President) (Term started end of October 2019)	4 out of 4	-	-
13. Mr Njongo Kali (Term started end of October 2019)	4 out of 4	4 out of 5	-
14. Dr Ronel Maart (Term started 12 August 2019)	3 out of 4	-	-
15. Ms Esme Jacobs	4 out of 4	-	-
16. Dr Biren Valodia	3 out of 4	-	-
17. CLL Antonio Van der Rheede	3 out of 4	-	-
18. Mr Richard Menell	4 out of 4	5 out of 5	-
19. Mr Zolisa Menze (Term started 5 August 2019)	4 out of 4	-	-
20. Mr Michael Gelderbloem	3 out of 4	-	-
21. Mr Matthew Parks (Term started 5 June 2019)	4 out of 4	-	-
22. Adv Nazreen Bawa	4 out of 4	-	-
23. Dr Llewellyn MacMaster	2 out of 2	-	-
24. Judge Nathan Erasmus	1 out of 2	-	-
25. Ms Yasmin Forbes	4 out of 4	-	-
26. Mr Thobile Lamati	2 out of 4	2 out of 5	-
27. Mr Blum Khan	3 out of 4	-	3 out of 5



ANNEXURES

ANNEXURE 3: LIST OF COUNCIL SUB-COMMITTEES AND JOINT COUNCIL AND SENATE COMMITTEES

COUNCIL COMMITTEES:

- Audit and Risk Committee
- Executive Committee of Council
- Finance Committee
- Membership Committee
- Remuneration and Conditions of Employment Committee
- Senior Appointments Committee
- Senior Professor Status Committee
- Tender Committee
- Human Resources Committee
- Safety, Health and Environmental Risk Committee

JOINT COUNCIL AND SENATE COMMITTEES:

- Honorary Degrees Committee
- ICT Governance Committee
- Joint Appointments and Promotions Committee of Senate and Council
- Student Development and Support Services Committee







