



**UNIVERSITY** *of the*  
**WESTERN CAPE**

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ANNUAL REPORT  
**2022**



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## 2022 ANNUAL 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 its Annual Performance Plan for 2022 to the Minister of Higher Education and Training in December 2021.

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 the indicators are embedded in institutional goals and speak to different objectives that constitute these and that are outlined in the Institutional Operating Plan 2021 to 2025 (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 approved enrolment mandate and Enrolment Plan for 2020 to 2025. This report must be read from within the understanding that, in 2022, UWC had not yet made a full return to campus and the bulk of its learning, teaching, research and other student support activities were conducted through online platforms.

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	Key Performance Indicator	Target 2022	Actual Performance	Actual against Target %	Notes
Goal Area 1 – The Student Experience (objective 4)	<b>Access and Institutional Size: Headcount totals</b>				
	First-time entering undergraduates	4 550	4 678	↑ 2.8%	Although the achievement against target suggests reason for concern, the University is very pleased with the achievement in terms of first-time entering student enrolment. Annually, the University sets out to achieve slightly higher actual enrolment numbers in the categories of first-time entering mainstream and extended curriculum (Foundation provision) than what the enrolment mandate stipulates, as this allows for attrition. Various factors affect student attrition, including students who drop out if they are not successful in terms of their National Student Financial Aid Scheme (NSFAS) applications. The under-performance against target in terms of the Foundation provision enrolment relates to an enrolment target that includes an extended curriculum programme (ECP) in Education, which has
	Headcount enrolments (Foundation provision)	1 004	941	↓ 6.3%	

IOP Goal Area	Key Performance Indicator	Target 2022	Actual Performance	Actual against Target %	Notes	
					been put on hold whilst the Faculty of Education is busy reviewing their ECP offering.	
	Headcount enrolments total undergraduate	19 000	18 453	↓ 2.9%	Even though the overall headcount enrolment performance is higher than the 2% threshold, the University is pleased that it was able to mitigate the under enrolment reported in its 2022 mid-year report through 2 <sup>nd</sup> semester enrolment of postgraduate students. The majority of undergraduate students enrol at the beginning of the year, but there is always a significant number of postgraduate students who register in the second semester.	
Goal Area 1- The Student Experience (objective 4)	Overall headcount enrolments	25 335	23 937	↓ 5.5%	Postgraduate enrolment is notably lower than planned, but – as in 2021 and 2020 – it must be noted that the target is inflated as it includes several postgraduate programmes that have been reclassified as undergraduate. These programmes fall in the enrolment category “postgraduate below master’s”. The reclassified programmes amount to roughly 700 students. As part of the DHET’s mid-term review of the 2020 to 2025 enrolment cycle, the University proposed a downward adjustment to the postgraduate enrolment targets to remove the reclassified programmes from its postgraduate enrolment mandate and, at the time of reporting, adjusted targets have been approved for the outer years of the current six-year enrolment cycle.	
	Headcount enrolments total postgraduate	6 355	5 484	↓ 13.7%		
	Percentage of postgraduate students as a proportion of overall student headcount	25%	22.9%	↓ 2.1%	The University is pleased that the performance is within the 2% margin, as this is a very important strategic indicator for UWC.	
	Master’s and doctoral enrolment as a percentage of overall headcount enrolment	14.5%	15.3%	↑ 0.8%	The University is pleased with performance in this area, which is also an enrolment category of significant strategic importance in positioning UWC as a research-led university.	
	<b>Institutional shape (CESM)</b>					
	Science, Engineering, Technology (SET)	37%	34.5%	↓ 2.5%	These indicators speak to the distribution of overall UWC student enrolment across different programmes in different academic fields of study that are	

IOP Goal Area	Key Performance Indicator	Target 2022	Actual Performance	Actual against Target %	Notes
	Business/Management	12%	10.8%	↓ 1.2%	categorised into high-level subject matter categories or CESMs. Given the challenges that students experienced in the last three years, resulting in higher attrition rates and challenges with student retention, the University is pleased that enrolment in the Classification of Education Subject Matter (CESM) categories remained largely aligned with the targets set. The qualifying pool of learners passing Mathematics at appropriate levels remains a challenge, and prior-year under-enrolment in the SET and Business and Management categories also affects the current institutional shape.
	Education	10%	11.8%	↑ 1.8%	
	Other Humanities	42%	42.9%	↑ 0.9%	
Goal Area 2: Learning and Teaching	<b>Efficiency: Student success</b>				
	Graduates – Undergraduate	3 550	3 924	↑ 10.5%	The University is very pleased with the above-target performance in this category. It is testimony to the focus on student success and the hard work of students and staff. It should be noted, however, that the reclassification of several one-year postgraduate qualifications (PGCE and advanced diplomas) to undergraduate qualifications was not included in the graduation target and improves the performance in this indicator.
	Success rate	83%	82.2%	↓ 0.8%	The University is pleased with performance in this area and continues to focus on supporting students to be successful in their studies.
	Ratio of FTE students to FTE instructional/research staff	22.5	24.3	↓ 8.0%	This ratio is linked to the headcount and subsequent FTE of permanent instruction and research staff (PIRS). It is important to ensure that the University’s academic staff complement forms part of the University’s annual budget process.
	<b>Undergraduate output by scarce skills</b>				
	Life and Physical Sciences	473	366	↓ 22.6%	This is a category of performance indicators in which the University has always performed well. During 2020 and 2021 we did express some concern about the increases that we saw in the success rates in scarce skills areas, but recognised that it also spoke to the immense effort that went into supporting students in an online environment, but we also flagged that online assessments could have contributed to the higher success and graduation rates. The underperformance in the Life and Physical Sciences correlates with the reduction that we are reporting on in terms of the
	Animal and Human Health	580	579	↓ 0.2%	



IOP Goal Area	Key Performance Indicator	Target 2022	Actual Performance	Actual against Target %	Notes
	Teacher Education	554	653	↑ 17.9%	Science, Engineering and Technology CESM category. During the last three years, attrition in this CESM category was high, specifically in 2020, when Science students were unable to access laboratories and Nursing students were required to return for clinical work in very challenging COVID-19 conditions. The attrition in prior years directly affects graduation output in later years.
	Scarce skills success rate	83%	85.9%	↑ 2.9%	
Goal Area 3 – Research and Innovation	Graduates – Postgraduate	2 346	1 659	↓ 29.3%	The below-target performance in this category is a concern. It must, however, be noted that it is directly affected by the under-enrolment in the “postgraduate below master’s” enrolment category. A significant proportion of this category of qualifications is one-year qualifications, which directly influence postgraduate graduation targets. As mentioned earlier, the reclassification of several one-year postgraduate qualifications (PGCE and advanced diplomas) as undergraduate qualifications increased performance in the awarding of undergraduate degrees, but reduced the number of postgraduate degrees awarded.
	<b>Staff</b>				
	Headcount of permanent instructional/research staff	690	683	↓ 1.0%	Staff headcount and staff FTE are directly affected by staff resignations and retirements and the time it takes to fill vacant and new positions.
	FTE of permanent instructional/research staff	890	757	↓ 14.9%	At this stage, the University is not concerned about the performance in these areas, as they do tend to fluctuate at different times of any given year. This category of staff appointments does, however, remain a key priority, and several new academic posts were approved as part of the annual budgeting process.
	Percentage of permanent instructional/research staff with doctoral degrees	57%	65.2%	↑ 8.2%	The University is very pleased with the proportionate increase in staff with doctoral qualifications. This is an important indicator in support of the positioning of UWC as a research-led university with increased capacity to contribute to knowledge production at the highest levels.
	Percentage of NRF-rated researchers amongst instructional/research staff	21%	23.6%	↑ 2.6%	The increase in the proportion of NRF-rated staff is also very encouraging, and the University values this external confirmation of the calibre of its researchers.
	<b>Research output</b>				

IOP Goal Area	Key Performance Indicator	Target 2022	Actual Performance	Actual against Target %	Notes
	Publication units per FTE staff	0.72	0.95	↑ 31.9%	The University is very pleased with the increase in the publication units per FTE staff. The percentage increase is influenced by the fact that the FTE for permanent instruction and research staff is below target, but the estimated number of publication outputs declared for 2022 (718) is 12.2% higher the target (640). Publication units earned is an important indication of the quality of the research output by UWC's academic staff. The University is particularly pleased with the number of doctoral graduates, as this constitutes the highest number of doctoral graduates in any given year in UWC's history.
	Research Master's graduates	290	312	↑ 7.6%	
	Doctoral graduates	130	166	↑ 27.7%	
	Annual weighted research output	1 320	1 528	↑ 15.8%	
	Number of Master's and doctoral graduates per instructional/research staff	1.0	0.87	↓ 13%	Although performance in this indicator is still below target, it has improved significantly from the 0.69 achieved in 2021.
Goal Area 4 – People Framework	Number of NGAP staff	No target was set	4	N/A	At the time of preparing the University's 2022 Annual Performance Plan, the DHET had not yet confirmed the available NGAP positions for the year and the University was therefore not in a position to set a target for this indicator. However, UWC continues to participate in this important national initiative that is making a valuable contribution to the transformation of higher education at a university and sectoral level.

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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**Prof Tyrone Pretorius**  
Rector and Vice-Chancellor



**Judge Nathan Erasmus**  
Chairperson of Council

## REPORT OF THE CHAIRPERSON OF COUNCIL

In the 2022 UNESCO report, *Resuming or reforming? Tracking the global impact of the COVID-19 pandemic on higher education after two years of disruption*, fundamental questions are posed about the ability of higher education institutions to respond to a pandemic that brought so many unforeseen changes to the lives of students and staff. As it became clear very quickly that the pandemic would have far-reaching consequences for the traditional face-to-face culture of learning and teaching, the University of the Western Cape (UWC) showed itself to be an institution of flexibility and resilience by crafting a holistic response that would seek to minimise the impact on a university being forced to close its doors, send home its students and staff members, and transform itself into an online-only institution of learning.

In 2022, the third year of the pandemic, we observed an easing of restrictions by the South African government, so much so that the University could begin a slow transition to campus life, with President Cyril Ramaphosa announcing the end of the state of disaster on 5 April.

As the Chairperson of Council, I have watched my alma mater's response to the pandemic with pride because, although we entered a foreign, unknown space, the University's leadership successfully navigated its way towards trying to ensure that no student would be left behind. While acknowledging their successes, I am very mindful of the myriad challenges that were faced, along with the tragic loss of lives, and that we are yet to experience the full impact of the pandemic on our campus community, society and on nations across the globe.

The report states: "Whether a real transformation of leadership, teaching and learning, research, and internationalisation is underway, or whether higher education institutions will slowly resume their traditional practices, remains to be seen. Meanwhile, the wide range of lessons learned, captured in the experiences compiled in the report, suggests that new pathways have been traced and that at least some of the innovations and new practices adopted during the pandemic will be embedded in the future of higher education."

### **STRATEGIC FOCUS**

As we navigated through the pandemic, I am indebted to my fellow Council members for their dedication to the University, as they remained alert to the challenges the institution faced while adapting to rapid changes in their lives. I also want to thank the UWC leadership for engaging with us through the robust discussions that we had during the year, and that we could conduct these in a spirit aimed at serving the institution's and its stakeholders' best interests. As we emerge from the restrictions of the pandemic, I am pleased that we can start sharing a physical space again for our deliberations and engagements, rather than the online environment imposed upon us.

Over the past years, Council members have worked alongside the University executive to bring the development of additional student accommodation to fruition. I am proud that, together, we have seen the construction of the Unibell student residences, which will provide 2 700 additional beds. This is a significant milestone, as it will almost double the number of UWC-owned beds and locate students within walking distance of the main campus and study amenities, such as the 24/7 study hall and high-performance sports facilities. In addition to this, we adopted the Student Accommodation Strategic Plan, 2040 and acquired several properties for the future expansion of UWC's student accommodation offerings.



## **UNIVERSITY LEADERSHIP**

For the University to function optimally, its leadership must work as a cohesive unit, which has been the case at the Executive Management level. . Notwithstanding our sadness at losing Prof Pamela Dube, the Deputy Vice-Chancellor for Student Development and Support, we were proud to see her join the Central University of Technology as its new Vice-Chancellor in 2023. I wish to thank Prof Dube for her leadership and contribution to UWC, particularly to its students. At the end of 2022, we appointed Prof Matete Madiba, who joined us from the University of Pretoria. At the Dean level, we renewed the term of Prof Jacques de Ville as the Dean of Law for five years, from 1 August 2023 to 31 July 2028.

## **GOVERNANCE AND COUNCIL MEMBERSHIP**

Council members are not remunerated for their time and dedication to the University. I want to express my sincere appreciation to both former and current members (as highlighted in the Annexures to this 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 in meeting relevant deadlines.

In November 2022, Council members were tasked to complete the Council Self-Assessment, a requirement of the Department of Higher Education, Science and Innovation (DHET). Early in 2023 we received the results, which indicated that members were satisfied with the composition of the Council, its diversity of skillsets, and the fact that robust discussions and engagements were encouraged.

As an oversight body, we remain committed to principles of good governance, and we have, over the past years, been committed to implementing suitable governance mechanisms while being alert to potential risks to the institution. This has led to several initiatives, such as establishing the Infrastructure and Business Development Committee (IBDC) as a standing Committee of Council that assesses possible infrastructure development projects and land acquisition. In 2022, after its first meeting, the Committee provided Council with the scope of a partnership between the University and the Boschendal Estate, one that will have a far-reaching effect on the development of the University in terms of its academic offerings. Council approved the partnership with Boschendal Estate, involving a 99-year no-cost lease that would be granted to UWC in respect of the land, with the understanding that it would provide much-needed support and community services to the surrounding areas of Boschendal, that outreach programmes of the University, including social work, nursing, dental and law clinic services, would be expanded, and that the academic focus on sustainable agriculture would increase the programme and qualification mix of the University and provide further research opportunities to postgraduate students and our researchers in this field.

Over the past few years, an essential aspect of the Council's work has been considering the institution's mitigating actions towards safeguarding UWC from the range of internal and external risks affecting the University. In this regard, we have paid close attention to the Strategic Risk Register, which details critical areas of concern. While this will be an ongoing process that cascades into operational risk registers throughout the institution, we are pleased that continued attention is being paid to minimising the impact of the various risks faced by the University.

## **FINANCES**

While the imminent threat of the COVID-19 pandemic has passed, its severe impact continues to be felt across the globe. South Africa's vulnerable economy continues to struggle, with an estimated growth of 2.5% in 2022 – a marginal improvement on the 1.9% projected for the year. By November, the unemployment rate stood at 32%. South Africa remains one of the countries in the world with the highest unemployment rate, with 34% of young people aged between 15 and 24 unable to find jobs. In 2022, the South African government extended its COVID-19 social relief programme with R44 billion. It also contributed R32.6 billion to the National Student Financial Aid Scheme (NSFAS) to fund the Department of Higher Education and Training's shortfall, which affected universities as the DHET reprioritised funding away from institutions to the NSFAS. The national funding scheme, directed at students with a combined annual household income of R350 000 or less, has significantly increased over the past five years – from R5.9 billion in 2014 to R49 billion in 2022. While we appreciate the significance of opening the doors of learning to prospective students who might never have had the opportunity to study at a university without NSFAS funding, it is of concern that we have yet to see a long-term solution to a student funding model, as well as the fact that the funding budget is sharply escalating each year.

Council also engaged with management on student debt, which is always a sensitive matter, particularly at an institution such as UWC, with its historic commitment to access for academically deserving students from poor socio-economic backgrounds. We noted that there would always be tension between the need to recover student debts as quickly as possible and the realities of the UWC student profile, where there are always students whose household incomes are slightly above the NSFAS threshold and they struggle to meet their tuition obligations. It was noted that, where students accumulate debt, each case is considered individually to determine the merits and academic viability in order to enter into financial agreements. The University also has a debt collection strategy, instead of a debt write-off strategy, that is applied to non-current students.

UWC, regarded as a historically disadvantaged Institution, depends significantly on government subsidies. In June 2022, when Council considered the Annual Financial Statements of 2021, the University had a satisfactory surplus. Still, we remain cognisant that we operate within a fragile economy that carries the additional burden of regular blackouts in the light of Eskom not being able to produce sufficient electricity. In 2022, South Africa experienced a cumulative 200 days with no electricity supply, with no expectation that the situation will improve considerably over the following years. Electricity experts are predicting that the energy crisis might be a long-term feature for South Africans, and this will hold significant financial and other considerations for the University to support learning, teaching and research activities during loadshedding.

In 2022, Council also engaged with the University Executive on other financial matters, such as the UWC Foundation Trust and UWC Innovation (Pty) Ltd.

## **POLICY ISSUES AND KEY DECISIONS**

According to the Good Governance guidelines, one of the Council's tasks is ensuring sound institutional management, which includes the approval of policies.

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 items that follow.

On the recommendation of Senate, Council accepted the following appointments that recognise the contributions of individuals to scholarship by awarding the titles of Senior Professor, Emeritus Professor or Honorary Professor:

1. The bestowal of the title of Emeritus Professor on Prof Nadine Butler in the School of Pharmacy, Faculty of Natural Sciences
2. The reappointment of Prof L Gilson as an Honorary Professor in the School of Public Health, Faculty of Community and Health Sciences (CHS)
3. The appointment of Prof Robert Laing as an Honorary Professor, School of Public Health, CHS
4. The appointment of Justice Steven Majiedt as an Honorary Professor, Faculty of Law

On the advice of Senate, Council also approved the bestowal of Honorary Degrees on and the awarding of Gold Medals to the following people:

- Honorary Degree on Prof Kwesi Kwaa Prah
- Honorary Degree on Dr Imtiaaz Sooliman
- Gold Medal to Mr Sean P Lance
- Gold Medal to Mr Peter Wilson
- Gold Medal to Dr Phumzile Mlambo-Ngcuka

Council agreed on the following amendments:

- The UWC Interim COVID-19 Vaccination Policy for 2022 and later in the year also repealed the Policy
- The Budget Policy
- The Policy and Rules regarding the Appointment of Honorary, Extraordinary, Emeritus, Adjunct and Visiting Professors, Visiting Academics and Research Fellows, and the retention of the title of “Professor”
- The UWC Research Policy
- The Residence Admission Policy
- The Programme Review Policy
- The Flexible Learning and Teaching Provisioning (FLTP) Policy
- Credit Accumulation and Transfer (CAT) Policy
- Recognition of Prior Learning (RPL) Policy
- Protection of Personal Information Policy
- Document, Records and Archive Management (DRAMS) Policy
- The Dullah Omar Institute Constitution
- Changing the name of the PGDip Nursing Management to PGDip in Health Services Management
- Science Learning Centre for Africa (SLCA) Constitution
- Proposed faculty departmental structures in the Faculty of Dentistry
- The Joint Appointments and Promotions Committee of Senate and Council Standing Orders
- The Senior Professor Status Committee Standing Orders
- The Human Resources Committee Standing Orders
- Changing the name of the Tender Committee of Council to the Procurement Committee of Council
- The Student Development and Support Services Committee (SDSSC) Standing Orders
- The Senate Research Committee (SR) Standing Orders
- The Membership Committee of Council (CM) Standing Orders

Council also gave its approval to the following:

1. The establishment of the Department of Management and Entrepreneurship and the Department of Finance
2. The establishment of the Centre for African Language Teaching (CALT)

3. New academic programmes or modules:
  - a. Postgraduate Diploma in Language Practice
  - b. Bachelor of Biokinetics (B Biok)
  - c. Postgraduate Diploma in Primary Care Nursing, School of Nursing
  - d. Postgraduate Diploma in Medical Law
4. Repealing the Interim COVID-19 Vaccination Policy for 2022
5. Repealing the Document, Records and Archive Management, Retention and Disposal of Examinations Scripts Policy
6. The 2021 Council self-assessment: Governance Indicators Scorecard for Councils of South African Public Higher Education Institutions
7. The Infrastructure Management Policy
8. The UWC Student Accommodation Strategic Plan, 2040

## CONCLUSION

As the University and the country navigate the relaxation of the lockdown rules and regulations, we look forward to seeing the UWC campuses come to life again in 2023.

A Council on Higher Education report<sup>1</sup> that used South Africa as a case study in focusing on *Higher Education and Social Transformation* reminds us that “universities are expected to serve the public good and produce critical citizens for a vibrant democratic society”. This focus is echoed in UWC’s Mission and Vision statements and informs our actions as a Council, serving a vibrant public university that makes a significant contribution through the execution of its academic mandate. My Council colleagues and I are committed to working with the University’s executive team to ensure that UWC remains a place of hope and knowledge for many generations.

Thank you to my fellow Council members, and especially those who chair the various sub-committees of Council, for their hard work and the spirit in which we are able engage in executing our responsibilities.



**Judge Nathan Erasmus**  
**Chairperson of Council**

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<sup>1</sup> Reddy, T. (2006). *Higher Education and Social Transformation in South Africa Since the Fall of Apartheid*. Council on Higher Education. Pretoria.

## REPORT OF THE RECTOR AND VICE-CHANCELLOR

### INTRODUCTION

"When the winds of change blow, some people build walls, others build windmills," the Chinese proverb goes. Over the past years, we have witnessed several 'crisis moments' with the potential to tip the scales and significantly change the course of how we do educate, research and make vital decisions. Crises, such as the COVID-19 pandemic and the current energy crisis in South Africa, have tendencies to accelerate change and prompt decision-making with lasting impact. In spite of the harsh disruptions of the COVID-19 lockdowns and daily load shedding, the University was able to step up, introduce practical ways to move to online learning and teaching, modernise its infrastructure and introduce means to enhance its efficiencies and remain accountable. While some critics rightfully view these changes with a sense of temporality, the crises spurred inventions and propelled innovative ways of doing business with technology that are likely to stay. Ignoring them will render us irrelevant and out of touch with our key constituents.

As with institutions around the globe, the University of the Western Cape, too, had to step into largely uncharted territory to safeguard its academic mission and devise new ways of learning and teaching and research. Now, as we move forward into a post-pandemic era, we must reflect on how we were able to respond with such agility and marshal our resources to secure our students' futures. In some ways, our actions seem contradictory to how universities are generally perceived – sluggish, old-fashioned and too weighted down by history and tradition. Yet, for all these stereotypes, the institution's flexibility had everything to do with our staff, be it in supportive professional and administrative roles, or the academics at the forefront of our academic endeavours. Therefore, if there is one enduring lesson that we must hold on to, it is our staff's powerful energy, integrity and commitment.

### LEADERSHIP

The inclusive and collaborative process that led to the crafting and eventual adoption of a new Institutional Operating Plan (2021 to 2025), along with a revised Vision 2040, Mission and Value Statements, created the necessary space for colleagues and students to share ideas openly and reassess and reimagine the University's strategic objectives and future role.

The pandemic brought about steep learnings for all of us and acted as a reminder of the saying that leaders who have ceased to learn, cease to lead. The Institutional Operating Plan (IOP) speaks to the ability of leaders to continue learning for institutional growth and development to follow. This University has found its way to being an increasingly research-led institution not by happenstance, but through the commitment of leaders at all levels of the institution and, as undertaken in the IOP, it will "continue to foster a dynamic and inclusive intellectual environment that will attract and retain a diverse leadership corps at all levels that will lead the implementation of a strategic agenda in support of the IOP objectives and key strategic priorities".

The constancy and consistency in UWC's leadership over the past eight years have helped to provide a stabilising influence, and the resignation of Prof Pamela Dube, Deputy Vice-Chancellor of Student Development and Support, towards the end of 2022 was a significant loss for the University. We,

however, wish her well in her new position as Vice-Chancellor of the Central University of Technology. I am confident that her successor, Prof Matete Madiba, will bring to bear her considerable leadership experience in student affairs to the University, having served as the Director of Student Affairs at the University of Pretoria. In 2022, Prof Jacques de Ville's tenure as Dean of the Faculty of Law was extended for another five years, allowing us to maintain the continuity and build on a solid leadership team at the Senior Management level.

## **MEANINGFUL STUDENT EXPERIENCE**

Our commitment to our students is perhaps best summed up in the new IOP, which states: "Students are and will always be at the heart of the University's endeavours." The commitments of the IOP further speak to co-curricular experiences, institutional cultures and support services that enrich the lives of students and nurture their talents and capabilities throughout their association with the University. In order to ascertain that we are on the right track in delivering these to our students, we have, over the years, developed measuring tools so that we might make improvements or introduce new mechanisms that will ensure a holistic approach to serving the student community.

### **Optimising student potential**

In order for us to fully understand the needs of our students and cater for a very diverse student population with differentiated needs, the University employs several strategies to measure its students' levels of satisfaction with the institution and the overall student experience. Some of these mechanisms take the form of both internally and externally conducted surveys.

### **UWC Graduate Survey**

The UWC Graduate Exit Survey was launched in 2018, and the data is represented as an interactive dashboard where staff can disaggregate results, explore the data and employ it for interventions. Broad aspects include employment during studies, those with new employment, job search approaches, and the experience of studying at UWC. The following data compares the 2021 graduate data to 2019 (before COVID-19) for the most salient aspects. Graduates with some employment dropped significantly from 2019 to 2020 (42% to 31%), but this has returned to close to pre-COVID-19 levels, at 38% in 2021. The percentage of students studying or seeking to study further (at any institution) dropped significantly from 2020 to 2021, from 42% to 28%. This might indicate reduced financial resources to study further and more students finding employment. Some 81% of students indicated that UWC managed the switch to online learning well, although 35% expressed that it negatively affected their studies. There are clear indicators of the graduates' satisfaction with UWC in 2021, when 89% would recommend UWC to friends and family, and 94% were proud to be UWC graduates. A positive shift since the onset of COVID-19 is that more graduates feel that UWC improved their ICT skills – from 77% (2019) to 81% (2021), an indicator that student support for online learning has been effective.

### **Student well-being**

Our approach to student well-being recognises the strong link between student safety, physical and mental well-being and learning outcomes. The well-being of our students therefore remains a significant concern, and we are cognisant that all universities share the stresses and pressures that accompany being a student. We are well aware of the toll that the COVID-19 pandemic, financial insecurity, the energy crisis and safety issues took on students, measured particularly by the increased uptake in mental health services.



For these reasons, we are committed to implementing the Integrated Student Mental Health and Wellness Policy and support mechanisms like the student mental health survey undertaken in 2022 to understand our students' challenges. This will encapsulate the whole-campus approach needed to address student (and staff) mental health and create a wellness environment that is optimal for student success. We prioritised the development and execution of a University-wide student mental health policy and plan by 2023 to be monitored and reviewed continuously.

The provision of safe and affordable student accommodation matters. Given the limited availability of University-owned accommodation, and the fact that demand by far exceeded supply, the University previously introduced a student residence policy to only accommodate students living beyond a 60 km radius. This rule significantly affected student safety, as students had to commute to campus daily. Furthermore, the pandemic amplified our students' accommodation needs, emphasising that many of the home or lodging environments were not conducive to learning. We are therefore pleased by the construction of new residences: the Unibell student accommodation project was completed at the end of 2022 to enable an additional intake of 2 720 students. While this welcome addition, within walking distance from the main campus, will not entirely address the student demand, it will undoubtedly alleviate the pressure and double the University-owned bed stock in one go. In the interim, the University will continue to lease spaces to partially address the shortfall.

The review of student governance processes has been in the pipeline for two years, but the physical absence of students during the pandemic hampered its progress. The review aims to give voice to different perspectives and viewpoints of what defines or constitutes an inclusive campus culture and that students are supported and allowed to use their creative thinking and, consequently, adopt a solution-oriented approach. The current process will enable students, experts and the independent facilitator to explore ways of strengthening various institutional arrangements, ensuring synergy between all student governance structures.

Gender-based violence and gender equality are critical concerns for us, along with the safety of our staff and students. Over the past years, we have installed several features on campus, such as safe walkways, but we are acutely aware that we need a holistic, institutional response to these challenges. Student Development and Support (SDS) has initiated the Gender Equity and Empowerment Project for students to cope better and feel safer on campus, focusing on GBV, men and masculinities, gender diversity and gender empowerment – done through student dialogues, first-responder training, student leadership capacity-development workshops, awareness campaigns and a research project.

## **EQUITABLE AND AFFORDABLE ACCESS**

The University prides itself on being student-centred, and that it continues to provide equitable and affordable student access to teaching that is culturally responsive to and affirming of students' respective communities and identities and able to meet the high expectations of students. The implementation of evidence-based support practices allows the University to monitor students' awareness of, access to and effective use of professional support services and which factors affect retention and success. The University also places great emphasis on opportunities to thrive in co-curricular, cultural and sporting activities, as evidenced by the institution's qualification to participate in high-performing sports, Varsity Sports and several cultural domains. For example, over 50% of the national female soccer team that won the AFCON in 2022 and automatically qualified to participate in the forthcoming Olympics were either current or former UWC students.

The University is well aware that many of its academically deserving students come from socio-economically deprived backgrounds, and many of them are only able to attend university because of the institution's affordable tuition and residence fee structure. Approximately 50% of our students are only able to attend university with the assistance of some form of funding, primarily the state-funded National Student Financial Aid Scheme (NSFAS).

While it is rightly acknowledged that thousands of South African students would not have been able to attend a university if it had not been for NSFAS, the sustainability of the funding is increasingly being questioned, particularly in the context of the Department of Higher Education and Training (DHET) having to find alternative revenue streams to supplement the NSFAS budget. This has directly affected universities, as the DHET rerouted funding to NSFAS. In 2022, NSFAS funding had increased more than five-fold – from R5.9 billion in 2014 to R49 billion in 2022. A Ministerial Task Team has made recommendations about the funding model, which are still under discussion.

### ATTRACTING, RETAINING AND DEVELOPING EXCELLENT TALENT

The IOP undertakes “to continue to position the University of the Western Cape as an employer of choice through a dynamic and supportive work environment and a resilient culture”, and is further guided by its Value Statement that highlights qualities such as academic excellence, inclusion and diversity, collegiality and collaboration, integrity and accountability, and engagement and responsiveness. These are significant markers because they give a clear voice to the kind of institution we want for our staff and students.

At the same time, we acknowledge that this requires effort, and we must ensure that we continuously pay attention to the structures, policies and plans that we have in place to create a conducive and welcoming environment for our staff. We aim to do this by implementing the University's Employment Equity Plan (2021 to 2025) and the Culture and Climate Survey findings, and streamlining processes associated with the appointment of international staff.

The table below shows UWC staff according to gender and race in the DHET's Higher Education Management Information System (HEMIS) employment categories:

PERSONNEL CATEGORY	RACE					TOTAL	GENDER		
	White	Coloured	Indian	African	All other		Male	Female	Unknown/ Not declared
<b>1.0 Professional staff – Subtotal</b>	<b>199</b>	<b>336</b>	<b>76</b>	<b>107</b>	<b>134</b>	<b>852</b>	<b>395</b>	<b>457</b>	<b>0</b>
1.1 Instruction/research professionals	182	240	53	80	128	683	310	373	0
1.2 Executive/administrative/managerial professionals	10	58	17	18	3	106	57	49	0
1.3 Specialist/support professionals	7	38	6	9	3	63	28	35	0
<b>2.0 Non-professional staff – Subtotal</b>	<b>26</b>	<b>589</b>	<b>17</b>	<b>190</b>	<b>5</b>	<b>827</b>	<b>334</b>	<b>493</b>	<b>0</b>
2.1 Technical employees	5	80	1	16	0	102	70	32	0
2.2 Non-professional administrative employees	21	466	16	165	5	673	218	455	0
2.3 Crafts/trades employees	0	25	0	4	0	29	27	2	0
2.4 Service employees	0	18	0	5	0	23	19	4	0
<b>3.0 Unknown</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>225</b>	<b>925</b>	<b>93</b>	<b>297</b>	<b>139</b>	<b>1 679</b>	<b>729</b>	<b>950</b>	<b>0</b>

As reflected in the 2022 Annual Performance Plan, the University is pleased with the increase in staff with doctoral qualifications, as evidenced in the 8.2% above target and a year-on-year increase of 3.2%. This is an important indicator in support of the positioning of UWC as a research-led university with an increased capacity to contribute to knowledge production at the highest levels.

Below is a breakdown of our staff complement according to HEMIS employment categories over a six-year period:

Staff category	2017	2018	2019	2020	2021	2022
Executive, management professionals	148	104	101	101	96	106
Instruction/research professionals	658	681	679	695	671	683
Support professionals	40	77	79	90	73	63
<b>Total professional staff</b>	<b>846</b>	<b>862</b>	<b>859</b>	<b>886</b>	<b>840</b>	<b>852</b>
Technical staff	114	111	109	111	105	102
Non-professional administrative staff	586	608	609	628	659	673
Crafts/trades staff	38	34	32	32	32	29
Service staff	31	32	29	29	26	23
<b>Total non-professional staff</b>	<b>769</b>	<b>785</b>	<b>779</b>	<b>800</b>	<b>822</b>	<b>827</b>

#### ADMINISTRATIVE SYSTEMS IN THE DIGITAL AGE

We are currently developing a Digital Strategy that will provide overarching guidelines and principles for the institution as a whole, and this is aligned with the fact that digital transformation has been highlighted as one of the four cross-cutting areas in the new IOP – along with an anchor institution, collaborative partnerships within an ecosystem, and internationalisation – to “facilitate large-scale change to proactively leverage the institution's capabilities to achieve its strategic goals”.

It is clear that COVID-19 has accelerated the need for a change in the online learning and teaching environment and necessitated the need for universities to re-examine their business processes. As part of the digitalisation process, UWC applied for once-off 2021 ICT infrastructure funding to increase its capabilities in several areas, including enhancements of its iKamva Learning Management System; an upgrade of the Student Administration and Enrolment Management systems (SASI and SEMS), including the automation of postgraduate administrative processes; improved desktop virtualisation technologies; the required software for flexible online learning; virtual network technologies; improved infrastructure capacity; and funds to upgrade infrastructure to support dual/hybrid teaching approaches.

The University's Information and Communication Services (ICS) has launched several new initiatives to strengthen its offering to the University community. These included the Phase 2 design of the UWC main website, the Residential Services Management Solution Project, enhancing the Postgrad Experience (Postgraduate Lifecycle Project), and a chatbot service to assist new students with queries. While the University implemented two new Human Resources and Finance systems, further implementation has been delayed due to system challenges. In addition, a draft eResearch Strategy describing the rationale for eResearch at UWC was produced and is now part of the broader discussion about the Digital Strategy.

## CAMPUS INFRASTRUCTURE AND SURROUNDINGS

Since adopting the Campus Development Plan in 2014, the campus has undergone significant building, precinct and site improvements to respond to the changing nature of the academy and the steady increase in student numbers. As an index of scale, the University has, over the past eight years, seen the completion of several capital projects that expanded the campus footprint in scale and density, with improved connections to the fabric of the surrounding communities. These include the establishment of the Community and Health Sciences faculty precinct in the Bellville Central Business District; the erection of an infill building between the Old and New Arts Faculty buildings to accommodate research centres; repurposing decanted science spaces to bring together four cognate disciplines in the Computational and Mathematical Sciences precinct; and upgrading the sports precinct.

As a continuation of these ambitious plans, the IOP expresses the pressing need to develop the areas around the University, connect the University to the mainstream life of the city, and create an innovation-friendly precinct to help build the regional economy. Over the past years, we have undertaken four major infrastructure projects:

**The South Campus Education Precinct Project (SCEPP)** will formally be opened in 2023 and allows for retrofitting and infill work to enable the University to co-locate several cognate disciplines housed in a range of on-site and off-site facilities. The Faculty of Education Building offers state-of-the-art facilities for both our students and our lectures and showcases our commitment to the training of teachers.

**The Unibell Student Village** will be open to students from 2023, and we are proud that we can add to our current accommodation. The village is a significant milestone for UWC, as it will add over 2 700 beds, effectively doubling University-owned bed stock, and we are very grateful to the Department of Higher Education for its significant support.

**The Digital Innovation Hub**, also expected to open in 2023, is located on the corner of Voortrekker Road and Sidvale Street in Bellville, and this project involved the repurposing of an existing facility for the application of augmented reality and virtual reality, along with other University facilities focusing on community- and industry-related partnership activities.

**The Greatmore Street** project, being repurposed to house Arts and Humanities initiatives, is behind schedule as it has posed ongoing challenges. On completion, the Greatmore Building will have much significance for UWC, offering the institution a footprint in Cape Town. Furthermore, it will house several arts initiatives by bringing national and international partners together, including the Ukwanda Puppetry and Design Collective, the Handspring Puppet Company, documentary filmmakers, jazz musicians, and visual artists.

## REPUTATION MATTERS

Through the investment of the Historically Disadvantaged Institution grant, the University was able to overhaul its mobile-friendly main website radically. The Media, Marketing and Communication Office continues to market the institution's activities through the Council-approved integrated communication, marketing and content development strategy. This is done via the website, alongside several social media platforms for which a social media barometer has been established at Council's request, and the quarterly reports have shown the coverage to be overwhelmingly positive.

The University hosted and participated in the following events that can be viewed as an investment in our partnerships.

**Dear Comrade President book launch:** We launched writer-in-residence Prof André Odendaal's new book, *Dear Comrade President: Oliver Tambo and the Foundations of South Africa's Constitution*, which he wrote in collaboration with former Constitutional Judge Albie Sachs. The book details the ANC's constitution-making processes long before the party came into power. The book acknowledges UWC's role as a think tank in forming the Constitution.

**Unboxing Mayibuye:** In 1991, UWC formally launched the Mayibuye Centre, which contains extensive multimedia archive collections of anti-apartheid material, the bulk donated by the London-based International Defence and Aid Fund for Southern Africa (IDAF). In 1996, UWC's Mayibuye 'merged' with the Robben Island Museum (RIM) to become the UWC-Mayibuye-Robben Island Museum, hosted at UWC. Over the years, the partnership arrangement experienced multiple challenges resulting from competing realities, frequent turnover of Robben Island board members and a lack of clarity about the boundaries between our respective institutions. With a new RIM leadership team and board membership, we are working jointly to restore levels of trust. As part of rebuilding relationships, UWC and RIM launched the Unboxing Mayibuye: Access to Digital Archives to help create conducive conditions for preserving, managing and accessing sections of the collections. The French National Audiovisual Institute funds the initiative.

## FINANCIAL VIABILITY

The South African economy has faced global and local challenges, including slowing global growth, a power crisis and inefficiencies in state-owned enterprises. Economists have predicted that the country's economic growth will remain sluggish, while South Africans are increasingly under financial strain.

Despite tough fiscal conditions, rising public debt and competing pressure on spending priorities, the University was able to navigate its financial resources with great care and oversight to remain financially stable and grow its funding base. During the course of the year, it also had to adjust budgets and reprioritise projects in response to shifting and deferred national priorities. We were further able to consistently improve our debt collection rate through improved management information and communication systems. Overall, effective governance oversight and improvements in the operational control environment, coupled with the integrity, concurrence and understanding of different stakeholders, including students and staff, assisted the University in remaining financially viable.

## CONCLUSION

The Greek philosopher Socrates wrote that "the secret of change is to focus all of your energy, not on fighting the old, but on building the new", and 2022 has been a year of changes and challenges as we emerged from the worst of the pandemic.

There is much to appreciate and reflect on as, two years ago, we were operating our educational project under very different and challenging circumstances that brought the University community together in a manner I remain proud of. As we turn our gaze to 2023, it will be with a sense of hope that the University will once again become fully home to our campus community, and that our new

and returning students will experience what it means to be on campus, in lecture rooms and among their own. To get to this point, it bears remembering the determination and agility of our staff – the many unsung champions of UWC – who worked diligently to support the University.

I also sincerely appreciate the advice and guidance from Council and the collegial manner in which we can engage and interact.

A handwritten signature in black ink, appearing to read 'T. Pretorius', with a long horizontal flourish extending to the right.

**Prof Tyrone Pretorius**  
**Rector and Vice-Chancellor**



## REPORT OF THE CHAIRPERSON OF SENATE

### INTRODUCTION

In its November 2022 *Briefly Speaking* circular, the Council on Higher Education (CHE) focuses on the transformation in higher education in South Africa through a multi-dimensional lens of, among others, inclusivity, the curriculum and funding. It refers to an article by Hall (2012) and reminds us that “globally higher education institutions are challenged by the need to respond to new demands of an ever-changing world as increasing numbers of secondary school leavers, their families, the general public, and stakeholders from all classes and backgrounds demand access to higher education and expect the States to respond. Universities are required to provide entry for students from low-income families and schools, wealthy families and schools, students with inadequate schooling backgrounds, and those who have a good background, and they have to address all their needs”.<sup>2</sup>

The complexities referred to above are very real in the South African higher education context. At the University of the Western Cape (UWC), our Mission commits us to serving the greater good that includes, amongst others, providing equitable and affordable access to higher education and confirms that this commitment is underpinned by our focus on high academic standards and intellectual rigour. This focus requires us to constantly grapple with the needs of our students, whilst also focusing on the complex local and global issues that inform our research endeavours.

### COMPOSITION OF SENATE

The role of the 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
- one academic employee per faculty who does not fall into one of the above-mentioned categories
- eight employees from the professional and support sector
- eight registered students
- the director of library services
- and such additional persons, not more than eight in number, as the Council, on the recommendation of the Senate, may decide upon.

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<sup>2</sup> Council on Higher Education. (1986). *Dimensions of Transformation of Higher Education in South Africa: Abstract*. Pretoria.

## LEADERSHIP AND FACULTIES

Academic and intellectual leadership are essential to transcend boundaries and direct and stay the course in pursuing our long-term transformative objectives. Leadership at the Senior Management level has been stable, with only one change in 2022. With three new Deans appointed in 2021, and the term of office of Prof Jacques de Ville, the Dean of the Faculty of Law, extended for five years in 2022, there is a strong team in place to lead the University's faculties.

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 – except 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: the primary campus at the Tygerberg Hospital Complex in Bellville, and a satellite campus in Mitchell's Plain. In 2018 we formally launched the Faculty of Community and Health Sciences (CHS) campus in the Bellville Central Business District (CBD). This campus is home to the Faculty Office, the Schools of Nursing and Natural Medicine, and the Departments of Occupational Therapy and Physiotherapy. The other CHS departments remain based on the main campus.

## OUR STUDENT BODY

The first goal area in the 2021 to 2025 Institutional Operating Plan is devoted to the students of UWC and undertakes to facilitate a meaningful and stimulating university experience for them, from initial registration to graduation, by building co-curricular opportunities, responsive support services and institutional cultures that allow for growth and development, and that lay the foundation for lifelong learning. The goal area also articulates UWC's enrolment focus and commits us to "efficient and effective enrolment management geared towards enhancing the University's overall mission and long-term ambitions".

To give life to these substantial undertakings, concerted and considered actions are required, and here, Senate plays a vital oversight role.

### 2022 student enrolment

UWC's Enrolment Plan is based on the goals articulated in the Institutional Operating Plan (IOP 2021 to 2025) and outlines a detailed set of enrolment targets agreed upon with the Ministry, which obliges UWC to sharpen its focus, make informed choices and leverage its resources. One of the IOP reasons for undertaking enrolment planning is to maintain an integrated, forward-looking approach and proactively influence the overall size and composition of the student body in ways that would distinctly characterise the University by academic field, programme types and demography. The most important achievement in UWC's enrolment management process has been our ability to integrate these strategies with the University's strategic intent, academic aspirations and fundamental mission, and to balance the competing, cross-functional interests. In particular, the University has made significant progress towards building a critical mass of postgraduate students in identified niches and managing the complex mix between targeted student headcount, full-time equivalence and weighted teaching input units.

Below are two tables that elaborate on our student enrolment since 2017:

2017 – 2022 HEADCOUNT ENROLMENT IN DIFFERENT ENROLMENT CATEGORIES						
Enrolment categories	2017	2018	2019	2020	2021	2022
First-time entering undergraduate students	4 575	4 537	4 829	4 405	4 483	4 678
<b>Total undergraduate</b>	<b>17 595</b>	<b>17 447</b>	<b>18 855</b>	<b>18 724</b>	<b>19 321</b>	<b>18 453</b>
Master's	1 988	2 049	2 170	2 188	2 415	2 393
Doctoral	968	1 029	1 095	1 140	1 265	1 268
<b>Total postgraduate</b>	<b>4 848</b>	<b>5 388</b>	<b>4 929</b>	<b>5 006</b>	<b>5 465</b>	<b>5 484</b>
<b>Total students</b>	<b>22 443</b>	<b>22 835</b>	<b>23 784</b>	<b>23 730</b>	<b>24 786</b>	<b>23 937</b>
<b>Postgraduate enrolment as a proportion of total enrolment</b>	<b>21.6%</b>	<b>21.6%</b>	<b>20.7%</b>	<b>21.1%</b>	<b>22%</b>	<b>22.9%</b>

From the table above and the Annual Performance Report that is included at the beginning of this Annual Report, it is clear that 2022 was a difficult year for the University in terms of achieving its enrolment targets in certain enrolment categories; the notes in the Annual Performance Report provide context to the enrolment per category. Enrolment management is not an exact science and is influenced by a range of factors, many outside of the University's control, but we continuously work towards refining our internal processes and communication with current and prospective students. In 2022, the University also adapted its process of making offers to students following the release of the matric results and we look forward to seeing the results of this pilot project in 2023.

2017 – 2022 ENROLMENT PER MAJOR FIELD OF STUDY							
CESM	2017	2018	2019	2020	2021	2022	2022%
<b>Science, Engineering, Technology</b>	8 408	8 367	8 577	8 531	8 707	8 253	34.5%
<b>Business/ Management</b>	2 820	2 936	2 895	2 904	2 869	2 594	10.8%
<b>Education</b>	2 162	2 353	2 728	2 640	2 860	2 826	11.8%
<b>Other Humanities</b>	9 053	9 179	9 584	9 655	10 349	10 264	42.9%
<b>TOTAL</b>	<b>22 443</b>	<b>22 835</b>	<b>23 784</b>	<b>23 730</b>	<b>24 786</b>	<b>23 937</b>	100%

Managing our enrolment processes to achieve the desired enrolment mix across major fields of study as per the so-called Classification of Educational Subject Matter (CESM) categories is important when managing student enrolment and forms part of the University's approved enrolment mandate. Given the challenges that students experienced in the last three years, resulting in higher attrition rates and challenges with student retention, the University is pleased that enrolment in the CESM categories remained primarily aligned with the targets set. The qualifying pool of learners passing Mathematics at appropriate levels remains a challenge, and prior-year under-enrolment in the SET and Business and Management categories also influence the current institutional shape.

The following table 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 in terms of overall headcount, and the majority of postgraduate students are enrolled in the Faculties of Community and Health Sciences, Economic and Management Sciences, and Natural Science.

Enrolment Category	Arts	CHS	Dent.	Edu.	EMS	Law	Science	TOTAL
First-time entering students	1 014	629	96	476	1202	539	722	4 678
Headcount UG diplomas and degrees	3 766	2 731	491	2 245	4 040	2 310	2 870	18 453
Headcount Honours degrees and PG diplomas	210	233	181	174	690	100	235	1 823
Headcount Master's degrees	301	480	91	207	417	348	549	2 393
Headcount Doctoral degrees	207	245	39	126	182	109	360	1 268
<b>TOTAL headcount enrolment</b>	<b>4 484</b>	<b>3 689</b>	<b>802</b>	<b>2 752</b>	<b>5 329</b>	<b>2 867</b>	<b>4 014</b>	<b>23 937</b>
<b>Proportionate headcount per faculty</b>	<b>19%</b>	<b>15%</b>	<b>3%</b>	<b>11%</b>	<b>22%</b>	<b>12%</b>	<b>17%</b>	<b>100%</b>

UWC's overall enrolment follows the global trend of having significantly more students who identify as female (62.4%) compared to those identifying as male (37.5%).

## ACADEMIC PLANNING AND QUALITY ASSURANCE

Academic planning and quality assurance are vital tools to continuously revise and ensure coherence, integrity, and critical outcomes in educational processes. The quality of our academic offerings is of the utmost importance, and programme and departmental reviews form an essential part of the annual University cycle. Senate, through the Senate Academic Planning (SAP) Committee, plays a vital 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 for introducing new academic programmes and changes to existing programmes. These are recommended to Senate. Nationally, the Council on Higher Education (CHE) is responsible for quality assurance and promotion. Multiple professional bodies are also involved in programme accreditation and quality assurance.

**Institutional Audit:** In 2021, the Council on Higher Education embarked on a system-wide process of institutional audits to promote quality assurance (QA) in both public and private higher education (HE), and audit the quality assurance mechanisms and transformation plans of higher education institutions (HEIs) that will lead to the self-accreditation of HE programmes. The University commenced with a process to critically review its processes and prepared a Self-Evaluation Report and a supporting Portfolio of Evidence that was submitted to the CHE in March 2022, followed by a site visit by a CHE-appointed panel in May.

Using a range of quality standards, the Institutional Audit allowed us to be self-critical about how we translate different notions of quality into practice and determine whether our core activities of

learning and teaching, the research that we undertake, and the projects and initiatives that we engage in with our communities are fit for purpose, transformative and are executed effectively and efficiently to the benefit of the University's stakeholders, to whom we are accountable. The audit process allowed us to reflect on our IOP and how we are working towards fulfilling our vision and mission. In doing so, the process helped the University to determine the coherence, effectiveness and efficiency of our internal quality assurance system and the transformative impact thereof in support of students' success. The Audit was led by the DVC: Academic, with the support of a Task Team comprising colleagues from all if the faculties and identified support units, along with the Office of Quality Assurance and Information Management.

**National Doctoral Review:** A national review of the South African doctoral qualification was conducted by CHE in 2021, and the report was published in March 2022. UWC had a positive outcome, and some recommendations were made. One of the recommendations was that a postgraduate centre should be established to support students' academic and intellectual development throughout the doctoral journey, and a review of the University's units responsible for postgraduate support and research management was done during 2022, resulting in the restructuring of these functions in a reconceptualised directorate responsible for Research and Postgraduate Support.

## LEARNING AND TEACHING

The IOP states that UWC undertakes "to provide high-quality, evidence-based learning and teaching opportunities that are underpinned by responsive curricula and a diversity of learning, teaching and assessment practices to nurture graduates who have the knowledge, skills and attributes to succeed in the world of work; are lifelong learners and are socially aware, ethical and caring global citizens".

While we slowly emerged from the strictures of the pandemic in 2022, we devised a hybrid approach to learning and teaching as the national state of disaster was lifted in the first quarter of the year. We also remained mindful that many of our students, particularly those who had started university during the pandemic, had yet to experience being on campus and attend face-to-face lectures. For them, it would be a steep process of adapting, having spent all their time thus far in an online environment.

It was recognised that existing programmes that offer student support would be vital to student success, including the first-year transition programme, which played a crucial role in mentoring first-year students during the COVID-19 pandemic. We were pleased that, in 2022, the number of students applying to be mentors and mentees in the programme increased. Data from the UWC First-Year Expectation and Experience Survey, Beginning University Survey of Student Engagement (BUSSE) and Mentor Feedback Surveys have indicated that students were struggling with the transition to university due to anxieties brought about by financial issues, accommodation, loneliness and academic pressures.

The table below sets out the growth of the programme since 2020.

2020 Mentors	2020 Mentees	2021 Mentors	2021 Mentees	2022 Mentors	2022 Mentees
55	859	57	967	60	1 052

An essential aspect of a successful learning and teaching environment is the investment in our academics as teachers and, in this regard, we are employing a range of strategies to create a nurturing environment, including devising a plan to implement the new National Framework to Enhance University Academics as Teachers, and provide support to faculties and directorates in furtherance of

the People Plans and supporting student success. The University also continued with its Academic Achievers' Awards programme for the recognition and reward of excellence in learning and teaching and community engagement.

Through the focus areas articulated in the IOP, UWC is committed to "provide high-quality, evidence-based learning and teaching opportunities that are underpinned by responsive curricula and a diversity of learning, teaching and assessment approach to nurturing graduates who: have the knowledge, skills and attributes to succeed in the world of work; are lifelong learners; and are socially aware, ethical and caring global citizens".

The office of the DVC: Academic has been working on a range of initiatives to promote the successful retention of our students and, in this regard, the Student Retention and Success Framework was developed and approved in 2021, and implementation started in 2022. Other success initiatives are in place, including strengthening tutorials through increased tutor training, tutor support and tutor evaluation; peer mentoring and peer learning; support for academic and digital literacies; the First-Year Experience programme that I mentioned earlier, and the Accelerated Excellence Programme. In support of the University's Framework for Curriculum Renewal and Transformation that was approved in 2021, the Academic Planning Unit has been working closely with faculties and academic departments to implement the imperatives articulated in the Framework.

### Academic support

We are also continuously alert to the need to enhance the support mechanisms we provide to students and focus on implementing the UWC Student Success and Retention Framework, as the guiding framework in terms of our initiatives to increase student success and improve retention in a conducive learning and teaching environment.

This focus is supported by the five-year strategic priorities of the DVC: Academic that include the alignment and integration of teaching and assessment practices with the curriculum, and supporting the realisation of UWC's graduate attributes. The priorities are aligned with the IOP and underpinned by the implementation of the UWC Flexible Learning and Teaching Provision (FLTP) Policy 2021, the UWC Assessment Policy 2021, the UWC Framework on Curriculum Transformation and Renewal, and developing a framework for the integrated Scholarship of Engagement at UWC.

Enrolment Categories	2016	2017	2018	2019	2020	2021	2022
Degree credit rate	80.7%	80.2%	80.9%	81.0%	85.6%	81%	82.2%
Number of undergraduate degrees awarded	2 920	2 841	2 915	3 175	3 411	3 753	3 924

### Technology and Learning and Teaching

The Centre for Innovative Education & Communication Technologies (CIECT) continues to play a vital role in introducing emerging technologies and innovative, collaborative projects, and supporting students and academic staff through maintaining and enhancing the University's Learning Management System, iKamva.

With financial support from the University Capacity Development Grant of the Department of Higher Education and Training, the CIECT was able to offer their Digital Academic Literacy programme to more than 4 500 students in 2022. The grant also supports the CIECT's focus on building capacity amongst academic staff through their Multimedia Content Production Workshops.



## STUDENT SUCCESS: GRADUATIONS

Graduation rates, no matter how they are calculated, have always been a source of contention in understanding university-level efficiency or the effectiveness of teaching and learning. One such crude measure is the percentage of students who graduate annually as a proportion of the number of students enrolled for the same year. In 2022, a total of 5 565 students graduated, and we are pleased with the above-target performance in the undergraduate category, which is 12.5% above the 3 550 target. This is testimony to the focus on student success and the hard work of students and staff, but it should be noted that the reclassification of several one-year postgraduate qualifications (PGCE and Advanced Diplomas) to undergraduate qualifications was not included in the graduation target and inflates the performance in this category.

We are concerned, however, with the below-target performance in the postgraduate category, but it must be noted that the under-enrolment in the “postgraduate below master’s” directly affects this graduation performance, as a significant proportion of qualifications in this category are one-year qualifications. As mentioned in the Performance Report, the reclassification of several one-year postgraduate qualifications (PGCE and Advanced Diplomas) as undergraduate qualifications increased our performance in awarding undergraduate degrees but reduced the number of postgraduate degrees awarded.

The table below shows the number of certificates, diplomas and degrees awarded by qualification type.

QUALIFICATION	TOTAL
Undergraduate Certificates, Diplomas and Degrees	3 957
Honours and Postgraduate Diplomas	1 062
Master’s	431
Doctorates	166
<b>Total</b>	<b>5 616</b>

## RESEARCH AND INNOVATION

The 2022 South African Science, Technology and Innovation Indicators Report of the Department of Science and Innovation provides a complex overview of the development and investment in the country’s science, technology and innovation. On the one hand, it lauds the growth of the field of nanoscience – in which UWC is a participant – and on the other, it expresses concern about the overall investment in science, reporting that the “2021 UNESCO Science Report notes that, of every five countries, four devote less than 1% of GDP to R&D. In the BRICS grouping, South Africa and India are struggling in this regard. After a recent rebasing of GDP, South Africa’s R&D intensity value was revised downwards to 0.62% in 2019/20”. The COVID-19 pandemic considerably affected the budget allocations to government departments, as funding was redirected to the social grant system and the procurement of COVID-related equipment.

The report further states that South Africa’s number of researchers in 2019 (28 358) was 51.5% more than in 2010 (18 720). The country needs to increase its number of researchers of all races to increase its innovation potential. The increase in total researchers enabled the incorporation of more female researchers into the National System of Innovation (NSI). The proportion of female researchers has been increasing since 2010, when they made up 41.41% of total number of researchers, to 2018, when they made up 46.30%. However, the proportion of female researchers decreased to 46.02% in 2019.

UWC's research and innovation community operates in this national context, particularly as a research-led institution. Our growth trajectory across several indicators is therefore essential; for instance, the number of researchers rated by the National Research Foundation, the number of South African National Research Chair Initiatives (SARChI Chairs) we hold, and the publication output by UWC researchers.

Therefore, the growing proportion of UWC researchers with NRF ratings is particularly encouraging, as this is external confirmation of UWC's research capacity and depth. Recent research shows that 12 of the country's 26 public universities have A-rated researchers, with UWC being the only historically disadvantaged institution (HDI) with A-rated researchers. The first of these was Prof Roy Maartens in the Department of Physics and Astronomy, who was awarded an A-rating in 2012. There has been a gradual increase in the University's NRF-rated researchers, from 152 in 2020 to 168 in 2022.

To further strengthen our research agenda, we are implementing a range of strategies, such as developing and championing a UWC-wide framework that values, measures and allocates resources for excellence in research leadership, integrity, mentoring and collegiality; implementing strategies for the recruitment and retention of excellent and diverse researchers/academics whose research is aligned with our research priorities and who are recognised for their research impact; proactively identifying, supporting and rewarding talented academics who increase the quality, international reputation, scale and impact of our research; and ensuring the professionalisation of research management and administration.

The University participates in the University Capacity Development Programme (UCDP) offered by the DHET, aimed at developing academics, including the emerging scholars' programmes, new generation academics, existing academic capacity enhancement and HE Leadership and Management. Of the 73 *ad personam* applications for promotion in 2022, 42 of the staff members had participated in the programmes offered, which serves as evidence of the effectiveness of the programmes.

### **UWC as a driver of the Sustainable Development Goals (SDGs)**

Achieving the SDG goals requires interdisciplinary and transdisciplinary collaboration, change leadership, international partnerships, social innovation and addressing unemployment. The critical challenges specific to South Africa include, among other things, high unemployment, poor and inadequate education, lack of infrastructure, poor health care, and increasing inequality. These challenges offer a platform for academic scholars to address old problems in new ways through collaborative teaching and research.

An overview of the research registered with the ethics sub-committees indicates that the research conducted at UWC reflects the societal challenges faced. The UNESCO publication, *Knowledge-driven Actions: Transforming Higher Education for Global Sustainability*, guides universities to identify what higher education institutions need to do to contribute to the SDGs to address some of the challenges faced by society. Of the United Nations' 17 SDGs, the following SDGs strongly resonate with UWC and its research strengths: no poverty; good health and well-being; quality education; gender equality; reduced inequalities; peace, justice and strong institutions; and partnerships for goals.

Under the leadership of the DVC: Research and Innovation, a significant emphasis has been placed on the alignment of UWC's research efforts with the SDGs. The University's sense of place and community are key considerations in this regard, and the 2020/2021 Research Annual Report states that "the profile of our staff and students is the embodiment of the grand societal challenges", and that "we exist in communities that are marginalised in all aspects". The report emphasises the value of

interdisciplinary and transdisciplinary research that brings together different research disciplines and shows that 495 of the 596 research projects that were registered with the research office in 2021 are relevant to the following SDGs: good health and well-being; quality education; gender equality; decent work and economic growth; and industry innovation and infrastructure. The key contributors are the faculties of Arts and Humanities, Community and Health Sciences, Education, Economic and Management Sciences, Dentistry and Natural Sciences. This further speaks to the Times Higher Education Impact Rankings that apply the SDGs to universities' performance and that UWC has, over the past three years, been recognised for its contributions to the following goals: no poverty, good health and well-being, quality education, reduced inequalities and peace, justice, and strong institutions.

### **National Research Foundation ratings and SARChI Chairs**

UWC has, over the past two decades, worked diligently to develop its standing as a research-led university, and a key external indicator of success is the awarding of the National Research Foundation's South African Research Chair Initiative (SARChI) – of which it has 18, marking a steady growth since its first was awarded in 2008. More recently, the University launched the UWC Research Chairs initiative, similar to the SARChI Chairs, to develop these into the next generation of SARChI Chairs. The first UWC Research Chairs were established in 2022 to allow leading researchers to develop their respective niche areas, enabling capacity-building by having them identify a minimum of one PhD and two Master's students to support their funding.

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 (jointly held with the University of Cape Town)
- 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

### **Institutes, Schools, Research Centres and research niches**

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 Department of Science and Technology/National Research Foundation **Centre of Excellence in Food Security** is hosted jointly by the University of the Western Cape and the University of Pretoria. The Centre is a virtual organisation that brings together the expertise of numerous South African and international institutions, as well as over 100 researchers across various disciplines.
- The **South African National Bioinformatics Institute** (SANBI) is a major centre dedicated to developing bioinformatics and genomics in South Africa.
- The **DST/MinTek Nanotechnology Innovation Centre: Biolabels Unit** is working on identifying molecular biomarkers for diseases such as cancer, diabetes and HIV.
- The DST has designated the **South African Institute for Advanced Materials Chemistry** (SAIAMC) 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) researches the exploitation of microbial genome diversity, cloning and expression, along with undertaking research on biofuels technology.
- The **Dullah Omar Institute for Constitutional Law, Governance and Human Rights** (previously the Community Law Centre) played a crucial 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.
- The **Centre for Humanities Research** continues to contribute significantly to strengthening scholarship in the humanities and is home to the NRF flagship on Critical Thought in African Humanities. It is founded on three research themes: Aesthetic Education, the Becoming Technical of the Human, and Migrating Violence.
- The **School of Public Health** is a World Health Organization (WHO) Collaborating Centre for Research and Training in Human Resources for Health and builds the research capacity of African Ministries of Health through training courses at UWC.
- The DST/NRF Research Chair in Poverty, Land and Agrarian Studies focuses on property rights, rural production systems and the politics of land and natural resources. It is based in UWC's well-known **Institute for Poverty, Land and Agrarian Studies** (PLAAS).

### Research niches

While we continue to strengthen our academic programmes and research areas, it is also important to be alert to new research areas and the possibility of contributing to the creation of new knowledge. With the support of the DHET, we have, through the Historically Disadvantaged Institution Development Grant (now called the Sibusiso Bengu Development Grant), identified and supported several new research niche areas that we believe will strengthen UWC's research capabilities. The grant has also allowed us to significantly develop our Data-Intensive Research (DIR), which aims to bring UWC academics and other stakeholders together to develop a common strategy to enable DIR within individual disciplines and at a multidisciplinary level at UWC. The project, which started in 2019, has achieved several significant milestones and gives impetus to the IOP, where it states that UWC "will develop and implement an e-research strategy to guide and coordinate activities in support of this area" and "improve support to data-intensive research requirements through cloud-based capacity solutions". In addition, a draft eResearch Strategy describing the rationale for eResearch at UWC was produced to contribute to the IOP discussion and is now part of the broader discussion about the Institutional Digital Strategy.

## Postgraduate support

The University is aware of the challenges in meeting its postgraduate enrolment numbers, as described previously. Various processes are under way to attract and retain students in this category. In addition to refinements being made to the University's Student Administration System Integration (SASI), attention is also paid to the implementation of a postgraduate academy, the professionalisation of supervision, the provision of postgraduate student support, early career researcher funding support, post-doctoral funding support and postgraduate student funding support.

Below are tables containing a breakdown of the time-to-degree of master's and doctoral students per faculty over several years. The table clearly illustrates some of the challenges experienced during the global pandemic, when access to laboratories was restricted for months and students struggled to conduct their research fieldwork in communities.

MASTER'S PER FACULTY	2017	2018	2019	2020	2021	2022	Ave of 5 years
Arts	3.9	3.3	3.9	3.4	4.5	3.8	3.8
Community and Health	3.6	3.5	3.7	4.0	3.9	4.3	3.9
Dentistry	3.4	3.3	3.7	4.0	4.5	4.1	3.9
Education	3.8	4.6	4.8	5.0	5.6	3.6	4.7
Economic and Management Sciences	3.6	3.5	3.5	3.9	3.6	4.1	3.7
Law	2.5	2.6	2.7	3.6	3.0	3.9	3.2
Natural Sciences	2.9	3.0	3.0	3.4	3.0	3.3	3.1
<b>University average</b>	<b>3.4</b>	<b>3.4</b>	<b>3.6</b>	<b>3.9</b>	<b>4.0</b>	<b>3.9</b>	<b>3.8</b>

DOCTORAL PER FACULTY	2017	2018	2019	2020	2021	2022	Ave of 5 years
Arts	4.2	5.1	5.0	6.2	6.0	6.2	5.7
Community and Health	5.0	5.2	5.5	5.8	6.4	6.6	5.9
Dentistry	0.0	3.5	4.6	4.5	4.0	4.0	4.1
Education	4.8	4.2	5.2	5.0	5.7	6.5	5.3
Economic and Management Sciences	4.7	5.5	4.4	5.0	5.2	5.1	5.0
Law	5.0	3.8	4.0	4.5	4.3	5.3	4.4
Natural Sciences	4.5	4.9	5.0	5.3	5.4	5.5	5.2
<b>University average</b>	<b>4.0</b>	<b>4.6</b>	<b>4.8</b>	<b>5.2</b>	<b>5.3</b>	<b>5.6</b>	<b>5.1</b>

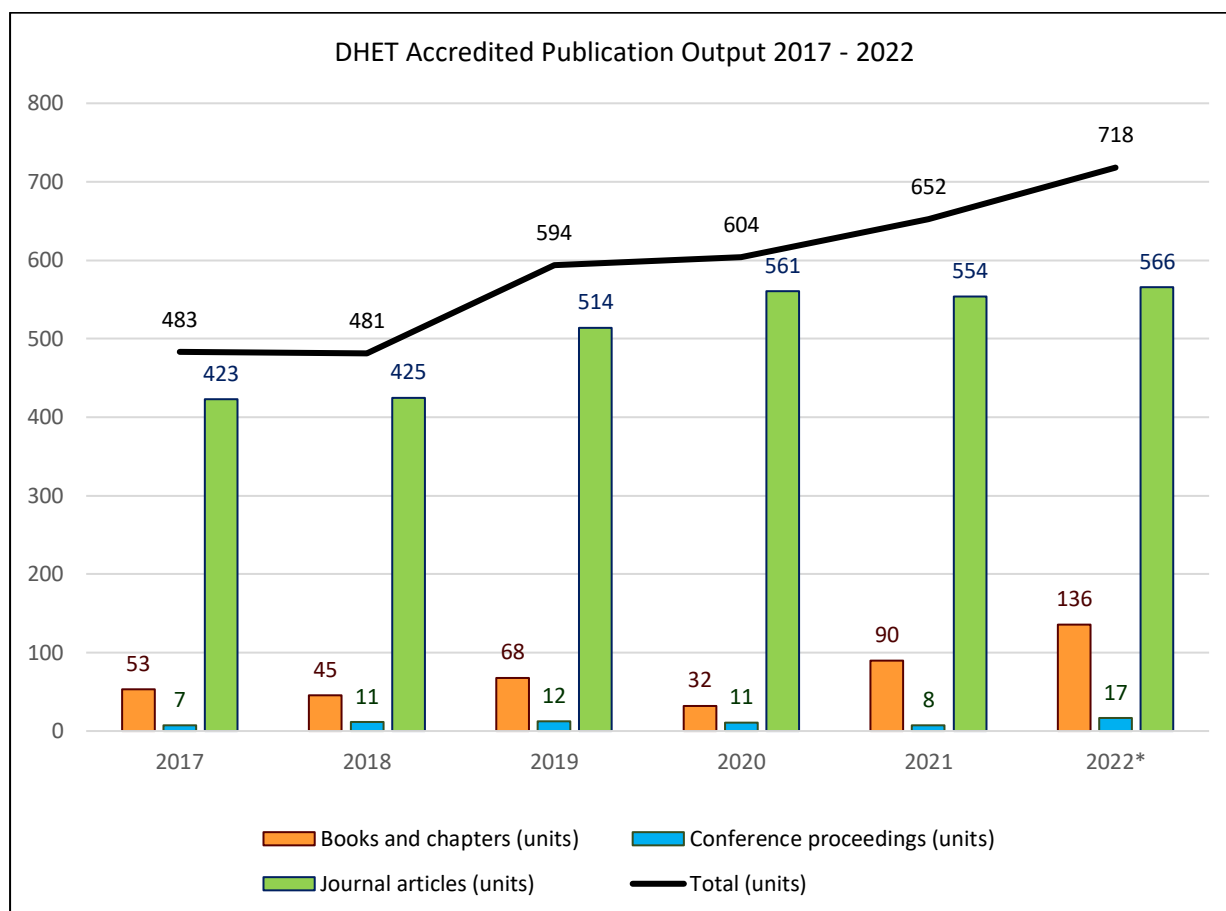
## Research output

The IOP speaks to establishing a supportive and enabling research environment; evidence can be found in the consistent output of high-impact, quality research. Over the past decade, we have consistently grown our research capacity and we are very pleased with the steady progress made, as evidenced over the past four years. In 2022, all the key research output categories below showed year-on-year increases.

Research output categories	2017	2018	2019	2020	2021	2022
<b>Publication units</b>	483	481	594	604	652	718*
<b>Research Master's</b>	215	296	286	267	234	312
<b>Doctorates</b>	91	122	125	123	120	166
<b>Weighted total</b>	<b>971</b>	<b>1 178</b>	<b>1 243</b>	<b>1 255</b>	<b>1 264</b>	<b>1 528</b>

\*Unaudited

The table below provides a breakdown of publication units in terms of books and book chapters, published conference proceedings and peer reviewed journal articles.



### Notable research grants and collaborations

- Profs Daniel Tevera and Bradley Rink, along with Extraordinary Prof Jonathan Crush (principal investigator), launched the ‘South-South Migration and Migrant Food Insecurity: Interactions, Impacts and Remedies’ (MiFood Project), focusing on migration and food security. The project is funded by Canada’s Social Sciences and Humanities Research Council (SSHRC) through a grant worth Can\$2.5 million. MiFood builds on the strong foundation laid by the network and of partner institutions, co-investigators, and collaborators from seven Canadian universities, together with teams from partners in China, Jamaica, Kenya, Mexico, Namibia, Mozambique, Ecuador, Ghana, India, Qatar, South Africa and Singapore. This project aims to design and implement a new global research and knowledge mobilisation agenda on the interactions between international and internal South-South migration and food security; compare the food security vulnerabilities of migrant women, men and children in different cities; and study migration corridors and migrant-sending communities across the Global South.
- The Faculty of Natural Sciences’ Dr Mbulisi Sibanda and a team of researchers from the University of KwaZulu-Natal, University of Mpumalanga and the Kruger National Park have received funding from the Water Research Commission for the project, “Remote sensing of groundwater-dependent ecosystems in the Kruger National Park, South Africa”.

- The UK-based Urban Foundation awarded a grant to fund a project titled, “From social infrastructure to pandemic resilience. Learning from and with low-income urban communities”. Prof Fiona Anciano, from the Department of Political Studies, worked with colleagues from the University of Sheffield in the UK, and Pontificia Universidad Javeriana, Cali, Columbia, to investigate how community-based organisations (CBSs) in two highly unequal cities, Cape Town and Cali, addressed needs relating to food, care and digital inclusion during the COVID pandemic.

Increasingly, European countries are reducing the number of partnerships and MOUs, opting for strategic partnerships and deepening relationships with specific universities. Against this backdrop, UWC was invited to be an associate partner with Utrecht University and nine other universities that formed an alliance. Following a competitive bid, UWC was selected as one of two university-wide strategic partners with Vrije Universiteit Brussels (VUB). In the initial phase, the partnership will result in 10 PhD students registering for joint degrees across different domains.

Below are more recent partnerships, some with longstanding University partners such as the University of Missouri and Ghent University.

- The Faculty of Arts and Humanities’ African Language Studies department engaged in a trilateral collaborative project with Ghent University and Missouri University to collect data on mammal names and compare this vocabulary across African languages. The project, co-facilitated by Prof Russell Kaschula and other international partners, has the potential to produce collaborative research articles. A Dutch publishing company accepted a new series of books.
- The DHET, in partnership with the Norwegian funding agency, facilitated international partnership arrangements for the eight historically disadvantaged institutions. UWC, the University of Malawi and Norway’s VID Specialized University signed a five-year student and staff mobility agreement, with the first cohort of Master’s students starting in Norway in August.
- Prof Bradley Rink is part of an international team that was awarded funding through the Trans-Atlantic Platform (T-AP) for Social Sciences and Humanities for a three-year project, “Impact of COVID-19 on Livelihoods, Mobility and Accessibility of Marginalised Groups”. This interdisciplinary project will explore and compare the impact of the pandemic on the mobility, accessibility and livelihoods of marginalised groups in Cape Town (South Africa), in the Ruhr Area (Germany), and in São Paulo (Brazil) through a mixed-methods approach to understand the changing roles of physical access for urban marginalised groups during pandemics.
- Prof Marshal Keyster (Department of Biotechnology), together with collaborators from the University of Pretoria, China, USA and Finland was awarded a five-year multi-million rand grant under the NRF/NSF Joint Research Programme on Dimensions of Biodiversity programme.

## **INTERNATIONALISATION**

The Department of Higher Education and Training introduced the Policy Framework for Internationalisation of Higher Education and International Scholarships in 2019 to address the international mobility of South Africa’s academics, students, administrators, programmes and knowledge, as well as guidelines for higher education institutions (HEIs) wishing to offer cross-border, collaborative qualifications and the accreditation and approval of programmes by the Council on



Higher Education. According to the Department, HEIs must include their progress on internationalisation in their annual reports to the DHET. Furthermore, priority areas include postgraduate studies, academics and future academics, and scarce-skills areas.

In response, UWC's senior management considered several implementation strategies to give effect to internationalisation as one of the cross-cutting areas set out in the IOP. In implementing the DHET international strategy imperatives of deepening African institutional links, UWC has signed partnership agreements with institutions in Nigeria and Zimbabwe. The hosting of the SANORD Chair at UWC in March has continued this strategy by strengthened Nordic-Southern African partnerships. The IOP also encourages collaborative partnerships within an ecosystem – most aptly epitomised by the UWC-Ghent-VUB partnership.

## **COMMUNITY ENGAGEMENT**

In their 2021 journal article, UWC academics Fred Bidandi, Anthony Ambe and Claudia Mokong examined the place of community engagement at UWC, stating that the university, “through its CEU and seven faculties, provides an example of the successful transformation of the community as well as effecting an improvement in the academic lives of the students, researchers, university, and academics at the institution.

“The partnership between the University and the community has affected their well-being and brought improvement in their lives in various ways. The presence of students and researchers in the community has been of great assistance, especially in the medical and legal sectors, where these services are provided free. The University and its students also benefit tremendously from their engagement with the community, as students are given the opportunity to conduct their field studies as well as gain experience in the practice of their profession. The community also provides a platform for students and staff to carry out research, which not only benefits academia but society as a whole.”

The office of the DVC: Academic has, over the past three years, produced the Scholarship of Engagement (SoE) Report that sets out the University's aims in terms of community engagement, alongside the annual Community Engagement Colloquium, which was started in 2017. We are also completing the draft UWC Framework for the Scholarship of Engagement for Societal Impact.

Each of the seven faculties participates in community engagements across various platforms, ranging from in-service training to websites aimed at community organisations. For instance, the Law Faculty has initiated a range of mechanisms to enhance its Scholarship of Engagement, including Labour Law Online, which can be used by community advice offices, and the Digital Platform Cooperative Project, which is aimed at domestic workers. The Faculty has also started hosting seminars on the role and importance of transformative constitutionalism, Africanisation and a decolonisation curriculum.

The Faculty of Dentistry's service training for its students has allowed it to forge strong community links across different settings, including schools and institutions of special needs, as well as the rotation of students on the Phelophela Health Care Train, where they see to the oral health care of thousands of adults and children. The Faculty has set a target of 25% to ensure that a significant amount of learning happens outside the training facility, in “real-world” communities, where the social determinants of health are present and can be used in clinical decision-making. The Faculty of Community and Health Sciences has a similar approach with its vision to “impact society through knowledge and research”, and has four flagship programmes within specific communities.

For the Faculty of Natural Science, SoE is focused on research connected to community and societal needs that results in mutually beneficial outcomes and continues to find ways to integrate relevant community issues across teaching, research and community engagement. An example is the work of Prof Jeremy Klaasen from the Department of Medical Biosciences, who has been working with South African first nations in a beneficiation-sharing agreement that has led to the development of the Indigenous Botanical Adjuvant Technology project. Working with small-scale farmers, the developed bio-fertiliser has been observed to contain antimicrobial properties that can improve the overall health and yield of food crops and plants.

## CONCLUSION

The CHE report referred to at the beginning of this report concludes that “higher education can and should be a major catalyst for development in all its dimensions and the wider transformation of the South African society”.

UWC, while being clear about its ambitions of being a leading higher education institution on the African continent, has a historical commitment to the transformation of South African society, one in which access to quality education will always remain a cornerstone of our academic purpose, supported by a range of approaches and initiatives to support the academic success of students. This report also speaks to our research endeavours and strategic focus, aimed at supporting the much-needed capacity and knowledge required to respond to the complex challenges that we face both nationally and globally.

Allow me to conclude this report by expressing my sincere appreciation to our DVCs tasked with leading our learning, teaching, research and innovation activities. They are supported by a team of committed deans, deputy deans, heads of departments and academics, working towards realising UWC’s academic aspirations. This cannot be achieved without our professional support units, the continued focus on improved academic administration, and our well-organised governance and management processes.



**Prof Tyrone Pretorius**  
**Chairperson of Senate**

## REPORT OF THE INSTITUTIONAL FORUM

In accordance with the Higher Education Act of 1997, the University of Western Cape' (UWC) Institutional Forum (IF) advises the University Council on a number of issues affecting the institution, such as race and gender equity policies, the selection of candidates for senior management positions, codes of conduct, mediation and dispute resolution procedures, and the fostering of an institutional culture which promotes tolerance and respect for fundamental human rights, and creates an appropriate environment for teaching, research and learning.

It is with great pleasure I report that the IF met three times in 2022 to engage with a range of matters of concern to the institution, particularly in the realm of transformation, and advising Council on senior management appointments. In doing, the IF sought to advance all intent and spirit of provisions as stated in the Higher Education Act.

During this period under review, as an advisory body to the University Council, the IF spent a considerable time deliberating on the appointment members of senior management and the extension of contracts thereof.

The IF also spent considerable time reflecting on new policies and adapted old ones, evaluating them against their impact on the UWC community. The IF was presented with matters of significant importance that would affect the institution's long-term stability, development and growth and sustainability including paying particular attention to matters of diversity and transformation. To that effect, the IF received regular statistical updates, reports on programmes to improve staff wellness and development, and overall progress against the University's Employment Equity Plan.

To ensure that the IF functions optimally, the IF participated in an assessment of the Principles for Effective and Efficient Meetings, which had been compiled by the Registrar's Office to assess the performance of Council committees. The summary of results, among others, revealed that 100% agreed that the composition of the IF was diverse; 87% agreed that members understood the role of IF, that it monitored compliance with the Standing Orders, and was aware of the risks associated with decisions made by the IF; 91% agreed that the IF meets regularly, members were prepared for meetings, agenda packs were circulated timeously with adequate information to make decisions, and the management of such meetings was effective.

Members of IF, collectively, realise that they have a vital role to play in the matters of the University, particularly concerning transformation and providing advice to Council on such matters. They do so with great pleasure and pride as an indication of their commitment to seeing the UWC grow as a leading institution of higher learning.

I wish to thank my fellow IF members for their commitment, diligence, and preparedness to serve this fine institution. Importantly, I thank the staff in the secretariat office for supporting the work of IF with such care and diligence.



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**Ms Sibongile Nhlabathi**  
**Chairperson**

## COUNCIL'S STATEMENT ON GOVERNANCE

The University of the Western Cape and its Council are committed to the principles of transparency, integrity, 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 King IV Report, as well other generally accepted Guidelines for and Codes of good governance. The Council Audit and Risk Committee monitors compliance with good governance principles and provides advice to Council, as needed.

Having conducted a high-level assessment and gap analysis of the University's application of the King IV principles in 2020, the University and the Council are satisfied that the University is largely compliant with the requirements and principles of good governance.

### Council

The Council responsibilities are set out in the Institutional Statute and are in accordance with the stipulations of the Higher Education Act, No. 101 of 1997, as amended. 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 from 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 1 December 2022, there were 29 members serving on Council, of which 19 (65.5%) were not in the employ of the University or student representatives.

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 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) quarterly meetings and one (1) special meeting in 2022.

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 2022, Council performed a self-assessment of its activities and performance against its terms of reference and was found to be performing very satisfactorily. Meetings of the Council are always quorate, and members engage actively on various matters.

### **Finance Committee**

The Council's Finance Committee exercises oversight 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 on issues relating to the University's financial performance and financial sustainability.

In 2022, the Committee performed a self-assessment of its activities and performance against its terms of reference.

### **Procurement Committee**

The Procurement 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 Procurement 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.

In 2022, the Committee performed a self-assessment of its activities and performance against its terms of reference, and feedback was provided to the committee, especially in terms of improvements where this was found lacking.

## **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 Committee are independent of the University. Membership of the Committee only allows for external members of Council and external independent experts to serve. The Chairperson and Deputy Chairperson of Council are not permitted to serve on the Committee. In addition, a representative of the Auditor-General South Africa is also invited to be present at all meetings of the Committee.

Annually, the Committee meets at least four (4) times. In 2022, 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 addressing 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 the independence of the external auditors 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 with a view to identifying areas of improvement.

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 2022, the Audit and Risk Committee reviewed and recommended to Council the University's Strategic Risk Register.

The Committee also performed a self-assessment of its activities and performance against its terms of reference in 2022.



### **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.

No exceptional payments were 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 2021.

### **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 Council 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 its responsibilities in relation to:

- overseeing policy and strategic matters;
- monitoring progress, compliance and risk; and
- monitoring progress, compliance and risks on 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 arise as a result of, for example, a declaration of vested interest, and to decide upon these matters in accordance with generally accepted practices. 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, as well as 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, conduct and ethics in dealing with all stakeholders, including its Council members, employees, students, 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 22 June 2023.

## 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 institution 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 vision for 2035, as articulated in the Institutional Operating Plan 2021 to 2025 (IOP), confirms the University's commitment to transformation, stating that, as 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, which seeks to compensate employees appropriately.

### **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;
- Providing responsive and enabling academic programmes with curricula that will enable graduates to be better prepared to face 21<sup>st</sup>-century challenges;
- Promoting and facilitating 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 infrastructure development and bulk services provision 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 the University's 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 21<sup>st</sup> century.

This Council Statement on Transformation and Sustainability was approved by Council at its meeting of 22 June 2023 and is signed on its behalf by:



**Judge Nathan Erasmus**  
Chairperson on Council



**Prof Tyrone Pretorius**  
Rector and Vice-Chancellor

## REPORT OF THE COUNCIL AUDIT AND RISK COMMITTEE

The Council Audit and Risk Committee (hereafter referred to as CAR or “the Committee”) 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 standing orders, the Committee has oversight over the following key areas:

- Internal audit
- External audit
- Enterprise risk management
- UWC’s financial reporting
- Combined assurance

### 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. At the end of the year there were no vacancies in terms of the Committee’s membership. 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	3 March 2022	1 June 2022	30 August 2022	26 October 2022
Ms Hanlie Wessels (Chairperson)	Present	Present	Present	Present
Mr Blum Khan	Present	Present	Present	Apology
Mr John Matthews	Apology	N/A*	N/A	N/A
Dr Patricia Hanekom	Present	Present	Present	Present
Ms Deidré Penfold (Vice-Chairperson)	Present	Apology	Apology	Present
Mr Y Mohamed	N/A	Present	Present	Present
Ambassador Fébé Potgieter-Gqubule	N/A	N/A	N/A	Apology

\*N/A indicates that an individual was not a member of the Committee at the time of the specific meeting.

The Committee held quarterly meetings during 2022 that were all quorate. During these meetings, the Committee carried out its oversight duties as set out in its terms of reference and summarised in the Council Statement on Governance. In addition to the quarterly meetings of the Committee, CAR members also attended the annual joint meeting of the Finance and Audit and Risk Committees, at which four members of CAR were present.

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 was represented at one of the meetings in 2022.

In 2022, following the conclusion of the 2021 tender process overseen by the Committee, CAR formally welcomed the newly appointed internal audit team from Ernst & Young (EY) and expressed the Committee's appreciation to KPMG for the extended period during which they served the University as its internal auditors. CAR also thanked Mr John Matthews for the manner in which he supported the Committee in executing its responsibilities during his two terms as a member of CAR.

### **Summary of the main activities undertaken during the year**

In executing its duties in 2022, the Committee attended to the following key matters:

- Approval of the Committee's annual work plan and tracking progress against the plan.
- Revision of aspects of the Committee's standing orders and recommendations of proposed changes to Council.
- The Annual Insurance Review and quarterly reports on insurance claims.
- The Fraud and Ethics hotline reports.
- The Strategic Risk Register and related reports that were tabled during quarters 2 and 4 were discussed and recommended to Council with comments. The Operational Risk Report and Combined Assurance Report were also discussed and recommended to Council. The Committee also engaged with the Legal and ICT Risk Reports.
- The audit of the University subsidiaries.
- The reports of the University's other external auditors (grant audits) and their agreed upon procedures.
- The approval of Audit Planning Memoranda.
- The various internal audit reports that were received during 2022 were considered and reflected in the Committee's quarterly reports to Council. The Committee continued its focus on the information technology general controls (ITGC) and noted that, despite the challenging COVID-19 conditions, there was marked improvement in the ITGC control environment. Quarterly ICT reports remained a standing item on the CAR agenda. Given the financial implications, the Committee also provided oversight of the management of the remediation and final resolution of the Employee Tax Review internal audit findings.



- Action plans arising from the various internal audit reviews are implemented by management. The Committee provided quarterly oversight of management's progress in addressing all prior years' outstanding internal audit findings.
- The Committee deliberated on PWC's external auditors' report on management issues that arose during the audit cycle for the year ended 31 December 2021.
- Approval of the internal audit plan and fees.
- Approval of the scoping memorandum of internal audit.
- The Committee recommended the appointment of PWC as the external auditors for the Financial Year End 2022 with the concurrence of the Auditor-General of South Africa.
- Approval of the external audit coverage plan for the 2022 financial year and the external audit budget.

In terms of the University's 2022 Annual Report, the Committee

- noted *Council's Statement on Governance*,
- approved the *Report on Internal Operational Structures and Controls* and
- recommended this Report and the *Report on Risk Exposure Assessment and the Management Thereof* to Council for approval.

### **Self-assessment of the Committee**

In terms of good governance practices, the Committee performed a self-assessment of its 2022 activities and performance against its terms of reference.



**Judge Nathan Erasmus**  
Chairperson of Council



**Ms Hanlie Wessels**  
Chairperson: Council Audit and Risk  
Committee

## REPORT ON INTERNAL SYSTEMS OF OPERATIONAL STRUCTURES AND CONTROLS

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. Management shares the University's Strategic Risk Register, with the associated mitigating actions and controls, with the Council Audit and Risk Committee (CAR) quarterly. Annually, Management also provides a Report on Operational Risks emanating from the different Operational Risk Registers.

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 Council Audit and Risk Committee has also increased its scrutiny of the University's IT systems and related IT risks and commended the University for the progress made in addressing the challenges in the ICT control environment during the last few years and encouraged management to remain focussed on continuously enhancing the control environment.

During 2022, 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.

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. As part of its deliberations in 2022, the Committee took specific note of: fraudulent payment refund claims against student credit balances and management's subsequent actions to improve email access control security and payment verification checks; and the internal audit review findings in terms of the Fraud Hotline Vulnerability and Gap Assessment, and management's actions to address these.

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 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.

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



**Ms Hanlie Wessels**  
**Chairperson**  
**Council Audit and Risk Committee**

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**Mr Lucian Rolleston**  
**Director EY**  
**Internal Audit**

## 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**

UWC has an established Enterprise Risk Management (ERM) process that is reviewed on a continuous basis to further develop and refine its risk management and mitigation approach. UWC compiles a formal Strategic Risk Register that was updated bi-annually in 2022 and presented to Council via the Audit and Risk Committee. Annually, the University also presents an Operational Risk Report to the Council through its Audit and Risk Committee. During 2022, the University updated its Enterprise Risk Management Policy and developed an Enterprise Risk Management Framework. These documents are expected to be approved by Council in 2023.

The Council Audit and Risk Committee, Council Finance Committee and Executive Risk Management Committee advise Council on key risks. In addition, the Council Safety, Health and Environmental Risk Committee deals with health and safety and environmental risk issues.

The risk management governance structure at UWC is represented below:



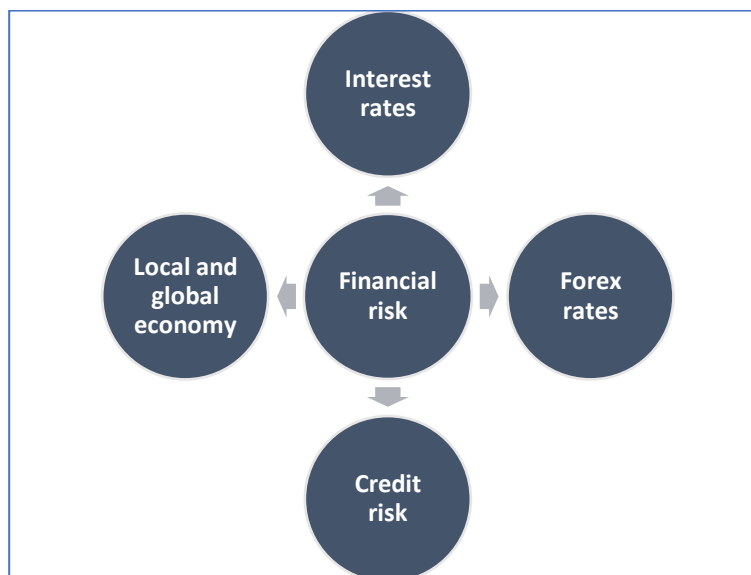
### **Assessment of risk exposure**

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 business 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, financial sustainability, staff, facilities and administrative services, and management, leadership and governance.

These exposures to risk 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 effect 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 ongoing and increased levels of loadshedding place significant additional pressure on the economy, and this influences investor confidence. Concerns around financial viability are intensified in the current climate, in which economic growth is strained; there is increased dependence on social grants; and the national fiscus continues to be under pressure. During 2022, the lack of funding for the National Student Financial Aid Scheme (NSFAS) continued to put the funding available for the University through block and earmarked grants under pressure. Similar to 2021, this resulted in the announcement of a reduction in block and earmarked grants, as well as delays in the finalisation and commencement of certain new grant cycles. It is likely that the higher education budget will remain under pressure, mainly as a result of the NSFAS funding requirements.

The energy crisis also poses significant financial and non-financial risks to the University. Long-term solutions and short-term mitigating actions are both very costly.

### Foreign exchange risk

The weakness and fluctuation of the rand have a direct effect 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

Interest rates started to increase again in 2022, and this directly affects the cost of servicing the University’s long-term 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. NSFAS is also not able to fund all qualifying students, which often results in higher dropout rates, with serious financial implications in terms of debt collection, and academic input and output performance targets and subsidy.

The continuous improvement in 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:

- Managing the effects of the national energy crisis on the academic and professional support service environments;
- Reputation management;
- Attracting and retaining appropriately skilled employees;
- Achieving student enrolment targets and throughput and retention rates;
- Operational risks resulting from process failures;
- Maintaining, upgrading and integrating information technology systems;
- The continued impact of the global COVID-19 pandemic on the health and well-being of staff and students; 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 effect on UWC. They are being addressed by the various action 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**

South Africa's schooling system remains hugely unequal with significant weaknesses, and this has a direct effect on expanding access to higher education. 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 2022, and the updated register was presented to Council during its December 2022 meeting. At the end of 2022, the top 10 strategic risks identified by management's assessment of risk were as follows:

- UWC's ICT infrastructure could undermine the University's ability to deliver on its core functions and pursue its strategic intentions.
- Failure to strengthen and diversify the UWC financial base to secure financial sustainability.



- 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 provide students with a safe, meaningful and stimulating university experience.
- The teaching and learning process is not contextually responsive and fails to optimise learning opportunities to prepare 21<sup>st</sup>-century graduates.
- Failure to recruit, retain and develop the key competencies and capabilities of UWC staff 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 ensure business continuity.
- UWC's institutional culture may be inflexible, unresponsive to meaningful change and may not support UWC's strategic aspirations.

### **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.

UWC has developed a 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. This plan was submitted to Council via the Council Audit and Risk Committee. UWC acknowledges that combined assurance is an iterative process that needs to evolve continuously for it to be useful and effective within an organisation. As part of strengthening the University's combined assurance approach, the reports and agreed upon procedures of all external auditors are also provided to the Council Audit and Risk Committee.

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 that 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 Hanlie Wessels**  
**Chairperson**  
**Council Audit and Risk Committee**



**Prof Tyrone Pretorius**  
**Rector and Vice-Chancellor**

# FINANCIAL REVIEW

Global markets continued to recover during 2022 as many countries relaxed their COVID-19 lockdown restrictions, and the experience of the Omicron variant has proven to be less pathogenic than expected. Oil and food pricing placed pressure on inflation rates. The impact of COVID-19 in South Africa, amongst others, was thus a reduction in revenue, a rise in unemployment, disruptions to transport and travel, and to manufacturing industries, a decline in tourism, and pressure on health systems. South Africa has adjusted its lockdown levels by relaxing restrictions, which opened up the South African economy.

The continuous failure in electricity supply by Eskom has left deep scars on the economy, and without an effective reform effort, South Africa is unlikely to achieve a positive market trajectory. This does not bode well for employment, poverty, inequality, unrest and business confidence. The rand-to-dollar exchange rate has deteriorated at an alarming rate, and is a negative market warning.

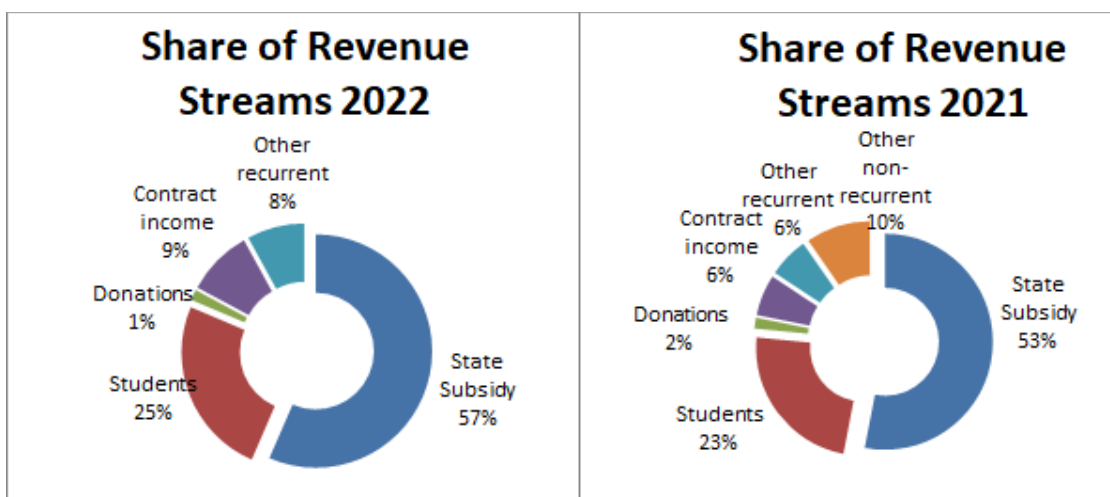
The University of the Western Cape (UWC) had to navigate its finances with caution and sensitivity during the current year. It adjusted its budgets due to the change in operating models and consulted with various stakeholders on its financial position.

## OPERATING RESULTS

### UNRESTRICTED REVENUE STREAMS

The University of the Western Cape experienced a successful financial year. With all the uncertainty prevailing within the South African economy, UWC delivered an operational surplus for 2022. This was achieved despite a reduction in state subsidy, mainly due to the change to remote learning and teaching processes and lockdown rules prohibiting travel, along with working from home.

The University is funded from many sources that can broadly be categorised into 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 show the gross amounts of both the tuition income and bursary expense.



### Comparison of income derived from different revenue streams in 2022 and 2021

State subsidy constituted the largest portion of UWC's revenue streams, contributing 57% (2021: 53%) to income in proportion to the consolidated pool of funding and student income to the extent of 25% (2021: 23%). The remaining 18% (2021: 24%) is represented by third-stream income items. The Department of Higher Education and Training (DHET) has increased its contribution to the National Student Financial Aid Scheme (NSFAS) within the sector.

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

In 2022, UWC posted assets of R6.3 billion (2021: R5.9 billion) and a consolidated operating surplus of R69 million (2021: R404 million). The unrestricted operating surplus is 1% (2021: 8%) as a percentage of gross unrestricted income.

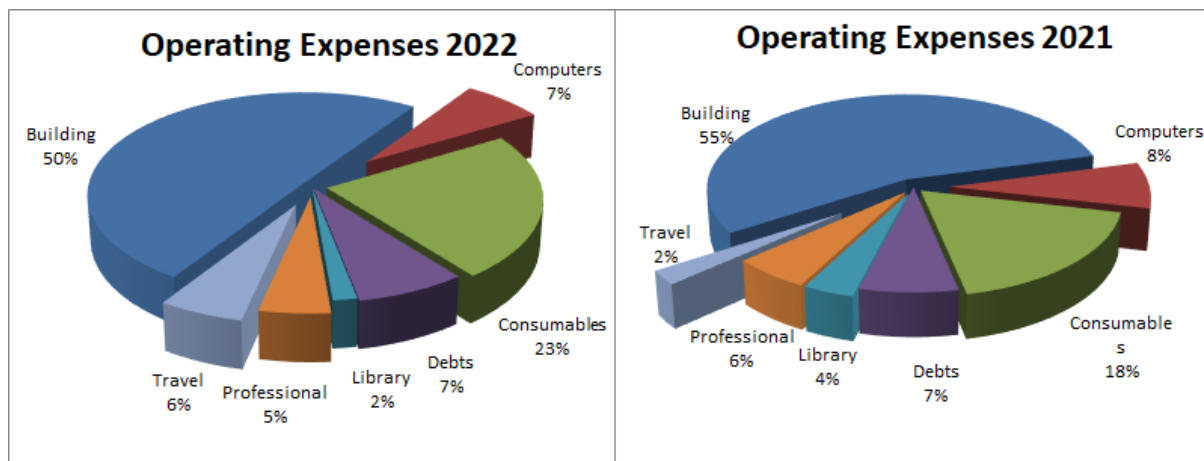
### Abridged Income and Expenditure of Council-controlled and Student Accommodation Funds

	2022 (Rmil)	% diff	2021 (Rmil)	% diff	2020 (Rmil)	% diff	2019 (Rmil)	% diff	2018 (Rmil)	% diff
<b>TOTAL INCOME:</b>	<b>2 091,3</b>	6%	<b>1 969,1</b>	4%	<b>1 898,5</b>	4%	<b>1 822,1</b>	11%	<b>1 646,7</b>	5%
State subsidies and grants	1 282,4	8%	1 186,6	2%	1 166,1	7%	1 085,7	10%	990,1	17%
Tuition and accommodation income	816,7	4%	785,7	12%	703,7	8%	653,6	9%	598,7	5%
Bursaries	(126,9)	-3%	(131,5)	9%	(120,4)	7%	(112,6)	46%	(76,9)	
Other recurrent income	119,1	-7%	128,3	-14%	148,8	-12%	169,1	28%	132,1	-10%
Other non-recurrent income	0,0	-100%	0,1	-84%	0,3	-99%	26,3		2,7	0%
<b>TOTAL EXPENSES:</b>	<b>2 161,0</b>		<b>1 930,4</b>		<b>1 908,4</b>	7%	<b>1 777,7</b>	8%	<b>1 642,5</b>	6%
Employment costs	1 328,7	10%	1 202,5	1%	1 190,1	10%	1 081,3	11%	975,1	11%
Operating expenses	583,6	18%	496,2	2%	488,4	5%	467,2	-3%	482,5	-3%
Depreciation	190,9	6%	179,2	4%	172,5	6%	162,5	21%	134,3	17%
Expected credit losses	47,4	26%	37,6	-16%	44,6	13%	39,6	71%	23,2	100%
Retirement funds' adjustment	0,0		0,0	-100%	0,5	0%	1,7	-85%	10,9	-61%
Realised loss of marketable securities	0,9		0,0							
Disposal of property, plant and equipment	1,2	347%	0,3	0%	0,0	0%	8,7	100%	0,0	0%
Finance costs	8,3	-43%	14,6	19%	12,2	-27%	16,7	0%	16,6	-24%
Transfers of nominated bursaries	(81,9)	-17%	(98,4)	8%	(91,1)	12%	(81,2)	55%	(52,5)	
<b>NET SURPLUS</b>	<b>12,3</b>	-91%	<b>137,1</b>	69%	<b>81,2</b>	-35%	<b>125,6</b>	122%	<b>56,6</b>	321%
<b>Capital Expenditure</b>	<b>508,4</b>	-20%	<b>635,9</b>	81%	<b>352,2</b>	51%	<b>232,8</b>	-21%	<b>296,1</b>	-38%

The unrestricted operating surplus for 2022, as shown above, is R12.3 million (2021: R137.1 million).

### OPERATING EXPENSES

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



### *Comparison of operating expenses in 2022 and 2021*

Operating expenses include strategically funded intervention programmes that accelerate third-stream income and support 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 had not reached completion by year-end. The impact of tariff increases associated with utilities like water and electricity has resulted in it comprising a larger share of building costs in proportion to other costs. Operating costs normalised during the current year as COVID-19 lockdown restrictions were lifted and in-person learning and teaching were reintroduced.

The Student Accommodation Fund yielded a loss of R13.2 million (2021: R10 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 in infrastructure. UWC is sensitive to the accommodation rate increase and will continue to explore ways to achieve a minimum of breakeven of the fund.

## **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 the debt.

The COVID-19 pandemic caused a deterioration in student debt recovery during 2021, but improved steadily over the current year. UWC continues to seek funding for the so-called missing middle students (unfunded students).

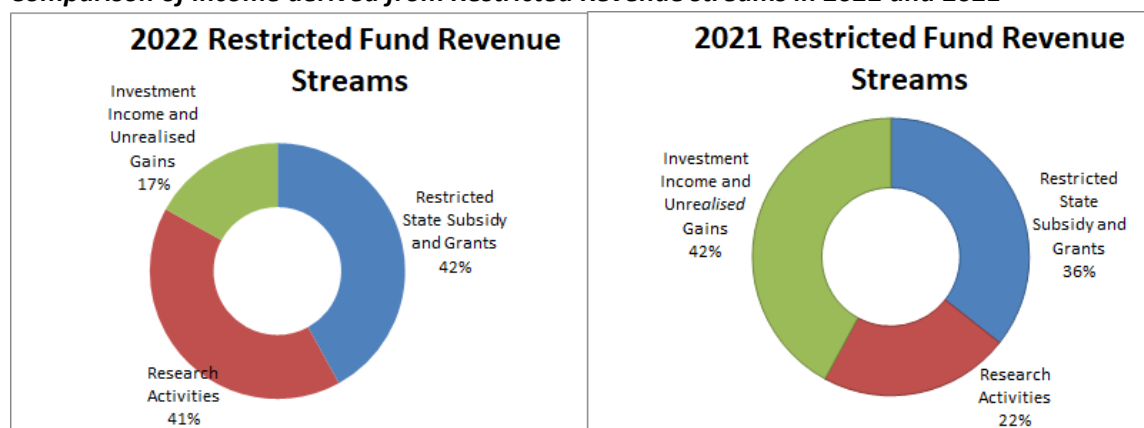
UWC has a history of registering academically viable, indigent students without the necessary financial resources to pay their tuition and residence fees upfront. This supports UWC's Mission statement that commits the University to provide meaningful access. In return, the University's commitment to 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 addressing student debt.

### RESTRICTED STATE SUBSIDIES AND GRANTS

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 R57 million (2021: R267 million).

#### *Comparison of income derived from Restricted Revenue streams in 2022 and 2021*



The unrealised gain from investments decreased by R226 million due to 2021 being an exceptional year of recovery and normalising values. Research activities for 2022 amounted to R174 million (2021: R68 million) represent stability from this source. Unspent contract research has been deferred to contract liabilities and represents the University's obligation to fulfil future research. State-funded research and government grant release in terms of IAS20 constituted the largest portion of Restricted Fund revenue streams, contributing R291 million (2021: R291 million) to restricted fund income.

### 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 345 million (2021: R1 407 million) in the Consolidated Statement of Financial Position. This is mainly a result of grants received from the DHET over the years 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 depreciation 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 through a phased-in approach. The liability therefore is similar to the Government Grants accounting policy in that it will be reduced systematically over a period of time, even though it does not represent an obligation to be settled by the University in the future.

### **LEASES**

The University implemented IFRS16 'Leases', effective 1 July 2019. IFRS 16 requires lessees to recognise leased assets and liabilities on their Statement of Financial Position (balance sheet). In other words, assets that were traditionally recognised as an operating lease expense in terms of a transfer of ownership do not transfer at the end of the lease and are now being capitalised due to the University being able to exercise the right to control of use. Leases of equipment with low values and for less than 12 months are expensed during the year. The net book value of leases capitalised is R8.4 million (2021: R26.8 million). The decline in leases capitalised is due to the non-renewal of certain student residential leases.

### **INTEREST-BEARING BORROWINGS**

UWC entered into a long-term loan of R219 million with ABSA Bank in 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 R76 million (2021: R98 million).

Another long-term loan was signed with the Development Bank of Southern Africa (DBSA) in 2021, for R375 million, to co-fund the Unibell residences with accommodation for 2 700 students. The first drawdown of the loan occurred in 2022. The loan is repayable in monthly instalments over 20 years, commencing in 2022, at 240 basis points above the Jibar-linked interest rate.

### **INFRASTRUCTURE IMPROVEMENT AND EXPANSION PROJECTS**

The University is committed to investing in its infrastructure. Although there is a backlog of refurbishment and maintenance on existing infrastructure, UWC annually invests at least R40 million from its operating budget in 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 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 the campus as a whole. The construction programme was delayed due to the COVID-19 lockdown rules and commenced in 2020, when the lockdown restrictions were lifted. The project achieved completion during the current year.

**Greatmore Street development:** The University 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, and will include a Laboratory of Kinetic Objects (LoKO) for the making and exploring of prosthetic art objects. It will also house an 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 in 2020. The project is expected to be completed in 2023.

**Unibell 2 700 Student Accommodation development:** The University commenced its construction programme in 2020 for the installation of 2 700 student accommodation beds opposite the Unibell Station in Belhar on a piece of land consisting of three erven. The project was delayed due to the COVID-19 lockdown rules. The project achieved completion during the current year.

**UWC Innovation Hub:** The University purchased the old Transhex Building in Parow. The UWC Innovation Hub is intended to accommodate the specialised ICT equipment and a showroom for virtual reality and augmented reality displays, learning and teaching programmes and private sector use as third-stream income. Construction commenced in 2021 and is expected to be completed during 2023.

## GOING CONCERN

UWC goes through a rigorous financial planning process that includes stress testing, sensitivity analysis, peer reviews and governance reviews on a minimum five-year financial trajectory, along with scenario planning and reasonableness. The University's testing of its going concern risk has revealed positive liquidity in future years and favourable financial indicators. The positive financial results and the forward financial planning have achieved going-concern status.

## CONCLUSION

The financial results for 2022 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 has remained a going concern through tough economic conditions. The periods post-COVID-19 will require strong leadership, close engagement with stakeholders and unity for the University to remain a going concern.



**Mr Thobile Lamati**  
**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 68 to 100 of the University's 2022 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 this Annual Report and approved all Council Statements included in this Annual Report. Council confirms the accuracy and consistency of the approved documents with the financial statements.

The financial statements have been audited by PricewaterhouseCoopers, 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 68 to 100 of this Annual Report were approved by Council on 22 June 2023 and are signed on its behalf by:



**Judge Nathan Erasmus**  
Chairperson of Council



**Prof Tyrone Pretorius**  
Rector and Vice-Chancellor



**Mr Thobile Lamati**  
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 68 to 100, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, statement of changes in funds and statement of cash flows 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 2022, 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 Group 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and

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using the going concern basis of accounting unless the accounting authority either intends to liquidate the Group 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 2022:

<b>Objectives</b>	<b>Pages in the annual performance report</b>
Goal Area 1: The student experience	2 – 4
Goal Area 2: Learning and teaching	4 – 5

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 student experience
- Goal Area 2: Learning and teaching

## **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 2022". 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*

<b>Entity name/ engagement</b>	<b>Purpose of the engagement</b>	<b>Status of the engagement</b>	<b>Period covered</b>
Department of Higher Education and Training- Infrastructure grant	Agreeing expenditure to contracts and supporting information	Report issued	1 April 2022 – 31 December 2022
Department of Higher Education and Training- Research outputs	Verification of research articles published in accredited journals	Report issued	1 January 2022 – 31 December 2022
PERSAL salary deduction facility	Agreeing expenditure to contracts and supporting information	Report issued	1 January 2022 – 31 December 2022
Department of Higher Education and Training – Clinical enrolment data	Verification of inputs or information relating to the submission to the DHET	Report issued	1 January 2022 – 31 December 2022
Department of Higher Education and Training - HEMIS submission	Verification of inputs or information relating to the submission to the DHET	In progress	1 January 2022 – 31 December 2022
Department of Higher Education and Training – Supplementary schedules	Verification of inputs or information relating to the submission to the DHET	In progress	1 January 2022 – 31 December 2022

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

*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
 Director: D Adriaans  
 Registered Auditor  
 Stellenbosch, South Africa  
 30 June 2023



## **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.



**UNIVERSITY OF THE WESTERN CAPE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2022**

UNIVERSITY of the  
WESTERN CAPE

	Notes	ZAR 2022	ZAR 2021
<b>ASSETS</b>		<b>6 327 623 548</b>	<b>5 995 428 151</b>
<b>Non-Current Assets</b>		<b>5 206 097 792</b>	<b>4 861 550 997</b>
Property, plant and equipment	2	3 248 639 720	2 902 411 853
Intangible Assets	2.3	88 292 759	96 044 348
Right-of-use assets	2.1	8 422 385	26 791 552
Service concession: Property, plant and equipment	2.2	167 918 982	171 984 928
Investments	3	1 690 418 871	1 662 042 640
Post employment fund surpluses		2 405 075	2 275 677
Retirement fund surplus	10	2 405 075	2 275 677
<b>Current Assets</b>		<b>1 121 525 756</b>	<b>1 133 877 155</b>
Inventories	5	2 265 035	1 904 535
Accounts receivable		191 854 953	203 550 040
Student fee debtors	6	107 442 525	118 267 346
Other receivables	7	84 412 428	85 282 694
Cash and cash equivalents	8	797 916 915	847 878 775
Investments	3	129 106 381	80 151 751
Staff loans	4	382 472	392 053
<b>FUNDS AND LIABILITIES</b>		<b>6 327 623 548</b>	<b>5 995 428 151</b>
<b>Funds available</b>		<b>3 548 500 420</b>	<b>3 479 588 943</b>
Council controlled funds		(1 392 882 174)	(1 044 189 820)
Restricted use funds		1 618 256 669	1 563 609 181
Student accommodation funds		(39 670 653)	(49 333 287)
Property, plant and equipment and intangible asset funds		3 336 932 479	2 985 798 095
Service concession: Property, plant and equipment fund		25 864 099	23 704 774
<b>Non-Current Liabilities</b>		<b>2 015 725 671</b>	<b>1 756 153 043</b>
Interest-bearing borrowings	9	392 077 129	54 743 092
Lease Liabilities	15	5 453 997	11 387 869
Service concession: Liability	13	105 829 612	112 054 883
Deferred government grants	24	1 345 496 880	1 406 905 527
Contract liabilities	27	13 869 927	25 431 882
Leave pay provision	11	152 998 126	145 629 790
<b>Current Liabilities</b>		<b>763 397 457</b>	<b>759 686 165</b>
Accounts payable and accrued liabilities	12	440 317 331	473 442 559
Service concession: Liability	13	6 225 271	6 225 271
Deferred government grants	24	90 203 214	14 820 502
Contract liabilities	27	159 349 940	178 831 157
Lease Liabilities	15	5 933 873	20 242 352
Leave pay provision	11	39 622 402	44 378 897
Interest-bearing borrowings	9	21 745 428	21 745 428



**UNIVERSITY OF THE WESTERN CAPE  
CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2022**

UNIVERSITY of the  
WESTERN CAPE

Notes	Council controlled funds	Restricted use funds	Student Accommodation funds	Service Concession: PPE	Property, plant and equipment, and Intangible asset funds	Total Funds
<b>FOR THE YEAR ENDED 31 DECEMBER 2022</b>						
Accumulated funds at 1 January 2022 (ZAR)	(1 044 189 820)	1 563 609 181	(49 333 287)	23 704 774	2 985 798 095	3 479 588 943
<b>Total comprehensive income for the year</b>	<b>25 478 492</b>	<b>56 640 751</b>	<b>(13 207 766)</b>	-	-	<b>68 911 477</b>
Net surplus for the year	25 478 492	56 640 751	(13 207 766)	-	-	68 911 477
Transfers for acquisition/disposal of PPE	(500 108 721)	-	-	-	500 108 721	-
Transfer of depreciation on PPE	130 169 882	-	22 870 401	(4 065 946)	(148 974 337)	-
Transfers to eliminate dormant entities	103 527	(103 527)	-	-	-	-
Service Concession Liability release	(6 225 271)	-	-	6 225 271	-	-
Other inter-fund transfers	1 889 736	(1 889 736)	-	-	-	-
<b>Accumulated funds at 31 December 2022</b>	<b>(1 392 882 174)</b>	<b>1 618 256 669</b>	<b>(39 670 652)</b>	<b>25 864 099</b>	<b>3 336 932 479</b>	<b>3 548 500 420</b>
<b>FOR THE YEAR ENDED 31 DECEMBER 2021</b>						
Accumulated funds at 1 January 2021 (ZAR)	(711 074 482)	1 301 199 714	(58 528 986)	21 545 449	2 522 607 285	3 075 748 980
<b>Total comprehensive income for the year</b>	<b>147 072 500</b>	<b>266 720 086</b>	<b>(9 952 623)</b>	-	-	<b>403 839 963</b>
Net surplus for the year	147 072 500	266 720 086	(9 952 623)	-	-	403 839 963
Transfers for acquisition/disposal of PPE	(638 361 149)	-	-	-	638 361 149	-
Transfer of depreciation on PPE	160 087 963	-	19 148 322	(4 065 946)	(175 170 339)	-
Transfers to eliminate dormant entities	365 867	(365 867)	-	-	-	-
Service Concession Liability release	(6 225 271)	-	-	6 225 271	-	-
Other inter-fund transfers	3 944 752	(3 944 752)	-	-	-	-
<b>Accumulated funds at 31 December 2021</b>	<b>(1 044 189 820)</b>	<b>1 563 609 181</b>	<b>(49 333 287)</b>	<b>23 704 774</b>	<b>2 985 798 095</b>	<b>3 479 588 943</b>





**UNIVERSITY OF THE WESTERN CAPE  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	ZAR 2022	ZAR 2021
<b>TOTAL INCOME</b>		<b>2 784 389 040</b>	<b>2 785 570 323</b>
<b>Recurrent revenue</b>		<b>2 784 389 040</b>	<b>2 516 083 064</b>
State subsidies and grants	14	1 573 565 567	1 477 388 217
Student fee revenue	27	691 735 842	654 347 544
Tuition Fees		818 655 115	785 866 708
Bursaries		(126 919 273)	(131 519 164)
Income from contracts	27	255 707 541	170 938 540
For research		173 769 829	67 808 939
For other activities		81 937 712	103 129 601
Private gifts and grants		40 738 292	44 918 210
Other recurrent income	18.1 / 27	71 388 775	54 412 432
<b>Sub-total</b>		<b>2 633 136 016</b>	<b>2 402 004 943</b>
Interest revenue calculated using the effective interest method	16	52 881 358	44 241 425
Interest on investments at fair value through profit or loss	16	66 864 416	40 935 304
Dividends income	16	31 507 250	28 901 392
<b>Non-recurrent items</b>			<b>269 435 537</b>
Gain of marketable securities		-	269 435 537
<b>TOTAL EXPENDITURE</b>		<b>2 715 477 561</b>	<b>2 381 730 358</b>
<b>Recurrent items</b>		<b>2 662 101 752</b>	<b>2 381 472 800</b>
Personnel		1 552 341 657	1 437 079 133
Academic professionals	17	821 811 405	784 554 423
Other personnel	17	730 530 252	652 524 710
Expected credit losses	18.2	47 447 003	37 597 700
Other operating expenses	18.2	863 161 001	712 969 024
Depreciation and amortisation	2	190 862 176	179 236 285
<b>Sub-total</b>		<b>2 653 811 838</b>	<b>2 366 882 142</b>
Finance costs	19	8 289 915	14 590 658
<b>Non-recurrent items</b>		<b>53 375 809</b>	<b>257 558</b>
Loss on disposal of Property, plant and equipment		1 213 616	257 558
Loss of marketable securities	16	52 162 193	-
<b>NET SURPLUS FOR THE YEAR</b>		<b>68 911 479</b>	<b>403 839 963</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>68 911 479</b>	<b>403 839 963</b>
<b>The surplus for the year is analysed as follows:</b>			
Council Controlled Funds		25 478 492	147 072 500
Accommodation Funds		(13 207 765)	(9 952 623)
Restricted Funds - Normal activities		56 640 752	266 720 086
<b>NET SURPLUS FOR THE YEAR</b>		<b>68 911 479</b>	<b>403 839 963</b>



**UNIVERSITY OF THE WESTERN CAPE  
STATEMENT OF COMPREHENSIVE INCOME - COUNCIL CONTROLLED  
FOR THE YEAR ENDED 31 DECEMBER 2022**

UNIVERSITY of the  
WESTERN CAPE

	Notes	COUNCIL CONTROLLED FUNDS	
		ZAR	ZAR
		2022	2021
<b>TOTAL INCOME</b>		<b>1 992 178 281</b>	<b>1 876 001 201</b>
<b>Recurrent revenue</b>		<b>1 992 178 281</b>	<b>1 875 949 480</b>
State subsidies and grants		1 282 409 678	1 186 564 297
Student fee revenue	27	596 696 742	564 027 909
Tuition Fees		723 616 015	695 547 073
Bursaries		(126 919 273)	(131 519 164)
Income from contracts	27	43 401 153	51 381 274
For other activities		43 401 153	51 381 274
Private gifts and grants		461 081	786 688
Other recurrent income	18.1 / 27	35 535 730	33 439 092
<b>Sub-Total</b>		<b>1 958 504 384</b>	<b>1 836 199 260</b>
Interest revenue calculated using the effective interest method	16	30 945 756	39 581 789
Interest on investments at fair value through profit or loss	16	2 561 275	-
Dividends income	16	166 866	168 431
<b>Non-recurrent items</b>		<b>-</b>	<b>51 721</b>
Realised gain of marketable securities		-	51 721
<b>TOTAL EXPENDITURE</b>		<b>2 048 648 346</b>	<b>1 827 300 754</b>
<b>Recurrent items</b>		<b>2 046 556 321</b>	<b>1 827 034 695</b>
Personnel		1 307 345 265	1 182 575 042
Academic professionals	17	729 239 476	666 653 179
Other personnel	17	578 105 789	515 921 863
Expected credit losses	18.2	47 447 003	37 597 700
Other operating expenses	18.2	516 522 695	432 183 332
Depreciation (inc. leases) and amortisation		167 991 775	160 087 963
<b>Sub-Total</b>		<b>2 039 306 739</b>	<b>1 812 444 038</b>
Finance costs	19	7 249 583	14 590 658
<b>Non-recurrent items</b>		<b>2 092 025</b>	<b>266 058</b>
Loss on disposal of property, plant and equipment		1 189 870	266 058
Loss of marketable securities	16	902 155	-
Transfers of nominated bursary expenditure		81 948 557	98 372 053
<b>NET SURPLUS FOR THE YEAR</b>		<b>25 478 492</b>	<b>147 072 500</b>
<b>Other Comprehensive Income</b>			
Remeasurement losses on defined benefit plan	10.1	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>25 478 492</b>	<b>147 072 500</b>



**UNIVERSITY OF THE WESTERN CAPE**  
**STATEMENT OF COMPREHENSIVE INCOME - STUDENT ACCOMMODATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	STUDENT ACCOMMODATION	
		ZAR 2022	ZAR 2021
<b>TOTAL INCOME</b>		<b>99 096 195</b>	<b>93 133 157</b>
<b>Recurrent revenue</b>		<b>99 096 195</b>	<b>93 133 157</b>
Student fee revenue	27	93 053 144	90 147 790
Other recurrent income	18.1 / 27	6 043 051	2 985 367
<b>TOTAL EXPENDITURE</b>		<b>112 303 960</b>	<b>103 085 780</b>
<b>Recurrent items</b>		<b>112 303 960</b>	<b>103 085 780</b>
Personnel		21 320 389	19 939 441
Other personnel	17	21 320 389	19 939 441
Other operating expenses	18.2	67 072 839	63 998 017
Depreciation and amortisation		22 870 401	19 148 322
		<b>111 263 628</b>	<b>103 085 780</b>
Finance costs	19	1 040 332	-
<b>NET DEFICIT FOR THE YEAR</b>		<b>(13 207 765)</b>	<b>(9 952 623)</b>



**UNIVERSITY OF THE WESTERN CAPE  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - RESTRICTED USE FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

UNIVERSITY of the  
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	Notes	RESTRICTED USE FUNDS	
		ZAR	ZAR
		2022	2021
<b>TOTAL INCOME</b>		<b>693 114 564</b>	<b>816 435 965</b>
<b>Recurrent revenue</b>		<b>693 114 564</b>	<b>547 000 428</b>
State subsidies and grants		291 155 889	290 823 920
Student fee revenue	27	1 985 956	171 845
Tuition Fees		1 985 956	171 845
Income from contracts	27	212 306 388	119 557 266
For research		173 769 829	67 808 939
For other activities		38 536 559	51 748 327
Private gifts and grants		40 277 211	44 131 522
Other recurrent income	18.1 / 27	29 809 993	17 987 973
<b>Sub-Total</b>		<b>575 535 438</b>	<b>472 672 526</b>
Interest revenue calculated using the effective interest method	16	21 935 601	4 659 636
Interest on investments at fair value through profit or loss	16	64 303 141	40 935 304
Dividends income	16	31 340 384	28 732 961
<b>Non-recurrent items</b>		<b>-</b>	<b>269 435 537</b>
Gain on market value of Investments	16	-	269 435 537
<b>TOTAL EXPENDITURE</b>		<b>503 241 471</b>	<b>451 352 325</b>
<b>Recurrent items</b>		<b>503 241 471</b>	<b>451 352 325</b>
Personnel		223 676 004	234 564 650
Academic professionals	17	92 571 929	117 901 244
Other personnel	17	131 104 075	116 663 406
Other operating expenses	18.2	279 565 467	216 787 675
<b>Non-recurrent items</b>		<b>51 283 785</b>	<b>(8 500)</b>
Loss of marketable securities	16	51 260 038	-
(Profit) / Loss on sale of PPE	3/17	23 747	(8 500)
Transfers of nominated bursary expenditure		(81 948 557)	(98 372 053)
<b>NET SURPLUS FOR THE YEAR</b>		<b>56 640 752</b>	<b>266 720 087</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>56 640 752</b>	<b>266 720 086</b>



**UNIVERSITY OF THE WESTERN CAPE  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

		ZAR	ZAR
	Notes	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net surplus / (deficit) before interest and dividends</b>	25	<b>(74 051 632)</b>	<b>304 352 500</b>
<b>Adjusted for:</b>			
Depreciation Property, plant and equipment & amortisation on intangible assets	2	172 493 009	159 783 559
Depreciation Right-of-use assets	2.1	18 369 167	19 452 726
Decrease in service concession: Liability	13	(6 225 271)	(6 225 271)
Expected credit losses	18.2	47 447 003	37 597 700
Fair Value adjustment on Investment	3	52 162 193	(269 487 258)
Government grants recognised during the year	24	(135 072 195)	(164 998 200)
Government grants deferred during the year	24	71 154 712	106 203 516
Loss / (Profit) on sale of assets	2	1 213 616	257 558
Retirement fund income		(129 398)	(93 185)
		<b>147 361 204</b>	<b>186 843 645</b>
<b>Working Capital adjustments</b>			
(Increase) in inventory		(360 497)	(7 405)
(Increase) in receivables		(35 751 917)	(37 791 550)
Decrease in staff loans		9 581	25 416
(Decrease) / Increase in contract liabilities		(31 043 172)	86 200 907
(Decrease) / Increase in payables and provisions		(30 513 154)	88 441 638
<b>Cash generated from operations</b>		<b>49 702 046</b>	<b>323 712 651</b>
Interest received	16	119 745 774	85 176 729
Dividends received	16	31 507 250	28 901 392
Finance costs	19	(8 289 915)	(14 590 658)
<b>Net cash flows from operating activities</b>		<b>192 665 156</b>	<b>423 200 113</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets	2	(508 380 801)	(635 941 846)
Disposal of property, plant and equipment	2	258 197	4 117 671
Proceeds on disposal of current investments	3	-	1 732 663
Purchase of current investments	3	(48 954 630)	-
Purchase of marketable securities and fixed deposits	3	(1 164 793 121)	(457 782 165)
Proceeds on disposal of marketable securities	3	1 084 254 696	403 638 598
<b>Net cash flows used in investing activities</b>		<b>(637 615 659)</b>	<b>(684 235 079)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities	20.7	(20 242 352)	(18 906 983)
Repayment of long term loan: Absa	20.7	(21 699 525)	(21 824 989)
Proceeds from the Development Bank of Southern Africa	20.7	359 038 973	-
Government grants received	20.7	77 891 548	-
<b>Net cash flows used in financing activities</b>		<b>394 988 645</b>	<b>(40 731 972)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(49 961 858)</b>	<b>(301 766 937)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	8	<b>847 878 775</b>	<b>1 149 645 712</b>
<b>Cash and cash equivalents at the end of the year</b>	8	<b>797 916 915</b>	<b>847 878 775</b>

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**UNIVERSITY OF THE WESTERN CAPE  
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation**

The consolidated annual financial statements of the University of the Western Cape 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 the 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 1.22 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 university has control. The university controls an entity where the university 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 university. 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. For a list of subsidiaries that are consolidated refer to note 30.

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**

*Council Controlled Funds*

The council controlled funds reflect the University's subsidised activities including 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 use funds*

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

*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 university.

*Service concession: PPE 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.

*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 in 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 presents 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 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 least 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 cost centre is entitled to for the year. 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.



**UNIVERSITY OF THE WESTERN CAPE  
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 Other Comprehensive Income (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 to 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 rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

## 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, 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.

##### Offset

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.





**UNIVERSITY OF THE WESTERN CAPE  
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**1 ACCOUNTING POLICIES (continued)**

**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. Borrowing cost incurred prior to assets being commissioned is capitalised.

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.

**1.9 Intangible Assets**

Intangible Assets consists of an ERP system and IT software. The intangible assets were acquired and internally generated. 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 the university.



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**1 ACCOUNTING POLICIES (continued)**

**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 of 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 1.8 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. 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.

**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 University 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 University 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 University 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 equivalents 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**

**Borrowing costs**

Borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that take a substantial period of time to get ready for their intended use. Other borrowing costs are recognised as an expense.

**New and amended standards adopted by the University**

The University has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- IFRS 16, "Leases" COVID-19-Related Rent Concessions Amendment.
- Annual improvements cycle 2018-2020.
- Amendments to IAS37 Onerous Contracts - Cost of Fulfilling a Contract.
- Amendments to IAS16 Property Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS3, "Business combinations" Asset or liability in a business combination clarity.

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 2022 reporting periods and have not been early adopted by the university. 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.

Amendments to IAS 1, "Presentation of Financial Statements" on Classification of Liabilities as Current or Non-current (Annual periods beginning on or after 01 January 2023).

- Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Annual periods beginning on or after 1 January 2023)
- Narrow scope amendments to IAS 1, "Presentation of Financial Statements", Practice statement 2 and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Annual periods beginning on or after 1 January 2023).



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**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.

**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.



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**1 ACCOUNTING POLICIES (continued)**

**1.22 Significant accounting judgements and estimates (continued)**

**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 15 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.



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**2. PROPERTY, PLANT AND EQUIPMENT**

	Land & buildings ZAR	Furniture & equipment ZAR	Computer equipment ZAR	Vehicles ZAR	Total ZAR
<b>Year ended 31 December 2022</b>					
Opening net book value	1 913 060 069	160 459 601	40 478 551	9 838 835	2 123 837 056
Additions	861 046 866	44 218 575	17 711 006	6 077 287	929 053 734
Disposals	(13 562)	(78 953)	(56 010)	(460 653)	(609 178)
Depreciation charge	(86 850 846)	(38 517 909)	(23 505 185)	(1 994 921)	(150 868 861)
<b>Closing net book value</b>	<b>2 687 242 526</b>	<b>166 081 315</b>	<b>34 628 362</b>	<b>13 460 548</b>	<b>2 901 412 752</b>
<b>At 31 December 2022</b>					
Gross cost	3 498 072 281	597 299 237	242 429 570	25 999 739	4 363 800 827
Gross accumulated depreciation	(810 829 755)	(431 217 922)	(207 801 208)	(12 539 191)	(1 462 388 077)
<b>Net book value</b>	<b>2 687 242 526</b>	<b>166 081 315</b>	<b>34 628 362</b>	<b>13 460 548</b>	<b>2 901 412 752</b>
<b>Year ended 31 December 2021</b>					
Opening net book value	1 958 362 253	178 216 057	35 544 849	9 701 744	2 181 824 902
Additions	35 504 089	18 390 574	29 016 298	2 363 475	85 274 436
Disposals	(3 621 600)	(239 104)	(92 794)	(421 821)	(4 375 319)
Depreciation charge	(77 184 673)	(35 907 926)	(23 989 802)	(1 804 563)	(138 886 964)
<b>Closing net book value</b>	<b>1 913 060 069</b>	<b>160 459 600</b>	<b>40 478 551</b>	<b>9 838 835</b>	<b>2 123 837 056</b>
<b>At 31 December 2021</b>					
Gross cost	2 638 647 854	553 495 648	225 388 993	21 457 052	3 438 989 547
Gross accumulated depreciation	(725 587 785)	(393 036 046)	(184 910 442)	(11 618 217)	(1 315 152 490)
<b>Net book value</b>	<b>1 913 060 069</b>	<b>160 459 600</b>	<b>40 478 551</b>	<b>9 838 835</b>	<b>2 123 837 056</b>

**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 Sciences 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.
- Sectional Title - 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.
- 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 on the 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.
- UWC Innovation Hub 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.
- Unibel Residence, Erf 40932, 5 Education Street, Belhar Ext 8, Bellville, City of Cape Town Western Cape Province.
- Unibel Residence, Erf 40933, 15A Chancellor Street, Belhar Ext 8, Bellville, City of Cape Town Western Cape Province.
- Unibel Residence, Erf 40936, 5 Chancellor Street, Belhar Ext 8, Bellville, City of Cape Town Western Cape Province.

Work in Progress	Intangible Assets ZAR	Land & buildings ZAR	Furniture & equipment ZAR	Computer equipment ZAR	Total ZAR
<b>Year ended 31 December 2022</b>					
Opening net book value	25 199 335	713 717 467	663 638	38 994 357	778 574 797
Additions	16 023 362	238 108 665	35 717 060	2 098 907	291 947 994
Work in progress capitalised	(7 393 823)	(714 993 402)	-	-	(722 387 225)
Disposals	-	(908 598)	-	-	(908 598)
<b>Closing net book value</b>	<b>33 828 874</b>	<b>235 924 132</b>	<b>36 380 698</b>	<b>41 093 264</b>	<b>347 226 968</b>
<b>At 31 December 2022</b>					
Gross cost	33 828 874	235 924 132	36 380 698	41 093 264	347 226 968
Gross accumulated depreciation	-	-	-	-	-
<b>Net book value</b>	<b>33 828 874</b>	<b>235 924 132</b>	<b>36 380 698</b>	<b>41 093 264</b>	<b>347 226 968</b>
<b>Year ended 31 December 2021</b>					
Opening net book value	23 004 916	172 902 403	1 129 542	35 217 594	232 254 455
Additions	12 511 930	549 833 954	-	3 776 763	566 122 647
Work in progress capitalised	(10 317 511)	(9 018 890)	(465 904)	-	(19 802 305)
Disposals	-	-	-	-	-
Amortised	-	-	-	-	-
<b>Closing net book value</b>	<b>25 199 335</b>	<b>713 717 467</b>	<b>663 638</b>	<b>38 994 357</b>	<b>778 574 797</b>
<b>At 31 December 2021</b>					
Gross cost	25 199 335	713 717 467	663 638	38 994 357	778 574 797
<b>Net book value</b>	<b>25 199 335</b>	<b>713 717 467</b>	<b>663 638</b>	<b>38 994 357</b>	<b>778 574 797</b>



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**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	2022 ZAR
Opening net book value	26 084 187	707 365	26 791 552
Depreciation	(17 661 802)	(707 365)	(18 369 167)
Closing net book value	<u>8 422 385</u>	<u>-</u>	<u>8 422 385</u>
<b>Reconciliation</b>			
Gross cost	61 686 048	8 118 387	69 804 435
Accumulated depreciation	(53 263 663)	(8 118 387)	(61 382 050)
Net book value	<u>8 422 385</u>	<u>-</u>	<u>8 422 385</u>
	Buildings ZAR	Equipment ZAR	2021 ZAR
Opening net book value	33 061 154	2 532 447	35 593 601
Additions	10 650 677	-	10 650 677
Depreciation	(17 627 644)	(1 825 082)	(19 452 726)
Closing net book value	<u>26 084 187</u>	<u>707 365</u>	<u>26 791 552</u>
<b>Reconciliation</b>			
Gross cost	61 686 048	8 118 387	69 804 435
Accumulated depreciation	(35 601 861)	(7 411 022)	(43 012 883)
Net book value	<u>26 084 187</u>	<u>707 365</u>	<u>26 791 552</u>

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**

	2022 ZAR	2021 ZAR
Opening net book value	171 984 928	176 050 874
Additions	-	-
Depreciation charge	(4 065 946)	(4 065 946)
Closing net book value	<u>167 918 982</u>	<u>171 984 928</u>
<b>Reconciliation</b>		
Gross carrying amount	205 995 709	205 995 709
Gross accumulated depreciation	(38 076 727)	(34 010 781)
Net book value	<u>167 918 982</u>	<u>171 984 928</u>

**2.3 Intangible Assets**

	2022 ZAR	2021 ZAR
Opening net book value	96 044 348	108 527 929
Additions	2 412 790	401 999
Work in Progress capitalised	7 393 823	3 945 068
Amortisation	(17 558 202)	(16 830 648)
Closing net book value	<u>88 292 759</u>	<u>96 044 348</u>
<b>Reconciliation</b>		
Gross cost	214 875 086	205 068 472
Gross accumulated amortisation	(126 582 327)	(109 024 124)
Net book value	<u>88 292 759</u>	<u>96 044 348</u>

### 3. INVESTMENTS

	ZAR 2022	ZAR 2021
<b>Non current investments</b>		
<b>Investments consist of the following:</b>		
Local equity and mutual funds	824 395 904	999 381 232
Interest bearing investments	552 007 177	522 432 973
Offshore investments	253 978 769	134 105 750
Endowment policy	6 475 746	6 122 685
Fixed deposits	53 561 275	-
	<u>1 690 418 871</u>	<u>1 662 042 640</u>
<b>Current investments</b>		
Money market unit trusts	129 106 381	80 151 751
	<u>1 819 525 252</u>	<u>1 742 194 391</u>
<b>Reconciliation</b>		
Opening value	1 742 194 391	1 420 296 150
Purchase of marketable securities and fixed deposits	1 167 959 448	461 901 562
Investments into Money market unit trusts	48 954 630	-
Disposals of Money market unit trusts	-	(1 732 663)
Proceeds on Disposal	(1 087 421 024)	(407 757 917)
Gains / (losses) on investments	(52 162 193)	269 487 258
Closing value	<u>1 819 525 252</u>	<u>1 742 194 391</u>
Financial assets at fair value through profit or loss	1 765 963 977	1 742 194 391
Financial assets at amortised cost	53 561 275	-
	<u>1 819 525 252</u>	<u>1 742 194 391</u>

#### 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-22 ZAR	Level 1 ZAR	Level 2 ZAR	Level 3 ZAR
Local equity and mutual funds	824 395 904	824 403 904	-	-
Interest bearing Investments	605 568 452	605 568 452	-	-
Offshore investments	253 978 769	253 978 769	-	-
Endowment policies	6 475 746	-	6 475 746	-
Money market unit trusts	129 106 381	129 106 381	-	-
<b>Total</b>	<u>1 819 525 252</u>	<u>1 813 057 506</u>	<u>6 475 746</u>	<u>-</u>

During the reporting period ended 31 December 2022, 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-21 ZAR	Level 1 ZAR	Level 2 ZAR	Level 3 ZAR
Local equity and mutual funds	999 381 232	999 381 232	-	-
Interest bearing Investments	522 432 973	522 432 973	-	-
Offshore investments	134 105 750	134 105 750	-	-
Endowment policies	6 122 685	-	6 122 685	-
Money market unit trusts	80 151 751	80 151 751	-	-
<b>Total</b>	<u>1 742 194 391</u>	<u>1 736 071 706</u>	<u>6 122 685</u>	<u>-</u>

During the reporting period ended 31 December 2021, 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.





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	ZAR 2022	ZAR 2021
<b>4. STAFF LOANS</b>		
Gross amount	845 772	855 353
Less impairment	(463 300)	(463 300)
	<b>382 472</b>	<b>392 053</b>

These loans are unsecured with repayment terms varying from 1 to 12 months. The carrying value of staff loans approximate fair value.

<b>5. INVENTORIES</b>		
Maintenance store (at cost)	2 265 033	1 904 535
	<b>2 265 033</b>	<b>1 904 535</b>

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

<b>6. STUDENT FEE DEBTORS</b>		
Gross amount	515 171 934	481 388 195
Less impairment	(407 729 409)	(363 120 849)
	<b>107 442 525</b>	<b>118 267 346</b>

**Ageing of student debtors:**

	More than 2 years	Between 1 and 2 years	Less than 1 year	Total Debtors
Debtors	49 848 690	14 365 148	43 228 687	107 442 525

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 R107 442 525 (2021: R118 267 346) 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:**

At 1 January	(363 120 849)	(334 522 543)
Charge for the year	(44 608 560)	(28 598 306)
At 31 December	<b>(407 729 409)</b>	<b>(363 120 849)</b>

<b>7. OTHER RECEIVABLES</b>		
Prepayments	19 870 583	23 125 121
Accounts receivable	34 110 118	35 890 605
Gross amount	64 441 137	63 347 138
Less: Impairment	(30 331 019)	(27 456 533)
Other receivables in respect of subsidies, contracts and grants	13 533 668	7 486 895
Sundry receivables	16 898 059	18 780 073
Gross amount	21 760 236	23 642 250
Less: Impairment	(4 862 177)	(4 862 177)
	<b>84 412 428</b>	<b>85 282 694</b>

The majority of the impairment of R30 331 019 (2021: R27 456 533) 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 impairment of R4 862 177 (2021: R4 862 177) is in respect of disputed expenditure on the Tygerberg Clinical Trial 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**

Movement in the impairment provision of accounts receivable were as follows:

At 1 January	(27 456 533)	(27 226 597)
Charge for the year	(2 874 486)	(229 936)
Closing balance at 31 December	<b>(30 331 019)</b>	<b>(27 456 533)</b>

**Impairment: Sundry receivables**

Movement in the impairment provision of sundry receivables were as follows:

At 1 January	(4 862 177)	(6 662 177)
Recovered	-	1 800 000
Closing balance at 31 December	<b>(4 862 177)</b>	<b>(4 862 177)</b>



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ZAR 2022	ZAR 2021
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**8. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	466 542 638	210 174 948
Fixed Deposits	321 431 331	624 418 520
Short term bank deposits	9 942 946	13 285 307
	<b>797 916 915</b>	<b>847 878 775</b>

Short term bank deposits and fixed deposits are short term and highly liquid. These deposits are at market related fixed rates of between 4.35% and 8.25% (2021: 4.35% and 5.46%) 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 (2021: R15 000 000).

At 31 December 2022 the University had available R164 216 416 (2021: R142 511 479) of undrawn committed facilities in respect of which all conditions precedent had been met.

**9. INTEREST BEARING BORROWINGS**

**Non-current**

Non-current portion of Development Bank of Southern Africa loan	359 038 973	-
Non-current portion of Absa loan	33 038 156	54 743 092
<b>Total non-current borrowings</b>	<b>392 077 129</b>	<b>54 743 092</b>

**Current**

Current portion of Absa loan	21 745 428	21 745 428
<b>Total current borrowings</b>	<b>21 745 428</b>	<b>21 745 428</b>

**TOTAL INTEREST BEARING BORROWINGS**

	<b>413 822 557</b>	<b>76 488 520</b>
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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. During 2022 the University entered into a loan with the Development Bank of Southern Africa for an amount of R375 000 000 repayable by 2042 in monthly instalments, with a floating rate of 1 month Jibar rate plus 240 basis points. The undrawn portion of this facility amount to R15 961 027. No capital was repaid during the year. The capital repayments will commence after a 24 month grace period from the date of the first disbursement, 14 January 2022.

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.

Effective interest rates on long term loans	7,56%	6,98%
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The carrying amounts of fixed interest-bearing long term loans are as follows:

Development bank of Southern Africa loan	359 038 973	-
ABSA loan	54 783 584	76 488 521
	<b>413 822 557</b>	<b>76 488 521</b>

**Maturity of interest bearing borrowings**

Less than one year	63 348 685	26 623 304
Between year 1 and 2	82 758 588	26 114 892
Between year 2 and 5	172 867 565	35 626 924
Over 5 years	503 661 429	-
	<b>822 636 267</b>	<b>88 365 120</b>

**Debt covenants**

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

ABSA:

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 2022 the University complied with the covenant ratios being current ratio 147% (2021: 149%), student debt income 4% (2021: 4%) and total debt to average income 15% (2021: 3%)

Development Bank of Southern Africa:

The loan is secured by a R51 000 000 call deposit ceded in favour of the Development Bank of Southern Africa for the duration of the loan.



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**10. POST EMPLOYMENT BENEFIT INFORMATION**

**10. 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 R96 839 850 (2021: R88 998 674). 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 employer appointed 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 405 075 (2021: R2 275 677) after adding investment return.

**11. LEAVE PAY PROVISION**

Opening balance	190 008 687	185 598 992
Provision released during current year	(10 638 399)	(9 908 373)
Additional provision raised	13 250 240	14 318 068
	<b>192 620 528</b>	<b>190 008 687</b>
Total leave pay liability	192 620 528	190 008 687
Current portion shown under current liabilities	39 622 402	44 378 897
Non-current portion	152 998 126	145 629 790

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 2022. 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.

Staff 30 to 35 years old - Assume 9% will stay to retirement.

Staff 25 to 29 years old - Assume 4% will stay to retirement.

In order to fairly represent the liability, management has assumed future salary increases of 7% per annum (2021: 6.38%) while the discount rate that has been applied is 10.39% (2021: 10.39%).

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%.

	ZAR 2022	ZAR 2021
<b>12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>		
Trade payables	81 041 286	108 561 625
Salary deductions	3 229 842	3 389 105
Students with credit balances	51 989 883	45 168 972
Bursaries control	228 702 933	185 881 761
NRF Deposit	30 600 000	37 200 000
Other payables	44 753 387	93 241 095
	<b>440 317 331</b>	<b>473 442 559</b>

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 a land lease. Refer to note 2.2 for further detail regarding Kovacs.

**Year ended 31 December**

Opening balance	118 280 154	124 505 425
Liability released during the current year	<b>(6 225 271)</b>	<b>(6 225 271)</b>
	<b>112 054 883</b>	<b>118 280 154</b>
Current portion	6 225 271	6 225 271
Non-current portion	105 829 612	112 054 883
	<b>112 054 883</b>	<b>118 280 154</b>

**14. STATE SUBSIDIES AND GRANTS**

State subsidy for general purposes	1 286 994 220	1 178 058 411
Subsidy released on Capital and Earmarked grants from Department of Higher Education and Training (Restricted use)	28 868 678	17 608 743
State grants and contracts for research (Restricted use)	173 818 915	180 103 122
Historically disadvantaged institutions subsidy, clinical and foundation training subsidy (Restricted use)	83 883 754	101 617 941
	<b>1 573 565 567</b>	<b>1 477 388 217</b>

**15. LEASE LIABILITIES**

Opening balance	31 630 221	39 886 526
Leases entered into during the year	-	10 650 678
Interest incurred	1 912 133	3 445 204
Lease repayments	<b>(22 154 484)</b>	<b>(22 352 187)</b>
	<b>11 387 869</b>	<b>31 630 221</b>
Current	5 933 873	20 242 352
Non-current	5 453 997	11 387 869
	<b>11 387 869</b>	<b>31 630 221</b>
<b>Maturity of lease liabilities (undiscounted amounts)</b>		
Less than one year	6 692 835	3 630 156
Between year 1 and 2	5 274 850	16 260 465
Between year 2 and 5	5 451 126	17 418 810
Over 5 years	-	-
	<b>17 418 810</b>	<b>37 309 431</b>

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

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	18 369 167	19 452 726
Interest expense on lease liabilities	1 912 133	3 445 204
Expense relating to short-term leases	1 973 062	1 897 693
Expense relating to leases of low-value assets	2 315 209	351 723
Expense relating to variable lease payments	3 321 600	3 321 600
Total amount recognised in profit or loss	<b>27 891 172</b>	<b>28 468 946</b>

The University had total cash outflows for leases of R21 356 811 in 2022. The University also had non-cash additions to right-of-use assets and lease liabilities of R18 837 111 in 2022.

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 1.22).

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	14 474 328	3 323 090	17 797 417
Termination options expected to be exercised	-	-	-
	<b>14 474 328</b>	<b>3 323 090</b>	<b>17 797 417</b>



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**16. INCOME / (LOSS) FROM INVESTMENTS**

**Interest received**

Interest on investments at fair value through profit or loss  
 - At fair value through profit and loss  
 Interest revenue on bank accounts and fixed deposits calculated using the effective interest method  
 Finance income adjustment to revenue

**Total interest received**

Dividends received

**Total interest and dividends received**

**Fair value market adjustment loss**

	2022 ZAR	2022 ZAR	2022 ZAR
	Council controlled	Restricted use	TOTAL
	2 561 275	64 303 141	66 864 416
	2 561 275	64 303 141	66 864 416
	30 945 756	21 935 601	52 881 358
	-	-	-
	<b>33 507 031</b>	<b>86 238 743</b>	<b>119 745 774</b>
	166 866	31 340 384	31 507 250
	<b>33 673 897</b>	<b>117 579 127</b>	<b>151 253 024</b>
	(902 155)	(51 260 038)	(52 162 193)

**Interest received**

Interest on investments at fair value through profit or loss  
 Interest revenue on bank accounts and fixed deposits calculated using the effective interest method

**Total interest received**

Dividends received

**Total interest and dividends received**

**Fair value market adjustment gain**

	2021 ZAR	2021 ZAR	2021 ZAR
	Council controlled	Restricted use	TOTAL
	-	40 935 304	40 935 304
	39 581 789	4 659 636	44 241 425
	<b>39 581 789</b>	<b>45 594 940</b>	<b>85 176 729</b>
	168 431	28 732 961	28 901 392
	<b>39 750 220</b>	<b>74 327 901</b>	<b>114 078 121</b>
	51 721	269 435 537	269 487 258



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**17. PERSONNEL COSTS**

	<b>Council controlled ZAR</b>	<b>Restricted use ZAR</b>	<b>Student Accommodation ZAR</b>	<b>2022 Total ZAR</b>
<b>Academic professionals</b>				
Salaries	672 411 960	87 043 931	-	759 455 891
Post employment benefit contributions	56 827 516	5 527 998	-	62 355 514
Total - academic professionals	729 239 476	92 571 929	-	821 811 405
<b>Other personnel</b>				
Salaries	538 671 051	128 851 527	19 562 934	687 085 512
Post employment benefit contributions	39 434 738	2 252 548	1 757 455	43 444 741
Total - other personnel	578 105 789	131 104 075	21 320 389	730 530 252
<b>TOTAL PERSONNEL COSTS</b>	<b>1 307 345 265</b>	<b>223 676 004</b>	<b>21 320 389</b>	<b>1 552 341 657</b>

**Average monthly personnel employed by the University during the 2022 year:**

Full time	2 328
Part time	2 290
	<b>4 618</b>

**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.

<b>Name</b>	<b>Office held</b>	<b>Months in office</b>	<b>Short term employee benefits R '000s</b>	<b>Post- employment benefits R '000s</b>	<b>Actual Amount R '000s</b>
Pretorius TB	Rector	12	4 157	229	4 386
Lawton-Misra N	Registrar	12	2 231	242	2 473
Regal A	Executive Director: Finance and Services	12	2 408	260	2 668
Magida ME	Executive Director: Human Resources	12	2 201	204	2 405
Lawack VA	Vice Rector: Academic Affairs	12	2 843	310	3 153
Frantz JM	Vice Rector: Research	12	3 068	177	3 244
Dube PZ	Vice Rector: Student Development and Support	12	3 076	309	3 384
<b>Deans</b>	<b>Faculties</b>				
Esau MV	Economic and Management Sciences	12	2 277	136	2 413
Govender R	Education	12	1 931	202	2 133
Ralarala M	Arts	12	1 925	205	2 130
De Ville JR	Law	12	2 002	130	2 131
Rhoda AJ	Community and Health	12	1 901	225	2 125
Fielding BC	Natural Sciences	12	1 895	230	2 125
Yengopal V	Dentistry	12	2 919	230	3 149

**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.



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**17. PERSONNEL COSTS** (continued)

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2021 TOTAL ZAR
<b>Academic professionals</b>				
Salaries	613 799 890	112 591 561	-	726 391 451
Post employment benefit contributions	52 853 289	5 309 683	-	58 162 972
Total - academic professionals	666 653 179	117 901 244	-	784 554 423
<b>Other personnel</b>				
Salaries	478 881 713	114 796 119	18 214 948	611 892 780
Post employment benefit contributions	37 040 150	1 867 287	1 724 493	40 631 930
Total - other personnel	515 921 863	116 663 406	19 939 441	652 524 710
<b>TOTAL PERSONNEL COSTS</b>	<b>1 182 575 042</b>	<b>234 564 650</b>	<b>19 939 441</b>	<b>1 437 079 133</b>

**Average monthly personnel employed by the University during the 2021 year:**

Full time	2 032
Part time	1 120
	<b>3 152</b>

**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 R '000s	Post-employment benefits R '000s	Actual Amount R '000s
Pretorius TB	Rector	12	3 927	236	4 163
Lawton-Misra N	Registrar	12	2 112	228	2 340
Regal A	Executive Director: Finance and Services	12	2 284	244	2 528
Magida ME	Executive Director: Human Resources	12	1 902	200	2 101
Lawack VA	Vice Rector: Academic Affairs	12	2 762	292	3 054
Frantz JM	Vice Rector: Research	12	2 925	164	3 089
Dube PZ	Vice Rector: Student Development and Support	12	2 701	288	2 990
<b>Deans</b>	<b>Faculties</b>				
Esau MV	Economic and Management Sciences	12	1 899	128	2 027
Govender R	Education	12	1 641	146	1 787
Ralarala M	Arts	12	1 820	193	2 013
De Ville JR	Law	12	1 892	122	2 014
Rhoda AJ	Community and Health	12	1 815	213	2 028
Davies-Coleman MT	Natural Sciences	12	1 987	198	2 184
Yengopal V	Dentistry	3	748	54	802

**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.



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	ZAR Council controlled	ZAR Restricted use	ZAR Student Accommodation	ZAR 2022 TOTAL
<b>18. OTHER OPERATING REVENUES AND EXPENSES</b>				
<b>18.1 OTHER RECURRENT INCOME</b>	<b>35 535 730</b>	<b>29 809 993</b>	<b>6 043 051</b>	<b>71 388 775</b>

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**

Academic consumable material	21 285 247	47 187 529	65 592	68 538 368
Advertising	9 304 078	5 016 593	409 388	14 730 059
Expected credit losses (Bad Debt)	47 447 003	-	-	47 447 003
Bursaries and prizes	-	84 541 431	-	84 541 431
Cleaning	59 262 466	139 071	16 790 462	76 191 999
Computer maintenance and licensing	44 013 354	14 428 859	-	58 442 213
Utilities	73 383 582	26 521	19 469 558	92 879 661
Entertainment	21 213 205	6 762 348	1 371 710	29 347 263
Food provisions	433 049	117 690	777 016	1 327 755
Insurance	7 496 368	217	-	7 496 585
Journals and subscriptions	22 817 774	207 804	-	23 025 578
Library and art acquisitions	9 683 345	751 670	-	10 435 015
Postage and telephone	28 769 448	1 809 215	675 738	31 254 401
Printing and stationery	12 694 637	1 724 714	666 256	15 085 607
Professional services	30 232 181	47 931 871	176 294	78 340 346
Protective clothing	9 962 291	951 120	-	10 913 411
Rent of buildings	6 889 167	461 118	259 586	7 609 871
Repairs and maintenance	35 994 952	559 407	363 429	36 917 788
Security contracts	63 143 854	365 666	24 069 011	87 578 531
Sundries	602 332	746 587	211 775	1 560 694
Travel and subsistence	35 255 856	64 407 911	881 936	100 545 703
Vehicle expenses	2 579 440	1 428 126	885 088	4 892 654
Student Transport	21 506 069	-	-	21 506 069
	563 969 698	279 565 468	67 072 839	910 608 005
Less: Expected credit losses (Bad debt)	(47 447 003)	-	-	(47 447 003)
	<b>516 522 695</b>	<b>279 565 468</b>	<b>67 072 839</b>	<b>863 161 002</b>



	ZAR	ZAR	ZAR	ZAR
	Council controlled	Restricted use	Student Accommodation	2021 TOTAL
<b>18. OTHER OPERATING REVENUES AND EXPENSES (continued)</b>				
<b>18.1 OTHER RECURRENT INCOME</b>	<b>33 439 092</b>	<b>17 987 973</b>	<b>2 985 367</b>	<b>54 412 433</b>
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.				
<b>18.2 OTHER OPERATING EXPENSES</b>				
Academic consumable material	9 102 345	48 619 998	363 343	58 085 686
Advertising	7 124 699	4 128 798	-	11 253 497
Expected credit losses (Bad Debt)	37 597 700	-	-	37 597 700
Bursaries and prizes	17 472 465	60 115 720	-	77 588 185
Cleaning	53 293 002	52 049	15 980 984	69 326 035
Computer maintenance and licensing	40 015 011	22 534 590	22 148	62 571 749
Utilities	62 309 119	15 481	16 631 830	78 956 430
Entertainment	9 384 852	2 412 640	70 616	11 868 108
Food provisions	78 782	10 227	901 598	990 607
Insurance	4 742 213	-	-	4 742 213
Journals and subscriptions	17 528 937	12 528 008	-	30 056 945
Library and art acquisitions	1 863 580	965 140	-	2 828 720
Postage and telephone	37 717 156	1 919 967	385 684	40 022 807
Printing and stationery	8 151 561	2 172 744	301 060	10 625 365
Professional services	29 276 683	31 518 240	110 535	60 905 458
Protective clothing	18 681 872	1 168 225	-	19 850 097
Rent of buildings	3 144 489	539 277	3 213 497	6 897 263
Repairs and maintenance	32 672 548	292 785	259 249	33 224 582
Security contracts	48 015 263	6 812	25 017 609	73 039 684
Sundries	484 789	2 535 246	243 317	3 263 352
Travel and subsistence	12 037 106	24 786 324	266 201	37 089 631
Vehicle expenses	2 425 818	465 401	230 346	3 121 565
Student Transport	16 661 045	-	-	16 661 045
	469 781 035	216 787 672	63 998 017	750 566 724
Less: Expected credit losses (Bad debts)	(37 597 700)	-	-	(37 597 700)
	<b>432 183 335</b>	<b>216 787 672</b>	<b>63 998 017</b>	<b>712 969 024</b>



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	ZAR 2022	ZAR 2021
<b>19. FINANCE AND RELATED COSTS</b>		
<b>Finance costs</b>		
Long term loans	4 914 908	5 339 857
Lease liabilities	1 912 133	3 589 540
VDP PAYE / SDL / VAT	1 462 874	5 661 261
	<b>8 289 915</b>	<b>14 590 658</b>
<b>Other related costs</b>		
Portfolio administration costs	14 091 009	12 351 355
	<b>14 091 009</b>	<b>12 351 355</b>

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, cash equivalents and staff loans. The exposure related to staff loans is negligible.

**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 R107 442 524 (2021: R118 267 346), 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
<b>Expected credit loss rate</b>	84%	84%	60%	
<b>Estimated total gross carrying amount at default</b>	316 897 747	91 322 023	106 952 164	515 171 934
<b>Expected credit loss</b>	267 049 057	76 956 875	63 723 478	407 729 410

**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 2022 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 2022 was determined as follows for trade receivables.

	over 90 Days	61 - 90 Days	31 - 60 Days	Current	Total Debtors
<b>Expected credit loss rate</b>	53%	0%	0%	0%	
<b>Estimated total gross carrying amount at default</b>	56 832 959	10 900	117 284	7 479 994	64 441 137
<b>Expected credit loss</b>	30 331 019	-	-	-	30 331 019

**Sundry Receivables**

	More than 2 years	Between 1 and 2 years	Less than 1 year	Total Debtors
<b>Expected credit loss rate</b>	34%	0%	0%	
<b>Estimated total gross carrying amount at default</b>	14 260 236	4 000 000	3 500 000	21 760 236
<b>Expected credit loss</b>	4 862 177	-	-	4 862 177



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**20.1 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**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.

**20.3 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:

**Financial Assets**

Interest rate changes	ZAR -2022	ZAR - 2021
The effect of a 1% increase in interest rate	7 979 169	8 478 788
The effect of a 1% decrease in interest rate	(7 979 169)	(8 478 788)

**Financial Liabilities**

Interest rate changes	ZAR -2022	ZAR - 2021
The effect of a 1% increase in interest rate	(4 138 226)	(764 885)
The effect of a 1% decrease in interest rate	4 138 226	764 885

**20.4 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 -2022	ZAR - 2021
The effect of a 5% increase in price risk on funds	90 976 263	87 109 720
The effect of a 5% decrease in price risk on funds	(90 976 263)	(87 109 720)

**20.5 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
2022	10%	R 25 397 877
	-10%	(25 397 877)
2021	10%	R 13 410 575
	-10%	(13 410 575)

**20.6 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
<b>At 31 December 2022</b>					
Trade payables	81 041 286				81 041 286
Other payables		359 276 045			359 276 045
Lease liabilities	1 663 685	5 029 149	9 746 463	979 513	17 418 810
Interest bearing borrowings	15 837 171	47 511 514	255 626 153	503 661 428	822 636 267
<b>Total</b>	<b>98 542 143</b>	<b>411 816 708</b>	<b>265 372 617</b>	<b>504 640 941</b>	<b>1 280 372 408</b>
<b>At 31 December 2021</b>					
Trade payables	108 561 625				108 561 625
Other payables		364 880 934			364 880 934
Lease liabilities	5 609 763	16 260 464	12 853 083	2 586 121	37 309 431
Interest bearing borrowings	6 658 826	19 967 478	61 741 816	-	88 368 120
<b>Total</b>	<b>120 830 214</b>	<b>401 108 876</b>	<b>74 594 900</b>	<b>2 586 121</b>	<b>599 120 111</b>

Interest bearings 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.



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**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**20.7**

	<b>ZAR 2022</b>	<b>ZAR 2021</b>
<b>Lease liabilities</b>		
Opening balance	31 630 221	39 886 526
Leases entered into during the year	-	10 650 678
Interest paid	1 912 133	3 445 204
Leases: Capital repayments	<b>(20 242 352)</b>	<b>(18 906 983)</b>
Leases: Interest repayments	<b>(1 912 133)</b>	<b>(3 445 204)</b>
	<b>11 387 869</b>	<b>31 630 221</b>
<b>Government grants liabilities</b>		
Opening balance	1 421 726 029	1 480 520 713
Received during the year	77 891 548	-
Government grants (recognised) / deferred during the year	<b>(63 917 483)</b>	<b>(58 794 684)</b>
	<b>1 435 700 094</b>	<b>1 421 726 029</b>
<b>Interest bearing loans and borrowings</b>		
Balance as at 1 January	<b>(76 488 520)</b>	<b>(98 313 510)</b>
Repayment of long term loan: Absa	21 745 428	21 745 428
Repayment of long term loan: Development Bank of Southern Africa	-	-
Proceeds received from: Development Bank of Southern Africa	<b>(359 038 973)</b>	<b>(5 339 857)</b>
Interest charged	<b>(37 953 064)</b>	<b>(5 339 857)</b>
Interest paid	37 912 573	5 419 419
Balance as at 31 December	<b>(413 822 557)</b>	<b>(76 488 520)</b>

**20.8 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 financial liabilities are estimated by discounting the future contractual cash flows at the current market interest rates. The fair value of interest bearing borrowings approximate its fair value as it carries interest at market-related interest rates.

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.

**20.9 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.



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**ZAR**  
**2022**                      **ZAR**  
**2021**

**21. COMMITMENTS AND CONTINGENT LIABILITY**

**21.1 Capital commitments**

Amounts allocated for capital expenditure at reporting date, but not contracted	227 127 000	408 024 000
Capital expenditure contracted for at year end, but not yet incurred	77 364 000	303 014 000
<b>Total planned capital expenditure</b>	<b>304 491 000</b>	<b>711 038 000</b>

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.

**21.2 Operating lease commitments - University as lessor**

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

Not later than 1 year	184 882	152 795
Later than 1 year and not later than 5 years	943 841	780 034
Later than 5 years	4 745 436	5 262 199
	<b>5 874 159</b>	<b>6 195 028</b>

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.

**22. 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.

	<b>ZAR</b>	<b>ZAR</b>	<b>ZAR</b>
	<b>Restricted use</b>	<b>2022</b>	<b>2021</b>
Transfers to clear entities with credit balances	-	(103 527)	(372 437)
Transfers to clear entities with debit balances	-	-	6 570
	-	<b>(103 527)</b>	<b>(365 867)</b>

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



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**23. 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 253 541 000 (2021: R1 238 490 411). 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 2022 is R9 203 765 (2021: R7 068 244) and distributions received during the year amounted to R9 515 421 (2021: R8 896 359). 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 and note 30 for investments in subsidiaries.

**24. 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 2022	ZAR 2021
At 1 January	1 421 726 029	1 480 520 713
Received during the year	77 891 548	-
Deferred during the year	71 154 712	106 203 516
Recognised during the year	<b>(135 072 195)</b>	<b>(164 998 200)</b>
At 31 December	<b>1 435 700 094</b>	<b>1 421 726 029</b>
Total government grants relating to assets	<b>1 435 700 094</b>	<b>1 421 726 029</b>
Current portion	90 203 214	14 820 502
Non-current portion	1 345 496 880	1 406 905 527

**25. NOTES TO THE CASH FLOW STATEMENT**

**Net surplus before interest and dividends**

**Net surplus/(deficit) from**

Council controlled funds

Restricted use funds

Student accommodation funds

**Consolidated net surplus for the year**

**Separately disclosed items**

Interest received

Interest earned and reinvested

Dividends received

Finance costs

**Net surplus / (deficit) before interest and dividends**

During 2022 no interest was reinvested

**Notes**

25 478 492	147 072 500
56 640 751	266 720 086
<b>(13 207 766)</b>	<b>(9 952 623)</b>
<b>68 911 477</b>	<b>403 839 963</b>
<b>(142 963 109)</b>	<b>(99 487 463)</b>
16 (119 745 774)	(85 176 729)
16 -	-
16 (31 507 250)	(28 901 392)
19 8 289 915	14 590 658
<b>(74 051 632)</b>	<b>304 352 500</b>

**26. GOING CONCERN AND EVENTS AFTER THE REPORTING PERIOD**

**26.1 GOING CONCERN**

Management have assessed the recoverability of the student fee debtors as at 31 December 2022 and are satisfied that the provision raised is adequate and appropriate.

The COVID-19 lockdown restrictions have been curtailed and student debt collection is improving to rates similar to pre COVID-19.

**26.2 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.



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**27. REVENUE FROM CONTRACTS**

	<b>ZAR</b>	<b>ZAR</b>
	<b>2022</b>	<b>2021</b>
Contract Liabilities		
Current	159 349 940	178 831 157
Non-current	13 869 927	25 431 882
	<b>173 219 867</b>	<b>204 263 039</b>
Revenue from contracts with customers		
Tuition and other fees	691 735 842	654 347 544
Income from research contracts	173 769 829	67 808 939
Income from general contracts	81 937 712	103 129 601
Rendering of services	71 388 775	54 412 432

**28. INTERFUND TRANSFERS**

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

	<b>ZAR</b>	<b>ZAR</b>
	<b>2022</b>	<b>2021</b>
Interfund transfers from Council controlled funds	1 889 736	3 944 752
Interfund transfers to Restricted use funds	<b>(1 889 736)</b>	<b>(3 944 752)</b>
	<b>-</b>	<b>-</b>

**29. 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.

**30. INVESTMENTS IN SUBSIDIARIES**

The following entities are owned by the University and is under the University's control. These entities are dormant and is being consolidated into the University's Annual Financial Statements.

	<b>Shareholding</b>
Cherment (Pty) Ltd	100%
Eight Oaks (Pty) Ltd	100%
UWC Innovation (Pty) Ltd	100%
Pillar Seven (Pty) Ltd	100%

## ANNEXURE 1: COMPOSITION, MEMBERSHIP AND ATTENDANCE OF KEY COMMITTEES (31 DECEMBER 2022)

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

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

#### **The Rector and Vice-Rectors**

Prof Tyrone Pretorius

Prof Vivienne Lawack (*Sabbatical – 1 October 2022 to 31 January 2023*)

Prof Michelle Esau (Acting DVC: Academic – 01 October 2022 to 31 January 2023)

Prof Pamela Dube

Prof José Frantz

#### **Five persons appointed by the Minister of Education**

Ms Xoliswa Daku

Ms Nocamagu Mbulawa

Ms Colleen Subhanni

Ms Refilwe Matenche (**Resigned** 1 February 2022)

Ms Xoliswa Mpongoshe Makasi

Ms Sibongile Nhlabathi (Term **started** 25 August 2022)

#### **Two members of Senate**

Mr Shamiel Jassiem

Prof Moenieba Isaacs

#### **One academic employee**

Dr Razia Adam

#### **One non-academic employee**

Mr Clint Prins

#### **Two registered students**

Mr Phumelelani Mshumi (SRC President 2021/2022; Term **ended** 24 March 2022)

Mr Bulelani Mekile (SRC Secretary General 2021/2022; Term **ended** 24 March 2022)

Mr Mandlonke Notyawa (SRC President 2022/2023; Term **started** 22 April 2022) (*Inauguration on 7 April 2022*)

Ms Aphenhule Bly (SRC Secretary General 2022/2023; Term **started** 22 April 2022) (*Inauguration on 7 April 2022*)

#### **Two donors**



Ms Moshima Shongwe

Ms Hanlie Wessels

**One member of the City of Cape Town**

Cllr Mikhail Manuel

**Two persons elected by Convocation**

Ms Senamile Masango

Mr Bantu Mazingi

**One member of organised business in the Western Cape**

Mr Russel Miller

**One member of organised business in South Africa**

Ms Deidré Penfold

**One member of organised labour in South Africa**

Mr Zolisa Menze (Term **ended** 4 August 2022)

Mr Masale Selematsela (Term **started** 25 August 2022)

**One member of organised labour in the Western Cape**

Mr Matthew Parks (Term **ended** 4 June 2022)

Ms Phelisa Dlepu (Term **started** 25 August 2022)

**One person designated by the Premier of the Western Cape**

Dr Leshni Shah

**Not more than five additional members having special knowledge or experience**

Mr Thobile Lamati

Mr Blum Khan

Ambassador Ebrahim Rasool

Judge Nathan Erasmus

**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 the following categories:

**Three (3) members of Council**

Mr Blum Khan

Chartered Accountant (University of Cape Town)

Ms Hanlie Wessels

B.Com(Accounting) (University of Pretoria)

Hons (Financial Management) (University of Pretoria)

Certified Information Systems Auditor (CISA) (ISACA)

Ms Refilwe Matenche	Management Development Programme (University of South Africa) Chartered Accountant (University of Witwatersrand) ( <b>Resigned</b> 1 February 2022)
Ms Deidré Penfold	B.Com(Economics) (University of Pretoria) Hons (Economics) (University of South Africa) Certificate for Advanced Principles of Public Relations (Public Relations Institute of South Africa (PRISA))
Dr Leshni Shah	Executive Management Programme (Manchester Business School) MBA (University of Cape Town, Graduate School of Business) MBCbB (University of Natal Medical School) (Alternate member)

### **Three independent members – not in the employ of UWC**

Dr Patricia Hanekom	BSc (University of South Africa) MSc Financial Economics (University of London) Postgraduate Diploma in Economic Principles (University of London) BVMCH (MEDUNSA)
Mr John Matthews	BCom & MBA (University of Cape Town) (Term <b>ended</b> 19 May 2022)
Mr Yusuf Mohamed	BCompt (Accounting Science) (University of South Africa) BCom (HON) (University of the Western Cape) PG Law (Taxation) (Nelson Mandela University) (Term <b>started</b> 24 March 2022)
Ambassador Fébé Potgieter-Gqubule	Master's (Public and Development Policy) (University of Witwatersrand) (Term <b>started</b> 23 September 2022)

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

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

### **The Rector**

Prof Tyrone Pretorius

### **The Vice-Rectors**

Prof Vivienne Lawack (*Sabbatical – 1 October 2022 to 31 January 2023*)

Prof Michelle Esau (Acting DVC: Academic – 1 October 2022 to 31 January 2023)

Prof Pamela Dube

Prof José Frantz

### **The Executive Director: Finance and Services**

Mr Abduraghman (Manie) Regal

### **The Registrar or the Executive Director: Human Resources, as designated by the Management Committee**

Dr Nita Lawton-Misra – Registrar

**One Dean designated annually by the Executive Committee of Senate**

Prof Michelle Esau

Prof Matthew Ocran (Acting Dean: EMC – 1 October 2022 to 31 January 2023)

**Two members of Senate**

Prof Jacques de Ville

Prof Anthea Rhoda

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

Mr Thobile Lamati

Ms Nocamagu Mbulawa

Ms Xoliswa Mpongoshe Makasi (Term **started** 17 February 2022)

Mr Phumelelani Mshumi (SRC President 2021/2022; Term **ended** 24 March 2022)

Mr Mandlonke Notyawa (SRC President 2022/2023; Term **started** 6 May 2022)

Mr Zolisa Menze (Term **ended** 4 August 2022) (*Alternate member*)

Ms Colleen Subhanni (Term **started** 5 August 2022) (*Alternate member*)

**COMPOSITION AND MEMBERSHIP OF THE INSTITUTIONAL FORUM OF THE UNIVERSITY OF THE WESTERN CAPE**

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

**Three representatives of the Executive Management**

Prof Vivienne Lawack

Prof José Frantz

Mr Meko Magida

**Three representatives of the Senate**

Prof Ernesta Kunneke

Dr Fareed Moosa

Dr Demaine Solomon

**Three representatives of Council**

Mr Zolisa Menze (Term **ended** 4 August 2022)

Judge Nathan Erasmus (Term **ended** 17 February 2022)

Mr Mikhail Manuel (Term **started** 24 March 2022 & **ended** 21 July 2022)

Mr Bantu Mazingi (Term **started** 10 August 2021)

Ms Sibongile Nhlabathi (Term **started** 25 August 2022)

Mr Masale Selematsela (Term **started** 25 August 2022)

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

Dr Muneer Abduroaf (Term **ended** 31 March 2022)

Prof Rachel Fanelwa Ajayi (Term **ended** 31 March 2022)

Prof Martin Onani (Term **ended** 31 March 2022)

Dr Achmat Dyason (Term **started** 1 April 2022)

Dr Desiree Hamman-Fisher (Term **started** 1 April 2022)

Dr Jonathan Jodamus (Term **started** 1 April 2022)

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

Dr Clifford Jacobs

Mr Siseko Mtenganya

Ms Esme Jacobs

**Three representatives of the students elected by the Student Representative Council**

Mr Phumelelani Mshumi (Term **ended** 28 March 2022)

Ms Ongezwa Magidigidi (Term **ended** 28 March 2022)

Ms Zandile Vava (Term **ended** 28 March 2022)

Mr Asavela Mtana (Term **started** 22 April 2022)

Ms Athenkosi Mbakaza (Term **started** 22 April 2022)

Mr Siphenkosi Gubudela (Term **started** 22 April 2022)

**One or more members co-opted by the Institutional Forum for the specific purpose of assisting the Institutional Forum in respect of any area of expertise.**

Not appointed

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

COUNCILLOR	COUNCIL: 4 meetings	FINANCE: 4 meetings	AUDIT AND RISK: 4 meetings
1. Prof Tyrone Pretorius	4 out of 5	4 out of 4	
2. Prof Vivienne Lawack	3 out of 3	3 out of 3	
3. Prof Michelle Esau ( <b>Acting DVC: Academic – 1 October 2022 to 31 January 2023</b> )	1 out of 2	1 out of 1	
4. Prof Pamela Dube	4 out of 4	4 out of 4	
5. Prof José Frantz	4 out of 5	4 out of 4	
6. Ms Xoliswa Daku	4 out of 5	-	-
7. Ms Nocomagu Mbulawa	2 out of 5	4 out of 4	-
8. Ms Colleen Subhanni	5 out of 5	0 out of 0 <i>(alternate)</i>	-
9. Ms Refilwe Matenche <b>(Resigned 1 February 2022)</b>	0 out of 0	-	0 out of 0
10. Ms Xoliswa Mpongoshe Makasi	5 out of 5	2 out of 4	-
11. Ms Sibongile Nhlabathi <b>(Term started 25 August 2022)</b>	2 out of 3	-	-
12. Prof Moenieba Isaacs	5 out of 5	-	-
13. Mr Shamiel Jassiem	5 out of 5	-	-
14. Mr Phumelelani Mshumi (SRC President) <b>(Term ended 28 March 2022)</b>	1 out of 1	1 out of 1	-
15. Mr Bulelani Mekile (SRC Secretary General) <b>(Term ended 28 March 2022)</b>	1 out of 1	-	-
16. Mr Mandlonke Notyawa (SRC President) <b>(Term started 22 April 2022)</b>	4 out of 4	3 out of 3	-
17. MS Aphenhule Bly (SRC Secretary General) <b>(Term started 22 April 2022)</b>	1 out of 4	-	-
18. Dr Razia Adam	2 out of 5	-	-
19. Mr Clint Prins	3 out of 5	-	-
20. Ms Moshima Shongwe	4 out of 5	-	-
21. Ms Hanlie Wessels	5 out of 5	-	4 out of 4
22. Cllr Mikhail Manuel	3 out of 5	-	-
23. Mr Zolisa Menze <b>(Term ended 28 March 2022)</b>	2 out of 2	0 out of 0 <i>(alternate)</i>	-
24. Mr Masale Selematsela <b>(Term started 25 August 2022)</b>	2 out of 3	-	-
25. Mr Russel Miller	5 out of 5	-	-
26. Ms Deidré Penfold	4 out of 4	-	2 out of 4
27. Mr Matthew Parks	1 out of 1	-	-

<b>(Term ended 28 March 2022)</b>			
28. Ms Phelisa Dlepu <b>(Term started 25 August 2022)</b>	1 out of 3	-	-
29. Dr Leshni Shah	5 out of 5	-	0 out of 0 <i>(alternate)</i>
30. Ms Senamile Masango	4 out of 5	-	-
31. Mr Bantu Mazingi	5 out of 5	-	-
32. Mr Thobile Lamati	2 out of 5	2 out of 4	1 out of 4 <i>(invitee)</i>
33. Mr Blum Khan	3 out of 5	-	3 out of 4
34. Judge Nathan Erasmus	4 out of 5	-	-
35. Ambassador Ebrahim Rasool	4 out of 5	-	-

## 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
- Procurement Committee (*Previously known as Tender Committee*)
- Human Resources Committee
- Safety, Health and Environmental Risk Committee
- Infrastructure and Business Development 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