



UNIVERSITY *of the*
WESTERN CAPE

University *of the* Western Cape

Annual Report

2009

TABLE OF CONTENTS

1.	Report from the Chairperson of Council.....	3
2.	Report from the Rector and Vice-Chancellor	11
3.	Report from the Chairperson of Senate	25
4.	Report from the Chairperson of the Institutional Forum	50
5.	Council Statement on Corporate Governance	51
6.	Statement on Systems of Internal Control.....	56
7.	Report from the Executive Director: Finance and Services	57
8.	Council's Statement of Responsibility for the Annual Financial Statements.....	63
9.	Report of the Independent Auditors	64
10.	Annual Financial Statements for the year ending 31 December 2009.....	65
11.	Annexures: Composition, Membership and Attendance of Key Committees	93

1. REPORT FROM THE CHAIRPERSON OF COUNCIL

Strategic Focus

The Council was kept abreast of developments in the preparation of the new Institutional Operating Plan (IOP) 2010–2014 throughout the year and, more specifically, at the Council Workshop in the latter half of the year. Council approved the draft framework IOP at its last meeting of 2009, satisfied that the document speaks adequately to the high-level key goals and supporting strategies addressing all the key focus areas that should be included in such a planning framework. The Council has expressed appreciation to the Executive Leadership for driving the University's strategic management processes in a manner that reflects a commitment to excellence in the institution's major focus areas.

Governance and Leadership

The Council approved the Five-Year Financial Plan (FYP) and the annual budget and performed its fiduciary function within the established accountability framework. Through its Finance Committee, made up of experts in the field and the internal and external audit regimes, the Council also provided strategic focus and sanctioned strategic plans and initiatives. In addition to its scheduled annual meetings, the Council set time aside for a workshop to enable Councillors to have in-depth discussions about key institutional goals, strategies and developments and to familiarise new Councillors specifically with governance and procedural matters.

At the level of the Council, several annual and multi-year processes provide structure, insight and focus for planning and activities focused on quality improvement. Council is also required to submit Employment Equity and progress reports to the Department of Labour; these reach Council via the Employment Equity Forum.

Council annually receives a revised Five-Year Rolling Financial Plan (FYP) via its Finance Committee. The FYP provides updates on the latest financial indicators and forecasts; sets out projected student numbers, fee and salary increases; and benchmarks ratios against which the budget will be measured. Council also monitors the income and expenditure as per budget to make sure that the University is adequately resourced to sustain normal operations. In addition, Council receives annual audited financial statements on the expenditure of the previous year.

The Vice-Chancellor presents written progress reports at each Council meeting to apprise Council of issues concerning the internal or external environment and to seek advice in and approval and shared ownership of matters of strategic significance.

Through its Audit Committee, Council is committed to ensuring that internal and external audits, in both cases by auditors outside the University, identify risks and validate progress and aspects of quality. Periodic evaluations of selected strategies, tactics and interventions are used to measure current performance against previously set expectations.

Council is satisfied that it was appropriately apprised of the key institutional risks via the Audit, Finance and Tender Committee reports and in person by the chairpersons of these committees during 2009. Council is also satisfied that it has competent and suitably qualified chairpersons in place for all three these committees.

Policies, Standing Orders and Key Issues

Council receives written reports from the Vice-Chancellor at all meetings and these reports are very valuable in terms of keeping Council informed of key events, challenges and successes that are not necessarily reported via the normal channels of governance. Key challenges and successes are dealt with in detail in other reports that form part of this Annual Report, but Council is very pleased, amongst others, with the success of the University in terms of research development, student support activities, student performance, infrastructural development and administrative improvements.

Council has approved amendments to the standing orders of the Senate Higher Degrees Committee, the Senate Assessment Committee, the Audit Committee of Council and the Human Resources Committee of Council. Council also approved standing orders of the new Senate Teaching and Learning Committee, the new Staff Development Committee and of the Management Committee of the Jan Rabie Marjorie Wallace Scholarship Fund. Furthermore, Council approved rule changes for the Faculty of Community and Health Sciences in terms of Psychology students.

Following the University's preparation of the new IOP, Council approved:

- the new Strategic Plan for Teaching and Learning, as well as the new Research Policy for the University;
- the changed designation of the Department of Nursing to the School of Nursing, changes to the Faculty of Economic and Management Sciences admission criteria and the restructuring of the curriculum of the Bachelor's Degree in Oral Health; and
- the establishment of the Interdisciplinary Centre of Excellence for Sport Science and Development, as well as the Centre for Disability Law and Policy.

In recognising the importance of the Convocation, Council approved that an Executive Committee of the Convocation be established to assist with the functions associated with the Convocation.

Council appointed Prof. S J Neethling, as Emeritus Professor and the following individuals as Extraordinary Professors:

- Dr Anthonissen, in the Department of Religion and Theology;
- Prof. C Gehring, in the Department of Biotechnology;
- Prof. E Moll, in the Department of Biodiversity and Conservation Biology;
- Profs V Bajic, M Danson and J Blommaert and Dr K Heugh.

Council also approved the appointment of Mr A Erwin as Honorary Professor in Economics.

In recognition of their individual contributions, Council approved the conferral of honorary doctoral degrees on the following persons:

- Dr B L Fanaroff (D Phil in Science);
- Ms Deratu Tulu (S Phil in Community and Health Sciences);

- Mr Paul Kibii Tergat (D Phil in Community and Health Sciences);
- Dr Adekeye Adebajo (D Phil in Law);
- Princess Olumfemi Kayode (D Phil in Public Health).

All of these degrees will be conferred during 2010 graduation ceremonies.

Following the institutional quality audit of the University by the Higher Education Quality Committee (HEQC) in 2007, the University received the HEQC's Audit Report in 2008. As required, the University then prepared the required response in the form of a Self-evaluation Report. The drafting of this report coincided with the process of preparing the new IOP, which ensured alignment between the response to the HEQC and the identified focus areas for the next five years. Council endorsed the Self-evaluation Report.

Council annually considers new policies or amendments to policies and, in 2009, approved the Broad-based Black Economic Empowerment Policy.

In view of the importance of the role of the internal and external auditors, Council approved that a tender process should be followed for the appointment of these auditors and, following the outcome of the tender process, approved the appointment of the new auditors as from 1 January 2010.

Infrastructural development has been high on the planning agenda of the University for the last number of years and we have seen various projects gain significant momentum from the latter part of 2006. Council is satisfied that the infrastructural developments are being managed well by the University and that appropriate measures are in place to limit risk in these projects.

Following the University's application to the Department of Education (DoE) for additional funding for infrastructure improvements, the Council accepted the award of R380.8 million from the DoE for the funding cycle 2010–2012, agreeing that the University would fund R21.4 million of that amount. Of the total amount, R250 million forms part of a public private partnership to establish new residences. In this regard, Council also authorised the Vice-Chancellor to negotiate and implement the transaction with Kovacs, the developer of the new residences, including the finalisation of the lease, development and management agreements. The Council also approved that the new student residences be developed on a separate piece of land as leasehold and that, at the end of the lease period, the residences would unconditionally become the property of the University.

The School of Public Health building was completed at the end of 2008 and occupied in 2009. Council again noted with appreciation that this building was fully funded (R66 million) by The Atlantic Philanthropies in support of the work done by the School. Council was informed that, although not complete in its entirety, the refurbishing of the Life Sciences building commenced at the end of the year and that the first academic departments would occupy the building at the beginning of 2010. As discussed in previous years, Council approved the Development Bank of South Africa (DBSA) loan application of R90 million to fund the shortfall in the cost of the Life Sciences building.

The Council also approved that the Metrology Research Laboratory be developed adjacent to the Life Science building as part of the development of the Science precinct in that area. Council furthermore agreed to fund the

difference of R17.4 million between donor funding and the cost of the building as part of UWC's contribution to the postgraduate physical sciences development portion of the Government infrastructure funding award.

Council noted with appreciation the continued upgrading of lecture facilities that took place during the year. Council supports the continuation of such projects that upgrade existing facilities, attend to maintenance and identify and address the shortcomings of the physical environment. The Council has a long-term vision in terms of changing the surrounding landscape and establishing a collaborative research and knowledge hub in the area.

The Council, as part of its good governance practices and commitment to widening the democratic space, spent considerable time clarifying the process to be followed to appoint persons in the Council membership categories relating to "organised labour" and "organised business" in order to ensure that the process was fair to all falling within these categories.

The Council appreciated the "Report of the Ministerial Committee on Transformation and Social Cohesion and the elimination of discrimination in Public Higher Education Institutions", and that a response from Council is required in 2010.

In terms of student equity, the Council was pleased to note the proportionate increase in the number of African students, from 38% to 39%. Coloured students continued to comprise 47% of the student body, with the number of Indian student dropping slightly but remaining at 7%, while the number of White students remained at 4%. The remaining 3% of students are not classified in terms of race categories and are mostly international students. Following a communiqué from the Minister of Education regarding Enrolment Plans and Infrastructure and Efficiency Funding, Council in 2007 approved the increase in student enrolment from 15 000 to 17 500 over the next three years. In approving the expanded enrolment mandate, the Council was satisfied that the current infrastructural expansion and improvement would allow the physical plant to accommodate more students. Enrolment targets for 2009 were not achieved, but the Council is satisfied that Management is dealing with the matter responsibly through a targeted growth strategy that will result in the achievement of the target of 17 500 by 2010.

Senior Appointments

One of the Council's key responsibilities is to ensure that appropriate leadership is in place to manage the University, and the Council takes responsibility for the appointment of the Vice-Chancellor, the two Deputy Vice-Chancellors, the Registrar, executive directors and deans of faculties.

During 2009, the Council initiated and successfully concluded the process to extend the contract of the Executive Director: Finance and Services, Mr Manie Regal. The Council also approved that this position should become a permanent one. Council furthermore approved that the term of the Pro-Vice-Chancellor, Professor Stanley Ridge, be extended until 31 December 2009 and also appointed him to act as Executive Director: Information and Communication Services (ICS). Following the resignation of Professor Derek Keats, the Executive Director: ICS, Council initiated the process to review the portfolio and fill the vacant position, but was not successful with the appointment of the selected candidate.

Based on recommendations from Senate, the Council appointed the following deputy deans:

- Professors B Martin and F du Toit as Deputy Deans in the Faculty of Law;
- Professor W Woodward as Deputy Dean of the Faculty of Arts;
- Professors A Travel and T Khanyile as Deputy Deans in the Faculty of Community and Health Sciences;
- Professor N Myburgh as Deputy Dean in the Faculty of Dentistry; and
- Professor J Smith as Deputy Dean in Faculty of Education.

Council, as part of the responsibilities of the Council Remuneration Committee, annually reflects on the performance of the individuals mentioned above and, in 2009, Council was satisfied with the achievements of the executives and deans in relation to the University's strategic goals. The University is in the privileged position to have a visionary and dedicated senior management team that is committed to the strategic direction of the University.

Financial Matters

Since 2001 the University has had a five-year financial planning (FYP) model in place. The financial plan comprises a rolling plan that is updated when actual data, such as the state subsidy, becomes available. The Finance Committee of Council reviews the financial plans and fiscal policy and Council receives quarterly reports on the finances of the University. Council is also informed of risks and possible areas of concern in relation to financial management processes via its Audit Committee. Council annually approves the revised FYP, as well as the budget for the year. The five-year financial planning model allows Council, upon the advice of its Finance Committee, to take decisions with an informed view to what the medium- and longer term financial implications are expected to be.

Building on its improved financial position, Council is pleased to report that the University yielded a surplus of 11% (2008: 15.4%) in unrestricted income, compared to the 1% DoE norm. Actual income exceeded budget by R62 million (2008: R76 million) and this was due to additional state subsidy and investment income, as well the improved turn-over as a result of increased student numbers. Council acknowledges the role of student leadership in promoting a culture of payment and of emphasising the role and importance of education.

The Council appreciates the extensive work that goes into the careful management of the salary budget, which forms the largest component of expenditure from the general (unrestricted) fund.

Through the excellent work of its academic staff, the University has been very successful in terms of increasing third-stream income related to research, and the Vice-Chancellor in particular has played a key role in securing donor support for infrastructural development. Council is also grateful for the support from Government for infrastructure development and improvement. Council is satisfied that the expansion of the plant is directly linked to the University's enrolment mandate and to ensuring that it has the appropriate facilities to deliver the quality of education that is needed to ensure the high-level skills required by the country.

Council Membership

During the year under review, the terms of the following Council members terminated:

- Ms Beryl Kerr, the Chair of Council

- Mr Nick Christodoulou, representing the Donor community
- Prof. Desmond Roberts, representing the Convocation
- Dr Nokuthula Mathe, representing organised business in the Western Cape
- Mr Bradley Skei, representing organised labour in South Africa
- Mr Jonovan Rustin, representing organised labour in the Western Cape
- Mr Ashiek Manie, in the category additional members
- Prof. Aslam Fataar, one of the Senate representatives, who resigned from the employ of the University
- The Student Representative Council members, Messrs Yonela Mvana and Mxolisi Vilakazi.

We express a heartfelt thank you to these members for their contributions to the functioning of Council and its various subcommittees. Their contributions are valued and have ensured that UWC has a representative and well-functioning governance system in place.

Members who joined Council, included:

- Prof. Olajide Oloyede (Senate)
- Ms Karen Barry and Mr John Matthews (Donors)
- Dr Johann van der Merwe (City of Cape Town)
- Mr Randall Titus (Convocation)
- Mr Oscar Solomons (Organised business in the Western Cape)
- Dr Anwah Nagia and Ms Gayle Kaylor (additional members)
- Mr Nick Christodoulou, who came back onto the Council in the category of additional member and also agreed to continue to Chair the Finance Committee of Council
- The new Student Representative Council members, Mr Dananai Muchemenye and Ms Vuyokazi Malafu.

HIV

The Council recognises and expresses its appreciation for the University's continued commitment to fighting HIV and AIDS and is satisfied that the University exercises its responsibility with regard to HIV and AIDS in all the core areas of activity, as confirmed by the annual HIV/AIDS audit of activities by the University. Council also noted with appreciation the work of the SANTED-funded HIV/AIDS peer education project undertaken by UWC with the Universities of Zambia, Namibia and Malawi. The Council strongly supports the commitment of the University to neighbouring institutions within the SADC region.

Social Responsibility

Council is satisfied that the University has appropriately exercised its commitment to community engagement as an important aspect of giving effect to the University Mission and in fulfilling its responsibility as a public university. Community projects span all faculties, and there are also institution-wide projects, such as the Dynamics of Building a Better Society (DBBS) project and the SANTED-funded peer education projects. In addition to these projects, the University, through its faculties of Dentistry and Community and Health Sciences, delivers services to communities at numerous sites, resulting in more than 300 000 patients being treated annually.

Self-evaluation

Council, through its various committees, continues to reflect critically on attaining a balance between equity, excellence, capacity and delegation within the system of governance, in order not to compromise sound governance principles whilst ensuring the smooth operation of the institution. As part of ongoing self-assessment and considering the work of the Council as it related to 2009, Council:

- Was satisfied that the Management and leadership of the University are stable. Council recognised that the pool of available senior managers in higher education is limited and that the scarcity of the strategic leadership pool could pose certain risks that will require continued attention;
- Continued to monitor the performance of the senior leadership in line with the strategic direction of the University;
- Continued to monitor the alignment of budget, planning and performance;
- Was satisfied that there was improvement in financial performance and the management of the institutional budget. The monitoring of financial management remained a key item on the agenda of the Council;
- Was confident that the financial strategies implemented in accordance with the IOP were realistic and addressed key concerns. The monitoring of this is part of Council's continued fiduciary responsibility;
- Continued to deliberate on transformation issues, which remain high on the agenda of Council, and included factors such as student and staff composition, the strategic institutional focus and institutional culture;
- Was continuously informed of the institutional environment through written reports from the Vice-Chancellor;
- Was apprised of risks in key areas through reports from the Vice-Chancellor and the Audit, Tender and Finance Committees;
- Approved a number of policies, ensuring compliance with legislation, streamlining processes, and aligning policy and procedure in certain areas;
- Was satisfied that the academic project is healthy, as is evident from the recognition extended to staff in terms of NRF ratings, the continuously improving publication output, and the number of research grants awarded to UWC staff. Council received quarterly reports in this regard from the Senate and updates by the Rector at every Council meeting;
- Received reports of Senate and the Rector and was satisfied that appropriate attention was given to issues affecting student success.

Conclusion

The role of the council at any university can qualitatively affect the implementation strategies and direction of the institution. This Council is committed to active governance and strategic visionary leadership of the University of the Western Cape. As the highest decision-making body of the University we are mindful of our great responsibility to provide the necessary leadership in a manner that enriches the work of the senior management of the institution. We play a critical but valued leadership role and, as the Council, we provide the strategic space for Professor O'Connell and his team to aim for the outer reaches of the universe.

In my experience, this Council and its members probably have the highest set of strategic competencies of any other UWC Council and will no doubt leave a lasting legacy for the University from a governance point of view.

We are committed to genuine engagement with the management of the University in order to ensure that they have all the instruments at their disposal that can move the institution to achieve all its key objectives.

All the Council members have contributed towards moving the University into a position that will make UWC a great academic centre of excellence. The Council will continue to ensure that the liberation ethos of the institution keeps it rooted so that we may truly become beacons of hope for our country and our continent.

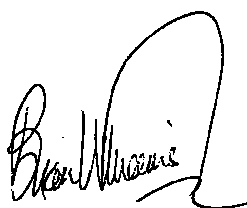
We are committed to reconstructive activism, which requires us to recognise that the path to the future must be contextualised in the best traditions so that we do not compromise the generations for whom we are the pathfinders. Reconstructive activism demands that we become the most innovative and creative builders of new knowledge, and that excellence and equity are essential conceptual partners in building a new nation and continental consciousness. We are a part of Africa and our destiny lies in recognising all that is good and great within our continent.

The University of the Western Cape has already made tremendous strides in its long march to victory in all the academic fields of science, and it is essential that our partners in all spheres of society become a greater part of our successes.

A special message to our Convocation members (graduates and others) who have already demonstrated how they can have a positive impact on the world: Become part of the unfolding narrative of success at your university, the University of the People.

A heartfelt thank you to my fellow Councillors for your continued enthusiasm, commitment and the time and the energy you have put into the governance responsibilities associated with UWC. A special thank you to Dr Gertrude Fester, the Vice-Chairperson of Council, for your ongoing strategic assistance and support.

The Council looks forward to 2010 and the 50th Anniversary celebrations of the University.



Mr B Williams
Chairperson of Council

2. REPORT FROM THE RECTOR AND VICE-CHANCELLOR

In 2009, against the backdrop of important changes to the higher education sector in South Africa and the sustained focus on the role of higher education institutions in securing the future of our nation, the University of the Western Cape (UWC) continued to demonstrate its ability to respond with confidence and strong leadership to the ever-present challenges. The stable and dynamic leadership base that has been built up over the past few years enabled us to continue to position the University as one of South Africa's premier universities, and it is recognised as playing a distinctive intellectual role in the transformation of our country. This role is only made possible through paying continued attention to building our internal capacity so that we can effectively manage and deliver our academic offerings and remain accountable as a public university.

We were therefore able to respond positively to the government's restructuring of the education cluster in early 2009. Following the April national elections, Dr Blade Nzimande was appointed Minister of Higher Education and Training, a new ministry that was created to pay more focused attention to higher education and to the accelerated development of much needed skills in the country. In June, the Vice-Chancellors met with Minister Nzimande, at which time some of the challenges for the sector were outlined and the Ministry's vision for the creation of a more robust and synergised post-secondary education system was discussed. The University welcomes the opportunity to continue its engagement with the new ministry and to participate in these developments towards building a strengthened post-secondary education system in our country.

Leadership and Planning

The year 2009 was an especially important one for the University in its efforts to take forward and give real meaning to the visionary pathway we have set for ourselves as an engaged university. Through its strengthened and stabilised leadership cadre, the University has embarked on a rigorous and exciting planning process towards the development of our new Institutional Operating Plan (IOP) for 2010 to 2014, which was accepted by Council in November as a framework document to guide our deliberations over the next five years.

As always, these exciting developments for the University in 2009 were supported and guided by the courageous leadership of our Chancellor, Emeritus Archbishop Desmond Tutu, who continues to be a wonderful source of inspiration to us. His more than two decades of uninterrupted chancellorship makes him the longest serving university chancellor in South Africa, and we are extremely proud of and grateful for his relationship with us.

We were also very fortunate that the senior leadership team responsible for taking forward and managing the development of the new IOP (2010–2014) saw only minor changes as we moved into 2009 and the planning process. Professor Stanley Ridge, the Pro-Vice-Chancellor, agreed to stay on until the end of 2009 and also agreed to manage the Information and Communication Systems portfolio following the departure of Professor Derek Keats, who has been appointed as Vice-Chancellor: Knowledge and Information at the University of the Witwatersrand. At the beginning of the year we also welcomed the internationally respected scholar Professor Duncan Brown from the University of KwaZulu-Natal as our new Dean of Arts, following the retirement of the

acting Dean, Professor George Fredericks. In the faculty of Law, Professor Julia Sloth-Nielsen, a longstanding staff member and an acclaimed researcher in the area of children's rights, was appointed to the deanship following the resignation of the previous Dean, Professor Najma Moosa.

The process towards the development of the new IOP (2010–2014) began in earnest in the first term of 2009. It signalled the University's continued commitment to a comprehensive planning process every five years that began with the development of our first Institutional Operating Plan, for 2005–2009, which was an important and necessary part of the government's recapitalisation process for the University. The new planning process in 2009 involved the deliberations of twelve different task teams, each chaired by a member of the University Executive or one of the Deans, and brought together the expertise and experiences of different role players across the campus. The terms of reference of the task teams built on the outcomes of the 2007 Institutional Quality Audit of UWC by the Higher Education Quality Committee (HEQC). These terms focused attention on the priority areas for change across the University over the next five years and on ways in which we can strengthen and enhance our existing practices and processes.

Although the new IOP (2010–2014) takes further many of the initiatives and priorities put in place in the previous IOP, it also signals new areas of opportunity that the University intends to exploit, especially in pursuit of its research mandate, and pays focused attention to how it intends to improve the quality of the student experience through both the formal curriculum and our co-curricular activities. As the task teams grappled with the challenges of bringing together new ideas, identifying our strengths and weaknesses, and translating aspirations into reachable goals, we were able to discern a new energy emerging across the institution that reflected the excitement that people were feeling about the University's future and a sense of achievement around what has brought us to this point.

The new IOP (2010–2014) consists of eight overarching and aligned goals, which speak to our core mandates and to those functions and responsibilities that are necessary for supporting and enhancing their delivery. Each of the goals will be taken forward through a number of strategies that address how we intend to improve and enhance what we are already doing and focus attention on areas of change that will be given sustained attention. The next phase of the planning process will begin in 2010. This will involve deepening our understanding of the Plan and what is required of leadership at all levels, developing institution-wide project plans for the envisaged change initiatives, and developing the next level of institutional plans aligned to the IOP (2010–2014) to guide the progress of faculties and to continue to improve the service delivery of administrative divisions. As we move into this exciting phase of rolling out the IOP (2010–2014) over the next five years, we are looking forward to building on the energy and shared understanding generated through the work of the task teams in order to effectively implement our desired objectives.

Achievements of the Administrative Structures

We are once again pleased to report good progress with initiatives to improve the University's Administrative Services. Under the leadership of the Registrar, Dr Ingrid Miller, significant progress was made with IT systems development, and we are glad to report that most of the projects that were operationalised in 2009 were successfully implemented and that the University reaped the benefits in 2010. With the exception of a few technical issues, most problems that were encountered were caused by human behaviour rather than shortcomings in system design. Historical problems with data integrity were addressed through the

development of a data management tool and the clarification of roles and processes for the amendment and annual updating of administrative data. The success of the work done in this area was illustrated during the 2009/2010 enrolment cycle, as very few selection errors, timetable clashes, registration overrides and promotion errors were experienced as a result of extensive data cleansing and system controls. The fact that UWC now has a fully audited database, with back-end rules of combination for registration and promotion, is no mean feat. We are indeed proud of the fact that we are one of only a few institutions that has an on-line registration system that provides students with real-time, individualised curriculum advice.

It is noteworthy that the processes referred to above allowed the University to process the largest number of applications (35 126) in the shortest time ever with the least amount of reported problems. The fact that almost 90% of the applications for 2010 were done on-line confirms that the technical solutions we established are working. The system was also designed in a manner that provides for real-time feedback regarding provisional selections, which assisted with the recruitment and retention of new applicants. In preparation for the 2010 registration, an on-line registration system was also rolled out in 2009. Once a student has been cleared for registration, the on-line system allows for registration, receipt of proof of registration and a personalised timetable via e-mail, all within 15 minutes.

In support of the application and registration processes, attention was also given to the Call Centre. UWC is currently the only institution in the Western Cape, and one of only a few in the country that has a Call Centre with full back-end integration with student administration systems.

During 2009, the third iteration of the centralised marks administration system (MAS) was rolled out and our academics are engaging with the system to determine how can be used to optimise student assessment and success. This system has been designed to provide critical input for the Student Tracking Project that is in the process of being developed. These technical solutions will provide the University with useful information to identify and support students at risk of dropping out or failing.

The completion of the integrated IT system and the staff development initiatives should encourage the administrative staff to shift from a focus on silo-orientated administrative transactions to alignment with the strategic goals of the University. We have established an enabling environment for UWC's administration to be improved even further over the next five-year period. Achieving operational efficiency has been a huge challenge, but it is allowing us to provide a more professional service to the students, both in terms of administrative efficiency and in identifying the areas requiring academic assistance.

Human resource (HR) management has achieved strategic significance at UWC as a consequence of the work of our Executive Director: Human Resources, Ms Amanda Glaeser, and her team. This resulted in a strengthened and professional HR department that allowed us to build on the achievements of previous years. Continued development and maintenance of sound employee relations remains a key goal of all HR management practices. The Office of Staff Development developed an annual "Learning Schedule", clearly indicating the workplace learning opportunities that make continuous development opportunities for staff more accessible.

Building on the processes of the last numbers of years, 2009 saw significant change specifically in the role of leadership in faculties. The role of departmental faculty chairs was reviewed and the University is moving to a system of appointing rather than one of electing heads of academic departments. Specific attention was also given to establishing a Leadership Development Programme that will enable new and existing leaders to support the UWC strategic direction. The human resources function also played an active support function in relation to the Vice-Chancellor's leadership initiative. There is broad recognition that the successful implementation of the IOP during the next five years will depend on leadership at all levels supporting and implementing the various change initiatives and creating and promoting the desired institutional culture.

The Performance Development System (PDS) that was introduced in the administrative and support sector in 2008 was refined in some areas. Certain academic departments have also introduced aspects of the PDS system, and engagement with the academic sector regarding the implementation of the PDS continues. The main aim of the UWC PDS is to enhance and support individual development to keep up with the required change in the internal and external work environment through the creation of a learning workplace.

June 2009 saw the commencement of work on the new UWC Employment Equity (EE) Plan. With the national scarcity of high-level skills, universities struggle to attract and retain staff, especially from designated groups. We are nonetheless satisfied with the progress during the implementation period of the current Employment Equity Plan cycle. EE has been part of the day-to-day work at UWC and has been fully integrated into appointments committee discussions and operational meeting agendas.

The management of the staff budget is a key human resources function at UWC and, as the biggest annual budget item, requires careful monitoring and annual planning. The budget has been managed well with improved budget controls and there was no overspending on staffing by any department during the 2009 financial year. The UWC staff cost is managed within the DoE norms for staffing expenditure.

Attracting and retaining staff remains a challenge, but the staff turnover for 2009 was within acceptable measures. Much attention has been paid to staff remuneration in the past few years in order to bring staff salaries to the midpoint of the higher education market. This has not yet been achieved in all instances and is receiving ongoing attention. The implementation of Occupation-specific Dispensation (OSD) salary adjustments was not budgeted for and will only be implemented in 2010, but with effect from June 2009. In addition to the normal human resource functions, specific attention will be given to the following areas as part of the implementation of the IOP: leadership development; leadership processes and behaviour in support of the success of staff; talent processes to ensure the next generation of highly effective staff; and continued attention to improved pay practices.

In terms of Information and Communication Systems (ICS), 2009 was a year of major advances, both behind the scenes and in publicly evident areas. A standing challenge of any institutional computer system is "time to recovery" if servers or devices storing critical data should fail. Two really significant interventions relate to this. UWC began implementing the NETAPP® Metro Cluster in 2009. Data stored on the NETAPP® is replicated at a remote site on campus. In the event of failure there is an almost instantaneous switch to the other storage site. Data will effectively be continuously available once the NETAPP® Metro Cluster becomes fully operational in the course of 2010. The second and related development has been made possible through

UWC's pioneering use of blade server technology. VMware® software virtualises the blade server environment, making resources and memory shareable across the cluster. If any server in the VMware® cluster fails, the resources are seamlessly shared across the rest of the servers, making for what is effectively continuous availability of programs. The full implementation of VMware® will also take place in 2010.

Given the needs of administration and the research sector in a rapidly growing university, data-storage capacity is being increased through rationalisation and new facilities. There are already significant advances, but the completion of the project will make terabytes of data storage available.

In line with international trends, UWC is committed to developing "smart" campuses. The year under review saw significant developments in Wi-Fi, IP telephony (VoIP) and videoconferencing. Wi-Fi access to the University network was made available across 50% of the main campus in the course of the year. The Life Sciences building was also fitted with IP telephony in 2009, replacing conventional telephones. A third "smart" element extended to four sites in 2009 was videoconferencing. This has made possible international meetings, research planning sessions and teaching. The commitment to increasing the joint presentation of courses in some international partnerships makes this a particularly important development.

When it is fully implemented in 2010, the SANREN network will provide 10 Gbps broadband connectivity across the formal higher education and research environment in South Africa. Along with the completion of the SEACOM cable down the east coast of Africa in 2009, this amounts to a quantum leap in connectivity, with major implications for universities. The preparatory work necessary to allow UWC to use the facilities as soon as they are available has been done. This has involved some attention to cabling, most markedly the 10 Gbps connectivity for the Life Sciences building, and to upgrading the firewall and installing the necessary equipment. The campus will progressively be re-cabled as necessary over the next few years. As an interim measure to improve access, the commercial use of SEACOM facilities via TENET has increased international bandwidth by a factor of eight and national access by a factor of nine. There will be a further dramatic increase once SANREN becomes operational in 2010.

New computer laboratories in various departments, the Library and some residences provided 190 new workplaces in the course of 2009 and plans for a further 70 workplaces in 2010 are already in place. The pressure for more laboratory space is growing as enrolment grows and there is increasing use of e-learning. In line with ongoing institutional policy to upgrade teaching spaces, six lecture theatres on the South Science Campus were equipped with new, sophisticated audiovisual facilities. Twenty-three venues in the new School of Public Health were similarly equipped. A stock of spare equipment has also been acquired for rapid deployment in the case of failure.

UWC remains the African leader in Free and Open Source Software (FOSS) development and a key African player in the emerging field of Open Educational Resources (OER), which involves the systematic sharing of teaching and learning material. Software developed at UWC and refined and augmented in the growing AVOIR network of 17 development nodes across 10 different countries, mainly in Africa, has been adopted in a variety of settings world wide. The Chisimba E-learning system is being used effectively across institutions in South Africa, Kenya and Tanzania, as well as in the three Afghan universities and, from 2009, across the public service in Afghanistan. In 2009, after extensive piloting, Chisimba E-learning was adopted for use across a

network of 100 universities and colleges in the Philippines. In both Afghanistan and the Philippines, using a common platform across a number of institutions has been seen as being conducive to the full use of OER. Prominent international donors like USAID, InWent and VLIR are actively supportive. UWC has been fortunate to be a partner in the long-term VLIR (Flemish Inter-University Council) network for research development. VLIR has progressively sought UWC's partnership at another level in helping establish e-learning systems using Chisimba in other partner countries. The most intensive cooperation in 2009 was in Cuba, Ethiopia and Kenya. UWC's international prominence in the FOSS area has led to many invitations to speak and deliver keynote addresses at conferences. In 2009, UWC's invited presentation at the Open Source Conference (OSCON), the world's largest and most prominent meeting, was given the highest rating. In the field of Open Educational Resources, UWC is the only African member of the board of the pioneering, MIT-based, international Open Courseware Consortium (OCC). The OCC International Board will be meeting at UWC in 2010.

The Finance Department again delivered an unqualified audit in 2009. The annual cycle of internal audits did not raise any serious concerns about our financial systems and controls, which continue to improve. We were able to maintain the levels of third stream income, as well as keep our tuition and accommodation fees affordable. A broad range of factors influence our finances. These include: student academic performance against national benchmarks; our ability to increase enrolment in targeted areas; the attraction and retention of appropriate staff; third stream income; state subsidies; fee income; employment costs; and mandatory annual surpluses. Despite the complex environment in which we are operating, we are confident that our financial planning processes are sound and that they support key institutional objectives and goals. The report of the Executive Director: Finance and Services in this publication presents a detailed account of our noteworthy achievements in this area.

Student Fee Increases and Financial Aid

The year-on-year increase in tuition and residence fees for 2009 was 10%. UWC's approach to student tuition and accommodation fees has been influenced strongly by its mission of social equity and affordability. Fees have demonstrably been too low, in some cases amounting to less than half of the most expensive in the region. For this reason, fee increases over the past few years have had to exceed inflation. The University Council has acknowledged that this will have to continue for some time in order to narrow the gap with other institutions and to avoid the risk of underfunding. UWC will not attempt to match the fees of its neighbouring institutions; however, it must take into account that the quality of its programmes as well as its financial viability will be compromised if fees and subsidy together fall below the actual cost of delivering these programmes to the appropriate standards.

In 2009 the UWC Financial Aid Office administered a total allocation of R167.5 million compared to R129.3 million in 2008. Of this total, the National Student Financial Aid Scheme (NSFAS) allocation was R63.4 million, which included bursaries administered by NSFAS. The University's own allocation to bursaries was R9.5 million, compared to R6.4 million in 2008. Annually we are able to increase the number of students receiving financial support and we foresee that this trend will continue.

Alumni and External Relations

We have spent considerable time during the recent past reconnecting UWC with our alumni across the country in order to establish a tradition of alumni support for the University. We are working very hard to achieve this and to keep our alumni informed of what is happening at their alma mater. During 2007 we launched an annual alumni publication, 360 Degrees, and 2009 saw the publication of the third edition. This publication focuses on various of our alumni, their achievements and their contributions to building a better society. We also produced the second edition of the new publication, Perspectives, which focuses on high-level research projects, community engagement initiatives and UWC's initiatives in giving effect to its vision of being an engaged university, deeply committed to shaping the future of our country.

Following a bequest from the late Ms Marjorie Wallace, UWC established the Jan Rabie Marjorie Wallace Scholarship Fund in accordance with the testamentary requirements of the will. The first scholarship was advertised and awarded to esteemed Afrikaans writer Andre P Brink. The award, valued at R350 000, makes it the largest scholarship of this nature for Afrikaans writing, and the University is proud to be associated with Professor Brink through this prestigious award.

Infrastructural Developments

In the last number of annual reports we have been able to report on infrastructural developments on our campus. To fully appreciate these developments it is important to understand that the severe fiscal constraints faced by the University from the mid-1990s until 2002 resulted in backlogs in maintenance and no new buildings being constructed for almost ten years.

The first IOP, which was implemented in 2005, sought to advance a new vision for the physical development of the campus and to ensure continuity between the old and the new. The University was also experiencing increasing pressure for expansion, as student numbers were increasing and planned growth had been agreed on. In view of these realities, the University started planning for future infrastructural development on campus, but also realised that there were huge opportunities in the area surrounding the campus. These would not only provide additional space, but, more importantly, would break the segregated nature of the campus arising from its being designed during apartheid. This broader vision continues to be pursued actively at various government levels.

During 2009 the Department of Higher Education and Training invited institutions to submit proposals for the 2010/11 to 2011/12 cycle of Infrastructure and Efficiency funding. In its proposal, the University communicated that we welcome the areas selected to benefit from the funding – life and physical sciences, health sciences, teacher training and student housing – as those are where our needs are most urgent. The approved funding for infrastructure gives a new edge to our planning process and seeks to address issues relating to the institution's academic priorities and mission. It will also assist greatly to achieve greater academic coherence and help overcome the challenges of UWC's older built environment, which is inflexible or very expensive for adaptive re-use. Because the actual programmes in the designated areas are dispersed across the campus, the systematic infrastructure renewal process will permit greater rationalisation of space, including a series of decanting strategies, for implementation within clear timelines for the infrastructure period 2010–2012.

The UWC projects that were approved by the Ministry at the end of 2009 include:

- the creation and consolidation of an undergraduate and postgraduate Life and Physical Sciences precinct and the construction of two facilities in close proximity to Health Science to render several service courses for Health Sciences;
- the appointment of three professorships in key fields in Teacher Education;
- the creation and consolidation of a student housing precinct as part of a public/private partnership to provide 1 200 new places for students; and
- the upgrading and refurbishment of ablution facilities and the establishment of kitchenettes in existing residences.

Planning for infrastructural expansion started in the absence of funding and our vision became reality when The Atlantic Philanthropies (AP), which had a longstanding relationship with the UWC School of Public Health, requested the University to submit a draft brief and estimated costing for a new building for the School of Public Health. Since its inception in the 1980s, the School has been housed in prefabricated buildings that have exceeded their useful lifespan. Funding of R66 million for the construction and furnishing of the building was granted and we started with construction in the middle of 2007. The building was occupied early in 2009 and was formally opened during the Winter School in June by UWC Chancellor, Emeritus Archbishop Desmond Tutu. This building was delivered on time and within budget. I wish to again express UWC's immense gratitude to The Atlantic Philanthropies for their support. Its donations provided us with the confidence to pursue our vision of changing the nature of our campus and its immediate environment.

The Life Sciences building, on which construction commenced in 2008, was supposed to reach practical completion at the end of October 2009. The University was, however, informed mid-year that the contractor would not be able to meet the October deadline. The University and its Principal Agent then consulted with the contractor and entered into an agreement for sectional completion in order to be able to commence with the refurbishing of the building. Practical Completion Certificates were issued at the end of the year and the first academic departments started occupying the building early in 2010. This has been one of the most ambitious building projects on any South African university campus in recent years. The project was not without problems and challenges, but the result is an iconic, state-of-the-art building that attests to the quality of the work done on the UWC campus in the area of the life sciences. This building would never have been realised without the support, financial and otherwise, received from the founder of The Atlantic Philanthropies, Mr Chuck Feeney (R124 million), and his Board, followed by support from the then Minister of Education, Ms Naledi Pandor (R200 million), as well as from the Kresge Foundation (R20 million). This building, more than any other, has set UWC on a new path in terms of its infrastructural planning. We foresee that the formal opening of the new building will take place during 2010 and look forward to celebrating the success of this development.

UWC has residence places for approximately 3 000 students in nine residences and there is a dire need to increase capacity to house additional students on campus. Three years ago, Council authorised Kovacs Investments 670 (Pty) Ltd to secure funding to develop a student housing complex within the framework of a public-public partnership at no financial risk to the University. In 2008, Kovacs informed Council that it had secured a long-term loan, totalling R250 million, from the Development Bank of South Africa. In response to a call for infrastructure proposals, UWC sought consent to let sections of University land for the erection of a

student housing complex to Kovacs on a long-term lease on a build, operate and transfer basis. Approximately 4.2 hectares have been identified between the existing residences and Symphony Road on the eastern edge of the campus. During 2009, the Ministry of Higher Education and Training consented to the principle of such development on a build, operate and transfer basis. The aim of this project is to add an additional 1 800 beds to cater specifically for the growing number of postgraduate students. In line with other recent developments on the campus, the University has set very high standards for this development, which will become the new “face” of the institution from the eastern side of the campus and which is planned to commence during 2010.

Metrology Research Laboratory: Against the backdrop of growing concern about the sustainability of the current global energy system, the South Africa government has announced plans to intensify efforts to develop hydrogen as an alternative energy carrier. To this end the Department of Science and Technology (DST) selected hydrogen and fuel-cell technologies as key research themes and approached three universities to foster proactive innovation for the development of new industrial activities. The University of the Western Cape was selected to host the National Competence Centre for Systems Integration and Validation. To give effect to the programme, UWC signed and accepted a deed of donation of R10 million from PetroSA in 2008 for the construction of a Metrology Laboratory at UWC. In view of the importance of this facility as part of its long-term vision, the University has agreed to contribute R17 million to its development in order to ensure that we are able to build a facility that will meet the immediate and medium-term requirements. This project will be the first in the establishment of the chemical and physical sciences as part of the science precinct around the new Life Sciences building.

Regional Developments in Higher Education

The regional relationships with the City of Cape Town and the Western Cape Province reported on last year have continued to develop. Working groups have sought to use every opportunity to foster healthy and mutually beneficial cooperation and prepare a formal basis for such cooperation.

The national Department of Education (DoE) requested all higher education institutions to schedule the 2010 mid-year holidays to coincide with the World Cup, from 11 June to 11 July 2010. Regionally, the Cape Higher Education Consortium (CHEC) set up a Working Group, which is chaired by UWC, to engage with Province and the City of Cape Town about the World Cup and to leverage opportunities for higher education. These include: the development of joint promotional material to promote the Western Cape as a higher education destination as part of the Local Organising Committee’s promotional strategy; encouraging student participation as volunteers; undertaking studies on how 2010 can provide a boost to cultural and quality-of-life initiatives on campuses and how to make institutions more accessible to communities; offering skills training and service courses; the coordination of research, such as impact studies; and the monitoring, tracking and exploration of opportunities for students to benefit from the experience.

CHEC continued to be central to organising meetings and keeping the parties focused. CHEC was able to inform all parties that higher education was a major contributor to the region’s economy and that, with respect to the knowledge economy, the four Western Cape universities potentially made this region the strongest in the country. Together they enrol almost 100 000 students (undergraduate and postgraduate) per annum and employ more than one third of all NRF-rated researchers in South Africa.

UWC made valuable contributions to discussions on promoting innovation, developing a science park, and transformative planning. It gathered information on successful innovation planning internationally and arranged a number of events to which the other role players in the region were invited. Apart from working with City and the Province, UWC has built strong links with business organisations, including Accelerate Cape Town, the National Business Initiative and the Cape Town Partnership. We have also played an active role in national planning for science parks. One proposal by UWC, which was accepted by CHEC and has gone to the City of Cape Town, concerns the future development of the Transnet site that abuts three universities (CPUT, Stellenbosch and UWC), seven hospitals and the Medical Research Council. This site offers unparalleled opportunities for the development of a modern city centre, hospitable to innovation and likely to assist in attracting and retaining talent for the region. Science parks provide important scope for building to scale, an area of major weakness in the knowledge economy in South Africa.

The planning proposals by UWC seek to reconnect the areas balkanised by apartheid and create excellent conditions for development along what has been identified as a development corridor.

Student Development and Support

The Student Development and Support (SDS) function has a mandate to optimise the learning environment and support the quality of life of students through a holistic approach to student development. The Deputy Vice-Chancellor for this portfolio, Professor Lullu Tshiwula, and her team continued to improve and expand on the range of services provided to students. This function was active in a broad range of activities and only some of them can be reported on here.

The year 2009 saw a proliferation of exciting co-curricular activities aimed at supporting the holistic development of students, enhancing the quality of campus life and improving the persistence rate of undergraduate and postgraduate students. It helped early-alert strategies to initiate appropriate action as needed to ensure that there are processes in place for intervention, follow-up and communication among faculty and staff, and to give new students and parents a clear understanding of the University culture and traditions, academic expectations and services.

Academic support initiatives included a campus-wide Peer Mentoring Programme (PMP), which has been implemented and integrated with the residences to improve academic and personal-social adjustment so as to improve the academic functioning of first-year students. In 2009, a comprehensive programme evaluation questionnaire was completed by mentees, mentors, and head mentors and tutors, and this will be used to inform the proposed interventions for 2010.

In the EMS faculty, a pilot living-and-learning initiative was funded by the South Africa Institute for Chartered Accountants. Accordingly, 48 Accounting students in the EMS foundation programme participated in a weekly skills development and support intervention programme. The Living and Learning Project in the Sciences was a pilot project managed jointly with the Director for Teaching and Learning. This programme consisted of a weekly small-group intervention in the extended curriculum of the Physics Department. It aimed to develop generic academic and personal-social skills and to improve adjustment in order to improve the chances of academic success. The programme was supervised, facilitated and evaluated, and in 2009 was sponsored jointly by SANTED and the Centre for Student Support Services.

In 2009 the Students in Free Enterprise (SIFE) initiative mobilised students from all disciplines to partner with business and business leaders to develop and collaborate on community development initiatives that seek to promote the ethical and socially responsive business pillars on which all programmes and projects are based. The UWC SIFE chapter performed very well during 2009 and attained fifth place overall in the national competition. They achieved first position in Commercial Success Skills in their league, and achieved second place in Entrepreneurship in this league. Other activities included participation in the Light Buzz Fun Awareness Day, which saw the team present a workshop on saving electricity to approximately 600 primary- and 10 high-school learners from schools in the surrounding community. The Smile Day project demonstrated economic opportunities at sport events (e.g. a soccer tournament staged with 11 schools offered the opportunity to sell products at stalls as a “dress rehearsal” for starting businesses at the Public Viewing Areas during the 2010 FIFA Soccer World Cup). The Greening the Bush initiative implemented a recycling campaign on campus to raise environmental awareness among the students. On “Green Day”, the UWC community was asked to wear green to show their support, while the Reach Out After School (ROAS) initiative offered subject tuition to Grade 10 learners from four neighbouring high schools.

Activities in 2009 contributing to the individual and collective growth of students included areas of leadership and social responsibility to promote responsible citizenry. The Leadership Academy for emerging leaders comprised 12 sessions focusing on four pillars of leadership via group and individual interventions. The Social Responsibility programme provided development and support for student societies and projects and included a broad range of initiatives, such as the Student Mentorship Programme, support for the UWC Sports Council, examination preparation in respect of the Golden Key Honours Society, helped building the RAG team exploring individuals’ strengths, appreciating diversity and produced the annual RAG magazine for 2009, held several workshops with Choir executives, supported the Political Science Students Association, Students for Law and Social Justice, and helped to build strong effective student governance in the SRC and CHC.

The 2009 Debate Initiative sought to promote a culture of debate amongst students of the University by encouraging debate platforms on the campus. The initiative encourages analytical and critical thinking in order to develop the intellectual ability of the students as they strive to find solutions to the challenges facing our society. The 2009 programme trained the Debate Society’s ‘super debaters’ to compete in the national championships, where they were awarded high recognition in various categories and received weekly support and training to sustain this high level of performance.

Our students continued to excel and, of the thirty prestigious Mandela Rhodes Scholarships awarded nationally, three went to students of our University in 2009. The successful students are Emile Engel, Nande Mabona and Alice Wamundiya. We are also extremely proud of two of our students, Ayanda Gladile and Sabelo Mcinziba, who were selected to participate in the national South African Washington Internship Programme, which saw them spending eight weeks in Washington DC, where they stayed with American host families.

In September 2009 the Planning Office re-initiated the administration of graduate-exit surveys among UWC graduates. Drawing from similar surveys that had been done at UWC and other universities in the past, a new survey was draw up and piloted at UWC’s September graduation ceremonies. The students were asked to

reflect on their experiences at UWC from a number of perspectives and to share information about their present employment situation. We were extremely heartened by the rate of return after the three nights of graduation ceremonies, and the value of this initiative became very clear as the analysis progressed. It was therefore repeated at the 2010 March graduation, resulting in a much higher number of returned questionnaires over the six nights of graduation ceremonies. The insights gained will be used to inform the roll out of the IOP (2010–2014) and lay the basis for more extensive research on the student experience at the University and after graduation.

HIV and AIDS Testing on Campus

The UWC HIV & AIDS Programme continued to play an important role in the higher education sector with regard to HIV and AIDS programmes. The many projects included peer education, interactive theatre, condom-distribution and HIV-testing campaigns, and the development of close relationships with relevant community organisations, schools, tertiary institutions and HEAIDS.

Through a USAID-funded project the University established partnerships with 15 high schools from disadvantaged communities in the Cape Peninsula. Using a multi-pronged approach, the project focused on training principals, educators, school governing bodies, learners and parents. The SADC HIV & AIDS collaboration between the universities of Zambia, Malawi, Namibia and UWC under the banner of “ZAMANAWA”, a Zulu word meaning “let’s give it a try”, has entered its seventh year. UWC has been appointed as lead institution for this four-country HIV-prevention initiative. As part of the regional student exchange programme, four UWC students participated in a staff-student delegation that visited the University of Zambia for six days in August 2009.

The *Know Your Status Campaign* has seen a major boost through two major HIV testing campaigns on campus. Using UWC’s excellently trained HIV and AIDS peer educators, in collaboration with the Campus Health Centre, more than 2 500 students were tested for HIV during a two-week period. The HIV/AIDS unit also continued to do an annual audit of HIV/AIDS-related research and teaching at UWC, confirming the University’s dedicated attention to the pandemic at various levels. UWC further extended the reach of its INWENT programme, a German-funded computer-based HIV teacher education programme, involving Zambia, Rwanda, Mozambique, Tanzania, Malawi, Kenya, Namibia and South Africa. Lessons learnt through this project have strengthened the development of a postgraduate module in HIV and AIDS in the Faculty of Education.

Sport

Our sports teams once again competed successfully in various championships. The global sporting community could catch its breath after Beijing 2008, but at the same time not rest easy. This was a time for debriefing and going back to the drawing board to look at what went wrong and how to move forward in a global context. This question holds the same weight for national sporting federations and centres of excellence. Bearing this in mind, we present a synopsis of the sporting achievements of the University of the Western Cape for 2009.

At the 25th Universiade in Belgrade, Serbia, held in 2009, UWC had students competing in swimming and athletics as part of the South African team. This compared well with the students who qualified for football, volleyball and basketball during the 24th Universiade in Bangkok, Thailand in 2007. UWC’s 18-member team

included the Head of Sports Administration, Ms Ilhaam Groenewald, who was promoted from being Assistant Chef de Mission in Bangkok to Chef de Mission in Belgrade. The SA volleyball team recorded their first win against Algeria after competing in three World Student Games. This was a big moment for the team, of which five players were from UWC.

In the build up to the Confederations Cup, UWC hosted an international friendly match between the National Football Federations of Poland and Iraq. This was a great honour and opportunity for UWC, and the event formed part of the institution's bid to be an official base camp for the FIFA 2010 World Cup. Unfortunately the Western Cape was not selected as a destination of choice for the visiting teams.

The UWC 'Fast & Flat' 10 km challenge is a firm fixture on the Western Province athletics calendar. The race attracts the best athletes from our own and other provinces and is known for producing fast times. It also serves as the Western Province 10 km Championships. More than 1 000 participants bravely faced the first onset of winter weather during a 7 am starting time.

The last number of years has seen the establishment of a strong relationship between the University and Dutch-born football player, Clarence Seedorf, and his Champions for Children Foundation. Seedorf plays for the Italian club AC Milan. During June 2009 Seedorf visited the campus and announced at a press conference the building of a playground in Manenburg in partnership with UWC and the Università Cattolica del Sacro Cuore in Milan. The aim of the project is to utilise sport as a tool to improve education and the overall wellbeing of learners in the area. We are very excited about this project and look forward to its implementation.

The annual UWC Sports Awards is one of the highlights on the sporting calendar. The awards evening formed part of the Student Development and Support Awards for the first time, and the top award went to the ladies football team for Most Improved Team. The Top Team Award went to the cricket first team. The Female Sportsperson of the Year was Nosipho Poswa, who played for the UWC ladies rugby team, and the Male Sportsperson of the Year was Gershwin Rabie, for cricket. These are two outstanding athletes who embody commitment, talent and dedication. Nosipho is a member of the Springbok ladies rugby team. Gershwin has shown a steadfast rise and progression in cricketing circles and has caught the eye of the national selection committee. Both Gershwin and Nosipho continue to be Proudly U-DUBS on their way to professional careers within their respective sports.

The UWC Athlete Support Programme (ASP) has come of age. This programme has been in place since 2007 and provides the following benefits to athletes: sports merit awards; Sport Science support services; technical and management support; education and training, with a focus on life skills training programmes; facilities; and support services such as transport. The aim of this programme is to have a structured approach to the recruitment and retention of student athletes, assisting them to achieve success in both their sporting and academic disciplines. The implementation, monitoring and evaluation of this programme resides mainly with the sports administrators, coaches and Sports Council. The ASP has been identified as a priority area for all sports administrators, on the understanding that the successful delivery of sports codes is dependent on this programme.

Our cricket team continues to produce outstanding individual athletes. The Sport Skills for Lifeskills programme, introduced three years ago, remains the anchor for the sustained development of young cricketers joining the club. The likes of Francois Plaatjies and Gershwin Rabie are now included regularly in the successful Cape Cobras cricket franchise. In 2009, UWC hosted three training camps for the national women's cricket team and, prior to their departure for the World Cup in Sydney, Australia, we also hosted the final selection match for this team. Not only did the UWC cricket first team walk away with the Top Team Award at the 2009 Sports Awards, but they also ended third on the Western Province log. This superb result will give the relatively young UWC side a lot of confidence as they prepare for the next season.

The partnership with Swimming South Africa also continues to showcase our University, not only in swimming excellence but also in coaching. Our head coach, Cedric Finch, accompanied 10 senior and junior elite swimmers to the European leg of the lucrative 2009 FINA ARENA World Cup Circuit. The team returned home having broken 18 world, African and South African records in a span of four weeks. The highlight was undoubtedly the final event in Berlin, with the likes of Roland Schoeman, Cameron van der Bergh and Kathryn Meaklim all breaking their own respective world records. Among his peers, coach Cedric Finch is currently regarded as the most successful coach ever to lead a swimming team abroad.

Conclusion

The important developments that took place at the University in 2009 and the achievements that continue to strengthen our respected position within the higher education community, both nationally and internationally, are reflective of our increasing ability to respond with confidence and insight to the challenges of our time. In 2010, as we move into the execution phase of our new IOP (2010–2014), our focus will be on ensuring that we have sufficient capacity in all areas of the organisation's functioning to give real meaning to the aspirations and strategic intentions of the new plan over the next five years. To do this we will consistently be challenged to ensure that all role players have a shared understanding of their roles and responsibilities and are able to make sense of what we aspire to. This requires a special kind of leadership and thus a sustained focus on building a leadership cadre that will continue to take forward what has been started. It also requires that, in 2010, we remain committed to continuing with important initiatives started or strengthened in 2009 that are essential to enhancing the academic experience of our students and managing the University's growth trajectory with integrity. I look forward to continue our engagement with the new Ministry and with our other partners around these important issues in 2010.

While 2010 will therefore be a year for careful implementation of our new strategic plan, it will also be a year of celebration. As the IOP suggests, the aspirations and achievements that have brought us to a place where we can move with confidence into the execution of the IOP's goals in 2010 are both a product of our history and our desire to embrace new opportunities and responsibilities. In 2010, UWC will celebrate its 50th anniversary and, to this end, a co-ordinating committee under the chairpersonship of Professor Fatima Abrahams has been set up to prepare the basic scope of our plans for a year-long programme around this important milestone. Celebrating our 50th birthday provides a special opportunity for us, as University, to consider our history, celebrate our achievements and put our new plans into action.



Prof Brian O'Connell
Rector and Vice-Chancellor

3. REPORT FROM THE CHAIRPERSON OF SENATE

During 2009, the University of the Western Cape (UWC) embarked on a process to reassess its institutional strategic direction in order to formulate the 2010–2014 Institutional Operating Plan (IOP). The process included twelve task teams focusing on different strategic areas, including a task team focusing on Teaching and Learning and one focusing on Research and Innovation. In terms of the academic project, the task teams used the process to focus our attention on examples of best practice, to critically consider strengths and weaknesses within our current systems and approaches, to consider opportunities and to consolidate these in high level strategies supporting the overarching goals.

During this process, the University reaffirmed that it respects and strives for excellence in teaching and learning and in research, and that it encourages a reflective culture among all members of the University community, rooted in their taking responsibility for excellence. The University reaffirmed that it will continue to critically review what it has achieved and continue to assess itself, applying its own and international benchmarks and using the results to make UWC more efficient and effective. Finally, recognising that the institution needs to differentiate in order to excel, UWC agreed that it aims to be a leader in niche areas of excellence, while maintaining good standards overall.

Through the IOP, the University also articulated its intention to cultivate a socially responsive, people-centred approach to education that encourages its graduates to engage with the challenges of the day and to make powerful contributions to building an equitable and sustainable society.

Academic Structure

The Deputy Vice-Chancellor: Academic and the Deans are directly responsible for the leadership and management of the academic project. We are in the privileged position that we have had a reasonable degree of stability in terms of these important positions over the last number of years, and the results of this are clearly visible in the success that we have achieved in many areas. We appointed Professor Ramesh Bharuthram as Deputy Vice-Chancellor: Academic at the end of 2007 and, in only two years, he has made a huge impact on the academic project at both undergraduate and postgraduate level and in supporting our academic staff to progress in achieving the levels of excellence to which the University aspires. Many of these initiatives have been augmented through the securing of external funding.

Our academic offering has remained stable and the only change in 2009 was the decision to phase out the postgraduate B Complimentary Medicine (Unani-Tibb) offering.

Composition of Senate

The Senate of the University consists of members of the University executive; representatives of Council; the deans; the professors of the University (along with specified visiting, extraordinary and honorary professors); the directors of schools, centres and institutes at the University; all chairpersons of academic departments or similar academic structures; eight academic employees; eight non-academic employees; eight registered students of the University; the director of library services; the director of teaching and learning, the director of postgraduate studies; and such additional persons, not more than eight in number, as the Council, on the recommendation of the Senate, may decide upon.

Composition and Size of the Student Body

The table below shows the enrolment figures for 2009 and for the preceding five years in the various enrolment categories. Although slightly below our enrolment target in 2009, the University is pleased with the growth in both undergraduate and postgraduate enrolment from 2008 to 2009, and we are confident that we can build on this growth in the 2010 enrolment cycle to achieve the three-year growth target. The current enrolment mandate allows for a headcount, FTE and teaching input unit target of 17 500, 14 300 and 33 200 respectively by 2010.

The table below shows a temporary decline in postgraduate enrolment from 2004 to 2006, and this is attributable largely to the tightening up of readmission requirements to improve the time to degree. This focus continues, along with attempts to address the relatively high dropout rates amongst Master's and Doctoral students. Like all South African universities, UWC will remain predominantly undergraduate, but with a vigorous and growing postgraduate and research sector within that frame.

At the end of 2009, universities were required to submit enrolment plans for the period 2011 to 2013. UWC enrolment plans are informed by the limited infrastructural expansion opportunities at some South African campuses and the relative cost of new facilities. The next Enrolment Plan builds on the foundations set over the past years to stabilise enrolments, improve success rates, establish new niches and harness support for the strategic direction of UWC. The improved quality of the intake in recent years has resulted in an increased demand for postgraduate studies; we consequently allow for an increased intake in this area in our future planning. UWC is investing in considerable high-end research capacity to support this. We expect completion of a world-class Life Sciences building early in 2010 that will offer state-of-the-art research laboratories and will undoubtedly lead to a further increase in postgraduate enrolment in this area. We already have leading local and international scientists in several areas in this faculty and look forward to the positive impact of the new, first-rate facilities on their research and ability to attract more postgraduate students and postdoctoral fellows.

Enrolment figures 2004 – 2009						
	2004	2005	2006	2007	2008	2009
First-time entering undergraduates	2 769	2 694	3 024	2 948	2 830	3326
Total undergraduate	10 920	11 531	12 020	12 042	11 946	12860
Postgraduate diplomas	595	599	514	550	402	485
Postgraduate bachelors	281	283	173	165	201	230
Honours	691	639	645	697	749	787
Master's	1 434	1 217	1 161	1 105	1 390	1421
Doctorate	304	321	325	368	386	421
Total postgraduate	3 305	3 059	2 818	2 885	3 128	3344
TOTAL ENROLMENT	14 225	14 590	14 838	14 927	15 074	16204

The table below illustrates the composition of the student body in terms of race categories. The proportionate distribution has been fairly stable for the last number of years and we are pleased with the diversity on our campus. There are areas in which we would like to increase our student numbers to further enhance this diversity. The majority of students listed as "unknown" are international students.

Composition of the student body 2004 – 2009						
	2004	2005	2006	2007	2008	2009
African	5 062	4 873	5 155	5 464	5 799	6378
Coloured	7 056	7 313	7 279	7 147	7 020	7647
Indian	1 384	1 479	1 302	1 236	1 139	1093
White	576	761	691	683	649	669
Unknown	147	164	411	397	467	417
TOTAL	14 225	14 590	14 838	14 927	15 074	16204

Proportionately, the gender composition on campus has remained fairly stable, with some growth in the female intake. The table below shows that female students comprised 57% of the total enrolment in 2002 compared to 60.5% in 2008.

Enrolment by gender 2004 – 2009						
	2004	2005	2006	2007	2008	2009
Female	8 075	8 509	8 861	8 871	9 048	9810
Male	6 150	6 081	5 977	6 056	6 026	6394
TOTAL	14 225	14 590	14 838	14 927	15 074	16204

The number of international students, especially postgraduate students, continues to grow and we anticipate that this trend will persist under the astute leadership of the respective heads of the Student Enrolment Management Unit and the Division of Postgraduate Studies. We continue to be confident in the growing number of students from other African countries, allowing UWC to contribute significantly to human resource capacity in much needed professions such as social development and law. The range of academic disciplines in which international students enrol is a clear indication that the contribution made by UWC is significant and meaningful.

Quality Assurance

In accordance with the provisions of the Higher Education Act, 1997 (Act No. 101 of 1997), ultimate responsibility for all matters pertaining to and associated with the quality of the institution's core activities rests with the Council of the University. The Council is regularly advised in this regard by Senate, especially on academic affairs. There are various committees of Senate or joint committees of Senate and Council, which advise Council by means of written reports on quality assurance matters concerning the areas specified in their standing orders.

UWC also has a rigorous process of academic review using external advisors. Along with self-evaluation through the annual reports of departments and faculties, and external peer review through external examining, academic reviews of departments and programmes are at the heart of the institution's means of promoting quality and continuous improvement. Departments undergo rigorous reviews of this nature every five to seven years. The University annually reviews four or five departments; those reviewed in 2009 were: Physics, Library and Information Science, Xhosa, Human Ecology and Dietetics, and Computer Science.

In addition, the University had its Higher Education Quality Committee (HEQC) institutional quality audit during September 2007. During 2008 the HEQC presented the Audit Report, which reflects the findings of the audit.

Institutions are required to respond to the findings through the submission of Improvement Plans, and UWC submitted its response to the HEQC in June 2009. In the UWC response it was emphasised that the University welcomed the opportunity presented by the HEQC Audit to benefit from external critique as UWC continuously seeks, through its internal planning processes, to enhance its core business of teaching and learning, research and community engagement. The Audit Report was also a valuable resource as the institution set out to prepare its new IOP. The recommendations of the Audit Report have been fitted into the larger frame of considerations that direct the University's decision making in the IOP process in order to ensure synergy between the Improvement Plan and the key directions of the IOP. In particular, the detailed IOP sub-reports on Teaching and Learning, Postgraduate Development and Research have dealt with the Audit recommendations in the context of more ambitious strategic plans.

Teaching and Learning

UWC has continuously stated its commitment to excellence in teaching and learning. This requires attention on several fronts. In an increasingly competitive environment, one key challenge is the attraction and retention of excellent staff. In addition, we recognise the importance of the continuous assessment and revision of curricula and academic offerings in order to meet the needs of the changing intake and of society at large. An abiding challenge in a shifting educational environment is success rates. Faculties have succeeded in improving degree credit rates considerably by implementing a range of teaching and learning initiatives. Regular staff development workshops and seminars in teaching and learning, often arranged in association with international partners, are also undertaken. In addition, ongoing efforts are made to track students' progress in order to facilitate timely interventions where required. This will be made easier through the University's recently developed Marks Administration System. New technology is a perennial challenge, but also offers exciting opportunities.

UWC has built significant expertise in the field of e-learning to enable us to extend the effectiveness of traditional teaching practices. In the period ahead we will be challenged to take best advantage of these new technologies to augment teaching and make material accessible for learning. Our approach to such new technologies is helped by having the strongest Free and Open Source Software development unit in Africa. Ensuring that committed academic leadership is in place is a key strategy that we pursue, as this not only supports our success in teaching and learning but, in most instances, also maintains the important balance between teaching and research activities that have a direct impact on the quality of the teaching content being offered. The use of social media is also being explored. It is important to emphasise that the challenge of developing appropriate teaching methods for the electronic environment is clearly understood. Seminars are held to share best practice; a materials development team is available to assist lecturers; and the achievements and practices of particularly successful ventures on campus are given regular publicity through an e-mail newsletter linked to blogs. There is strong emphasis on developing a community of practice.

As part of the institutional focus on Teaching and Learning, the Deputy Vice-Chancellor: Academic established a Teaching and Learning Directorate in 2009 to assist the University in deepening our understanding of these complex challenges so as to be able to enhance our practice and levels of responsiveness. Parallel to this development has been the establishment of Senate and Faculty Teaching and Learning committees, with the latter under the academic leadership of the Dean or a Deputy Dean. Following the appointment of the Director: Teaching and Learning, Professor Vivienne Bozalek, and as part of the process of developing the IOP, a

Teaching and Learning Policy was developed and approved by the Council. The Teaching and Learning Policy document takes forward the goals of the IOP by providing a strategic plan for teaching and learning in the institution over the next five years. Whilst the Policy is informed by all the institutional goals outlined in the IOP, it gives specific attention to Goal 2, which aims “to provide students at UWC with an excellent teaching and learning experience that is contextually responsive to the challenges of globalisation and the needs of a society in transition”. This goal not only foregrounds the commitment articulated in our mission to strive for excellence in teaching and learning, but also gives meaning to the University’s understanding of such excellence. It calls for a teaching and learning experience that will equip students with the knowledge and skills they will require to respond creatively to the needs of our society as critical and responsible citizens. This Teaching and Learning Policy outlines the strategies that have been identified by the University as necessary for the achievement of such a teaching and learning experience. This will be a key focus area during the next five years and the Policy framework will inform implementation, monitor progress and provide guidance for the realignment and adjustment of activities, where necessary.

As part of the development of the IOP and the Teaching and Learning Policy, the University also considered the findings relating to the “General arrangements for teaching and learning quality” as per the HEQC Audit Report. Substantial work has already been undertaken following the institutional audit, including staff development activities, especially with the aim of developing a common understanding of the theoretical underpinnings of teaching and learning at UWC and promoting the scholarship of teaching and learning. UWC is also piloting interventions across faculties and conducting institutional research to improve teaching and learning practice. In addition, attention has been given to graduate attributes and the development of a UWC Charter of Graduate Attributes that forms part of the Teaching and Learning Policy. Graduate attributes are understood as the qualities, values, attitudes, skills and understandings that a particular university sets out as being important for students to develop by the end of their studies. These attributes are intended to equip them both for future employment and as critical and responsible citizens, contributing to the social and economic wellbeing of society. The process of developing the Charter facilitated internal discussions on “graduateness” and how to embed graduate attributes in curriculum – involving staff in constructive alignment of the curriculum, including assessment for learning and aligning generic UWC, faculty and programme attributes.

The richness of UWC’s teaching and learning experience points to the importance of certain common strategies. These include formative assessment, the provision of adequate course outlines and well-structured learning material, an increased usage of e-media, careful interpretation of course assessments, along with ongoing experimentation with approaches that vary widely between clusters of disciplines, and the collegial discussion of these. The development of teaching and learning has to create space for the dynamic interpretation of common strategies and best practices so that they meet the personal and collective needs of students and the demands of widely different disciplines.

At the start of 2009, UWC participated in the final pilot testing of the National Benchmark Tests (NBT). The NBT is an initiative commissioned by Higher Education South Africa (HESA) to: (i) assess students’ entry-level academic and quantitative literacy and mathematics proficiency; (ii) assess HE entry level requirements in relation to school-level exit outcomes; (iii) provide additional information to assist in the placement of students in appropriate programmes; and (iv) assist with curriculum development. Of the 13 332 students who participated nationally, 307 were new UWC students. The report reflects consistency across the entire sector

and reveals an alarming picture of under-preparedness with respect to academic, quantitative and mathematics competence. The NBT distinguishes three levels of preparedness, viz. basic, intermediate and proficiency, with proficiency signalling readiness for higher education studies without special interventions, and basic indicating that students need intensive, consistent, year-long support. The picture for South Africa is very troubling, and that for UWC very, very challenging. These results confirmed the growing awareness of under-preparedness arising in the classroom, which is a national problem for which there is no single, quick-fix solution. UWC has taken the feedback from the NBT pilot very seriously in our thinking and planning around student support.

Academic Support and Student Success

UWC has continuously recognised that excellence in teaching and learning is crucial to the success of any university. The University's Foundation Year Programmes were launched in 2005, and 2009 was the fifth year of implementation in the Faculties of Arts, Law, Science, and Economic and Management Sciences. As from 2007 we also introduced a Foundation Year Programme in the School of Nursing. The University receives earmarked funding from the Department of Education for these programmes, but is currently (and we hope temporarily) having to augment these funds from its own resources as the need is so great, particularly in mathematics and science. At the heart of these programmes is the University's commitment to assisting promising students who are inadequately prepared for tertiary education, to improve both their chances of success and their time to degree. All these programmes involve curricula extended beyond the normal time for a degree. The programmes are being monitored closely, as they are seen as a key strategy in linking UWC's commitment to equitable access to success.

Foundation programmes do not, however, resolve all problems. Recognising that there is no single answer to under-preparedness, a number of mentoring and other programmes have been introduced in the residences, and faculties are using expanded and improved tutoring programmes and are constantly evaluating and revising teaching approaches. In all faculties, for example, there was a stronger focus on teaching quality and on sharing promising innovative measures.

As part of the development of the Teaching and Learning process, focused attention was also paid to factors contributing to poor student outcomes. UWC recognises that student success as measured in terms of student throughput is not the only concern to be considered, but that the student's ability to adapt to the workplace and whether the student is able to attain the graduate attributes that the University ascribes to are equally important. Each of the factors impacting on our success in this regard is receiving attention.

UWC is pleased that it has been able to improve graduation rates to 20%, compared to 16% in 2003. Degree credit rates have stabilised at 78% since 2007. The University regularly measures its performance against national, system-wide and institutional targets, and we critically reflect on our approach to improving student success rates. UWC is an institution with a long history of promoting and facilitating student access, but this is done within a frame that recognises that, for wider access to be defensible, it must be followed by success.

In support of the University Mission Statement, UWC has developed the best After Hours Programme for working students in the Western Cape, providing flexible access to higher education. As part of this commitment we continuously consider ways of improving the campus experience for our part-time students.

The Library has also undergone many changes to support students better. Students can now use the Library until midnight from Mondays to Thursdays and until 20:00 on Fridays. Librarians have been relocated to new offices close to the faculty collections, and additional computers and printers have been installed. Recognising that students rely on networked resources for many tasks associated with their studies, the Library has opened a facility known as the Knowledge Commons to facilitate easy access to eLearning material and databases, and to provide group study rooms as well various forms of assistance relating to library resources.

Internationalisation and Regional Collaboration

The Mission Statement reminds us that UWC “is a national university alert to its African and national context”, committed to “further global perspectives among its staff and students, contributing to South Africa’s reintegration in the world community”. In line with the Mission Statement, the University continues to pursue the strengthening of existing relationships and the forging of new partnerships in support of its strategic direction. International collaboration is viewed as an important mechanism to unearth the potential of real opportunities for UWC. UWC has a firm policy that supports entering into institutional partnerships in keeping with the strategic priorities of the University and where collaboration holds the potential of real opportunities for UWC to grow. New partnerships require committed local participation before they are approved, as this makes success more likely. We have longstanding and productive relationships with many universities across the globe, as well as growing numbers of international students. It is impossible to do justice to these partnerships in a report of this nature, but it is essential that we continue to acknowledge these important relationships.

Some examples of local partnerships include: the LL.M in Labour Law presented by Stellenbosch University, the University of Cape Town (UCT) and UWC; the M.Sc in Structural Biology in partnership with UCT; and the digital archiving of the Desmond Tutu papers with the University of the Witwatersrand (and King’s College, London). There is a broad range of international partnerships, of which some are mentioned here as examples because of their particular significance to the institution at present.

Partnerships with universities and university colleges in the Nordic countries have a long history. There is longstanding cooperation with Norwegian institutions in NUFU- and Fredskorps-funded projects, and exchanges in science and mathematics education, public administration, the performing arts, mother tongue instruction, public health, psychology and the care of HIV-exposed infants. A joint international MA programme in Adult Education is offered by UWC, the universities of Linköping and British Columbia and the Sydney University of Technology. Relationships with Denmark, Finland and Iceland are more recent, but the strength of the Nordic connection was marked by the establishment of The Southern African-Nordic Centre (SANORD) at UWC in January 2007. This Centre promotes multilateral cooperation, particularly in a development context, and hosted its second international conference at Rhodes University in December 2009.

Another network of significance is the Nordic and African link. The SANTED Equitable Access, Retention and Success Project is one of two initiatives at UWC funded as part of the activities of the second phase of the South Africa-Norway Tertiary Education Development Agreement (SANTED II). The Equitable Access project has five components: (i) equity of access for Grade 12 learners through learner and teacher advice and support; (ii) admission and benchmark testing to evaluate entry-level academic literacy and numeracy; (iii) strengthening institutional efforts to improve undergraduate success; (iv) enhancing postgraduate success; and (v) institutional research and project management. This three-year project broadly seeks to contribute to

the institution's mission-related goals around student access and success by supporting, enhancing and adding value to various institutional initiatives, beginning at the schooling level and continuing into postgraduate study. While these are important indicators of success, the project's value for the institution thus far has been the way in which it has provided funding support to build the capacity of newly established or reorganised institutional units to fulfil their institutional mandates more effectively. These include the reorganised Student Enrolment Management Unit (SEMU) and the start-up activities of the newly appointed Directors of Teaching and Learning, Postgraduate Studies and Institutional Research. A further SANTED project, ZAMANAWE, funds a peer education HIV/AIDS project with Zambia, Malawi, Namibia and UWC.

The ongoing collaboration with Norway culminated in an exciting seminar on *Future Educational Cooperation between South Africa and Norway*, hosted by the Norwegian Centre for International Cooperation in Higher Education (SIU) and the UWC. This seminar was arranged in tandem with a visit by King Harold and Queen Sonja of Norway. The Norwegian Minister of Research and Higher Education, Ms Tora Aasland, delivered an address at the seminar.

Over the past seven years there has been excellent and growing cooperation with the Flemish universities in Belgium, related to an innovative cross-faculty programme on "The Dynamics of Building a Better Society" (DBBS) and supported by the Flemish Inter-University Council (VLIR). DBBS builds research capacity in areas vital to social transformation, and has engaged major scholars from Antwerp, Ghent, Leuven and Brussels in sustained cooperation with UWC staff and students. It supports prestige scholarships, research projects, co-supervision of theses, staff and student exchange and capacity building. A second five-year phase of the project has been approved and has resulted in the establishment of five research centres at UWC. VLIR also supports North-South-South cooperation, and this supports UWC in working relationships with Mozambique, Ethiopia, Cuba and other countries. The six DBBS projects are: Citizenship and Democracy; Sport Sciences for Development; HIV Prevention and Care; Water for Ecological Sustainability; Multilingual Citizenship and Cities in Transition; and Student Quality of Life.

Over more than 10 years, the Hogeschool Arnhem and Nijmegen, Netherlands and UWC have developed a unique service-learning initiative, placing health and social work students from both universities to work together in several rural communities in the Western Cape. This initiative offers physiotherapy, occupational therapy, nursing and social work services as part of the South African and Dutch students' professional training.

UWC has a substantial partnership with the University of Minnesota and Bogazici, Koc and Sabanci universities in Turkey in a major programme on globalisation and the humanities, sponsored by the Mellon Foundation. A related Mellon-sponsored programme offers doctoral and postdoctoral fellowships in the Centre for Humanities Research.

The African Virtual Open Initiatives and Resources Project (AVOIR), based at UWC, brings together staff and students from 14 African universities in a programme of capacity building in software engineering through the collaborative creation of Free and Open Source Software.

The ZAMANAWE Project links the universities of Zambia, Malawi, Namibia and UWC in a major intervention for peer education on AIDS that is strongly supported by SANTED, the Norwegian-South African cooperative programme in higher education.

UWC also is a member of a select network of 69 major universities across the world with an endowment for postgraduate scholarships in the Social Sciences and Humanities provided by the Sasakawa Young Leaders Fellowship Fund (SYLFF) of the Tokyo Foundation. SYLFF supports a range of further activities between members of the network.

UWC has other, less prominent, linkages with universities in the global South and in the North. It supports all such linkages that are productive, but is building strength in relation to strategic goals and is progressively withdrawing from cooperation programmes that exist in name only.

The partnership with the University of Missouri System (Columbia, Kansas City, Rolla and St Louis) has been of great benefit to both institutions. This relationship now spans 24 years and continues to grow. We often use this relationship as an example of what institutional partnerships can achieve, and we continue to nurture and expand the relationship through the consolidation of existing and pursuit of new opportunities. Despite the economic downturn, 2009 saw new and continuing research collaboration in several fields, and both administrative and academic interactions took place through the increased use of video-conferencing. Substantial enthusiasm was sparked by University of Missouri System President Gary D. Forsee's interest and support for enhancing electronic contact between the two universities. We foresee that the use of technology will also enhance the "Internationalisation-at-Home" experience for both institutions, and that this will have an impact particularly on the large numbers of students who cannot participate in mobility programmes.

During 2009, UWC renewed its participation in the Network on Humanitarian Action (NOHA) Erasmus Mundus Action 3 as a partner institution for the period 2009 to 2013. UWC became a partner in 2006, when we hosted five Master's students for a period of three months. This programme is strengthened by the participation of key faculty members who serve as mentors to the students during their research visits to UWC. In 2009, the mentors were based in the School of Government, the Faculty of Law, the Faculty of Community Health Sciences and the Institute for Social Development of the Faculty of Arts. The priority research areas in which UWC remains attractive to NOHA Master's students include: International Humanitarian Law; Affirmative Action Post Conflict; Youth Development, Empowerment and Conflict Management; Sport for Community Development; Women in Peace Building and Social Transformation; and Governance and Institutional Transformation.

The Coimbra Group, set up in 1987, is an association of 38 traditional European universities with the objective of increasing co-operation amongst its members by enhancing special academic and cultural ties and creating channels of information and exchange. UWC participates in the Coimbra Group Scholarship Programme for young African researchers through its partnership with Audis Edulink and, in 2009, our institution again benefitted from this initiative.

Semester study abroad forms an important part of Internationalisation and in the year under review UWC hosted students from institutions such as Johannes Kepler, Austria; Reunion, France; Duisburg-Essen and

Humboldt Universities, Germany; Hogeschool Arnheim and Nijmegen (HAN), Utrecht and Leiden in The Netherlands; Oslo, Tromsø and Bergen in Norway; Basel University, Switzerland; and Missouri, Arcadia and Marquette Universities in the USA. Various UWC students also studied abroad and we continue to look for such opportunities to impact on and expand the university experience of our students.

During October, UWC sent a group of 23 student members of the Creative Arts Choir and three staff to Technische Braunschweig University (TUBS) in Germany, where they were invited to participate in a scientific and cultural exchange programme. The invitation was initiated by the then Vice-President of Braunschweig University, Mr Rainer Kölsch, who was thoroughly impressed with the students and their performance during the launch of the South African-German Centre for Development Research and Criminal Justice (DAAD) in April 2009. The event was fully sponsored by German donors, including the German Academic Exchange Service (DAAD). Performances were held in Hanover and Berlin.

The UWC Chapter of the international Golden Key Society, which honours high achieving students, recognised those committed to excellence through a special induction ceremony on 19 August 2009 during which 352 new members were inducted.

During 2009, UWC again hosted numerous international university and ministerial delegations. These included delegations from several institutions in the USA and the People's Republic of China, as well as from The Netherlands, Norway, Vietnam, Africa, the United Kingdom and others.

Conferences, Symposia, Workshops and Seminars

During 2009, the University funded 72 academic staff members to present papers at international conferences. This number excludes the staff who presented papers at international conferences that were hosted on the campus, as well as the many who were self-supporting through external research grants. We are very pleased with the growing number of researchers participating in local and international conferences, and with the increasing number of conferences arranged by our staff and hosted on our campus.

Over the past five years we have steadily increased the number of conferences and seminars we host and convene, and UWC academics are doing remarkable work to bring international networks and stimulating debates within reach of our students and to create a vibrant research environment. This relates both to the increasing prominence of UWC in certain fields of research, and to the quality of facilities we are able to offer. Our investment over the past number of years in the revamping and modernisation of major lecture halls has been primarily to provide students and staff with modern facilities that support the use of new technologies in teaching, but the project has had the added advantage that we now have congenial facilities for conferences and seminars. It is impossible, in a report of this nature, to reflect on all the conferences, workshops, symposia and seminars that were hosted, but some are mentioned below to give an idea of the range of research activities in which we are involved.

UWC, in collaboration with the National Research Foundation (NRF), hosted the *30th General Assembly of the International Union of Biological Sciences (IUBS)*. The programme covered topics ranging from Integrated Climate Change Biology, Traditional Knowledge and Human Evolution. Speakers included the famous French anthropologist, Yves Coppens, who collected and found many important fossils and made hundreds of

Hominid finds. We were also honoured by the attendance of Professor Emeritus Phillip Tobias. UWC's Prof Lorna Holtman was re-elected as executive member of the IUBS.

Prof Yongxin Xu, holder of the UNESCO Chair in Geohydrology at UWC, hosted the first *African Groundwater Commission (AGWC) meeting* on our campus. The AGWC was established by the African Ministers' Council on Water to pay greater attention to the management of groundwater in Africa, with special attention to promoting the institutionalisation of groundwater management by river basin organisation to ensure regional ownership, and to create synergy with the Rural Water Supply and Sanitation Initiative to ensure the inclusion of groundwater in resource assessment and the sustainable management of groundwater resources. The meeting was attended by 40 delegates from UN agencies and representatives of African governments.

During Heritage Month, UWC's Faculty of Arts acted as implementation agent for the Department of Arts and Culture and the Dutch and Belgian embassies to reflect on and celebrate our cultural heritage through the *Roots Language Conference and Arts Festival*. Under the Roots banner, the academic conference, cultural festival and museum exhibition reflected the intellectual vibrancy and cultural diversity that has become synonymous with UWC. At the heart of the multilingual challenge lies a discourse of languages that resonates but remains oblivious to new opportunities and the changing nature of societies in transition. Such discourse suggests rites of passage to institutions, practices and cultures based on exclusive heritage and identity politics. Speakers and more than 50 artists from a number of South African, Dutch, Flemish, Surinamese and Namibian institutions explored innovative ways to collaborate and form new alliances that go beyond indices of language and heritage. We are pleased that the Minister of Arts and Culture entrusted the project to UWC, in collaboration with Iziko Museums, and we look forward to building on this initiative and exploring new possibilities for regional collaboration.

The Xhosa department hosted the *African Association for Lexicography Conference*, which consisted of various workshops and a conference. The conference focused on the promotion and coordination of lexicography research, study and teaching to create a platform for researchers and practitioners to exchange ideas. A new Zulu dictionary was launched at the conference.

On 2 November, academics from all of the Western Cape universities and representatives of the City of Cape Town and the Western Cape Provincial Government participated in a *2010 Research Colloquium*. The purpose of the Colloquium was to establish what research was being done in the region relating to the 2010 FIFA World Cup in order to identify possible research gaps and to engage with each other on the pre-, during- and post-event research that should take place.

The VLIR-funded research programme, Dynamics of Building a Better Society, in the Africa Centre for Citizenship and Democracy arranged a symposium on "*Fifteen Years of Democracy in South Africa: Gains and Challenges*". The keynote speaker was Professor Kader Asmal, who stressed the importance of public engagements of this kind for a healthy democracy. The symposium brought a number of interesting speakers to our campus and the discussions were animated and challenging. Discussion topics included the role and effectiveness of the Competition Commission; the perceptions of public institutions; participatory democracy; the importance of an independent judiciary; and economic and social development. We look forward to more

opportunities to pursue these important discussions and reflections on what our nation has achieved, where we have failed and how to move forward while strengthening our democracy.

The UWC Community Law Centre (CLC) hosted a seminar titled *“Litigating Socio-economic Rights at the International Level: Introducing the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights” (ICESCR)*. Socio-economic rights and cultural rights are human rights and include the right to adequate housing, food, health care, education, social security and water. Victims of economic, social and cultural rights violations can now lay complaints with the United Nations Committee on Economic Social and Cultural Rights if justice cannot be achieved in their own countries. The seminar was attended by, amongst others, participants from the Human Rights Commission, the Women’s Legal Centre, Amnesty International and the South African Institution for Advanced Constitutional Rights. The main objective of the seminar was to raise awareness of the Optional Protocol and the various procedures it establishes. This is yet another example of the tireless work done by Professor Nico Steytler and his team in giving effect to their commitment to civil society and the advancement of human rights.

The Centre for Humanities Research (CHR) hosted a seminar that considered possible responses from Zimbabweans to their current situation by also critically confronting their history. The seminar came about as a result of the editing of a forthcoming book, *Becoming Zimbabwe: A History of Zimbabwe From the Pre-Colonial Period to 2008*. The book looks at a variety of aspects, including divisions of race, ethnicity and gender, and rural and urban struggles, combined with the complex tensions and assimilations of the colonial past. The lively discussion confirmed the relevance of the seminar and it will be interesting to see how the book and its suggestions are received in Zimbabwe.

In March 2009 the UWC Centre for Humanities Research and others partners, in collaboration with the Department of Arts and Culture, hosted a colloquium entitled *“Critical Research Practices in Post-Apartheid South Africa”*. The colloquium, as part of international Women’s Day celebrations, formed part of a series of events to honour Sarah Baartman. It focused on issues such as gender oppression, genocide, racism, racial science and indignity, stereotyping and the objectification of women. Minister Pallo Jordan opened the event and set the stage for an interesting discussion on issues such as the repatriation of South African historical and cultural relics that are on display in national and international museums. The colloquium created a forum for a wide range of stakeholders to discuss how cultural heritage should be managed in our country.

Inaugural and Public Lectures

Universities are important spaces for knowledge creation and knowledge sharing. The process of knowledge sharing happens predominantly in classrooms and at academic seminars. In order to include a broader audience and to foster a wider understanding of the intellectual project, universities characteristically host public and inaugural lectures. Some of the highlights of the year are given below.

Two years ago, UWC reintroduced the time-honoured academic tradition of inaugural lectures, which, sadly, had been neglected by the institution for a number of years. Traditionally, such a lecture is delivered by a professor within two years of appointment, providing him/her with a formal platform to provide insight into a topic of significant academic and lay interest, as well as an opportunity for the audience to participate through

questions and discussion. In 2009, Professor Uma Dhupelia Mesthrie delivered her inaugural lecture on "Producing Biographical Knowledge about Indians in the Cape: the State, the Archives and the Historian".

Annual Ashley Kriel Memorial Lecture

The annual Ashley Kriel memorial lecture is a joint initiative between UWC and the Institute for Justice and Reconciliation. This year, three Grade 12 conscientious objectors from Israel joined South African youth as speakers to celebrate the 6th Ashley Kriel Memorial Youth Lecture. This year's lecture coincided with the anniversary of the End Conscription Campaign (ECC). The anniversary of the ECC and the significance of Kriel's life and death inspired some Israeli youth from the Shministim Movement of conscientious objectors. Apart from the Israeli youth who participated, Olwethu Matyesine, a Grade 11 learner at Chris Hani High School in Khayelitsha, also delivered a keynote address. The 2009 lecture profiled the youth very prominently and we are grateful for the opportunity that this lecture creates to continue to reflect on issues affecting the youth in our country and, as illustrated this year, in other parts of the world.

Annual Julius Nyerere Lecture on Lifelong Learning

The 6th annual UWC Julius Nyerere Lecture on Lifelong Learning was once again an event that brought many colleagues from other institutions and sector to UWC. This year's speaker was Professor Odora Hoppers, who holds the Chair in Development Education at UNISA. Her family was particularly close to former President Nyerere, as he gave several of them protection after they had to flee into exile after Idi Amin's military takeover in Uganda. She addressed issues of tradition, culture and indigenous knowledge systems within a context of 'democracy'. She argued that our task is to corrode the story of colonialism, but that we must not treat it like a cobra – continually reacting to it – but should rather get on and create a new future without being 'the other'. Colonialism and imperialism has rendered people as having no histories, and she argued that we must change our gaze – go beyond the de-humanisation of colonialism and confront new discourses, new meanings and new registers. Prof Hoppers called for a time of authentic dialogue, beyond debates and polemics – saying that we need to create new knowledge through bringing different people together, questioning the epistemological underpinnings of our disciplines and creating new synergies for human development that enable co-existence.

Dullah Omar Annual Lecture

The 6th Annual Dullah Omar Memorial Lecture was delivered by the United Nations High Commissioner for Human Rights, Ms Navanethem Pillay, on 1 July 2009. This annual lecture is held in honour of the late Dullah Omar, who worked tirelessly towards realising the goals of human rights and democracy. Speaking to a capacity crowd, High Commissioner Pillay focused on the ongoing efforts to ensure gender equality at the international, regional and national levels, and the challenges ahead. The emphasis of her lecture, entitled "Women's Rights in Human Rights Systems: Past, Present and Future", was on the promotion and implementation of women's rights in the next decade. She concluded her lecture by urging governments and international organisations to meet the expectations of girls and women and help them fulfil their goals. Ms Pillay's speech was also published in the UWC Law Faculty's journal, Law, Democracy and Development.

Desmond Tutu Annual Lecture

On 25 August the University hosted the 3rd Desmond Tutu Annual Lecture, with the Chairperson of the Independent Electoral Commission, Dr Brigalia Hlophe Bam, as the speaker. The theme of her lecture was *“Desmond Tutu – Ecumenical Agenda for a Democratic South Africa”*. The lecture was well attended and students were keen to ask questions afterwards. Dr Bam was able to convey what the ecumenical movement is about at its best – a movement that does not only see to the churches’ need, but also brings about democratic thinking in the broader society. Her involvement in the World Council of Churches, as well as in the South African Council of Churches, made her the ideal person to comment on Archbishop Tutu’s engagement with the ecumenical church, as well as with justice and peace issues in South Africa and beyond. The lecture also highlighted the establishment of the professorial chair in honour of Desmond Tutu, The Desmond Tutu Chair in Ecumenical Theology and Social Transformation in Africa. This annual lecture is an ideal opportunity for us to acknowledge what Archbishop Tutu, UWC’s Chancellor for many years, means to our University, to South Africa and, in fact, to the world at large.

The University also hosted an *Education Conversations Lecture* as part of a series of four engaging conversations focusing on excellence in education. The lecture was lead by Western Cape MEC for Education, Donald Grant, and Dr Mamphele Ramphele. These conversations are the result of a partnership between the Development Bank of SA, Shikaya, The Field Education and the Mail and Guardian, with the aim of engaging South Africans in constructive discussion about the issues facing education. It was clear from the discussion that solutions will require collaborative efforts involving learners, parents, teachers, principals, business, communities and government. Feedback from the various discussions was forwarded to the government ministers dealing with education issues, and we recognise that important conversations such as these should continue to focus our attention on the challenges and urgent interventions required in education.

UWC was privileged to be one of four institutions to host the fifth most cited social scientist in the world today, the Spanish-born Professor Manuel Castells. Castells is renowned for his research on the information society and communications, and has written more than 20 books and more than 100 journal articles and book chapters. A key aspect of his visit to South Africa was to be part of a project to develop a way to strengthen social theory and PhD training in the social sciences and humanities, for which he gave lectures and participated in seminars. The UWC seminar was entitled *“Higher Education and Economic Development”*, and Castells’ paper focused on the critical role played by higher education in relation to the global economy.

Research

In recent measures of research productivity and quality, UWC continued to feature highly among South African universities, especially when the relative numbers of academic staff were taken into account. We were fifth with regard to the proportion of researchers on the permanent staff who were rated as scientists by the National Research Foundation, and seventh concerning the proportion of academic staff holding doctoral research degrees. We were in the top three in the areas of biotechnology, history and development studies. The University has two World Health Organisation Collaborating Centres, in Public Health and Oral Hygiene.

UWC aspires to build and sustain a reputation for cutting edge research in a significant number of strategic areas. This aspiration is based on the assumption that, given a variety of constraints, high-end success can be achieved and sustained only in recognised niche areas. Simultaneously, we identify emerging areas with

potential that, with institutional support, can grow into internationally recognised centres of excellence. The University's approach has two aspects. First, postgraduate teaching and research across the board must be of high quality, academically challenging, intellectually coherent and sustainable. The second aspect concerns identifying and developing niche areas that have already gained some distinction, thereby generating an intellectual environment able to attract world-class scholars and enabling them to build capacity around themselves and achieve significant results. Almost all faculties have earmarked such emerging areas with the aim of achieving excellent national and international reputations. In most faculties this is now resulting in the establishment of research centres. This approach helps to retain emerging academic leaders, build critical mass, improve opportunities for talent development and pursue recruitment and internationalisation efforts.

Various UWC academics were acknowledged for a range of contributions during 2009. UWC Professor Extraordinaire Kader Asmal has been appointed to serve on two United Nations bodies: the UN Children's Fund and the Strategic Advisory Group on Water and Sanitation. The latter group comprises five independent experts in the fields of water, sanitation and water management, tasked to provide direction on ways to meet the targets set by the Millennium Development Declaration of 2000.

Professor Stanley Ridge, UWC's Pro-Vice-Chancellor, was elected President of the English Academy of Southern Africa. Prof Ridge will lead the academy for the next three years. The Academy was founded in 1961 and is an association dedicated to promoting the effective use of English as a dynamic language in Southern Africa, supporting a multilingual culture in the region.

Professor Don Cowan, the Director of the Institute for Microbial Biotechnology and Metagenomics (IMBM), was honoured with a silver medal by the South African Society for Microbiology (SASM) in recognition of exceptional, meritorious and original research in microbiology.

During 2008, UWC introduced the Vice-Chancellor's Annual Research Award for Excellence. The first awardees, announced in 2009, were Prof Ben Cousins (Human and Social Sciences) and Professor Don Cowan (Medical and Natural Sciences).

Prof Charlene Africa, Deputy Dean of the Science Faculty, received an award from the Beirut Arab University for her research focusing on the link between gum disease in pregnant mothers and adverse pregnancy outcomes. Prof Yasien Mohamed of the Department of Foreign Languages was awarded the annual World Prize Book of the Year Award from the Republic of Iran for original research on the ethical philosophy of 11th-century Islamic thinkers in his book entitled *The Path to Virtue: the Ethical Philosophy of al-Raghib al-Isfahani*.

Again, a report of this nature can never do justice to the research achievements of a university in any year, but it is worth highlighting certain key events and achievements of units and individuals.

In addition to the establishment of the Teaching and Learning Directorate in 2009, UWC also established the Division for Postgraduate Studies and appointed Prof Lorna Holtman as Director. She has been the driving force behind the University's Postgraduate Enrolment Throughput programme for a number of years, and the success of that project directly influenced the decision to establish the new Directorate.

At the end of 2009 a comprehensive UWC Research Policy was approved. The Policy was developed in tandem with the University's Institutional Operating Plan for the period 2010 to 2014, and has been informed by the significant achievements in the past 10 years. It is underpinned by the desire to escalate the research and development enterprise of the University of the Western Cape to higher levels, and by so doing to become a major player in the national and international landscape. The Policy recognises the transformation of South African higher education during the last number of years which has not only questioned the role of the University in contemporary South Africa, but has also presented different challenges. Through this Policy, UWC confirms its view of universities as producers of knowledge and innovation and developers of talent, and that this is achieved largely by conducting and openly publishing research, and by educating students. This is a unique policy document for the Higher Education sector, as it articulates strategies for research capacity development, the promotion of excellence through strategic research niche areas, the promotion of national/international partnerships, a new research ethics policy, a revised research incentive scheme, a relook at criteria and mechanisms for internal research funding, the protection of intellectual property and the commercialisation thereof, and the marketing of UWC's research programmes and achievements.

UWC is slowly but confidently evolving from a teaching institution into an institution with relatively sophisticated research activities. The types of research carried out at UWC have vastly expanded and improved over the last ten years. Teaching is still the core activity, but research is increasingly taking centre stage and UWC can confidently be classified as an emergent research institution with increasing staff participation in research and growth in its Master's and Doctoral programmes.

In revising its existing research policy, the University spent some time considering what it was that UWC wanted to achieve in going forward from where it was presently positioned. This led to the development and acceptance by Senate of the Defining Framework for Research in which the need for eight sub-policies was identified. These policies were then developed by eight teams made up of the University's established and promising researchers and form part of the larger Research Policy document.

As part of the growing institutional research focus, the recruitment and retention of postgraduate students is a key goal. In pursuit of this, the University, under the leadership of the Deputy Vice-Chancellor, Prof Ramesh Bharuthram, and the Director of Postgraduate Studies, Prof Lorna Holtman, the University applied to the Mellon Foundation for financial assistance. The successful application provides \$700 000 over four years and will support 140 qualifying postgraduate students, especially previously disadvantaged and financially needy students in the humanities and social sciences, through bursaries for Honours and Master's degrees. This grant is in addition to the \$1 060 000 received for staff and student development in 2008.

In 2009 the University also started a focused attempt to increase the component of academic staff members with doctoral qualifications. A special research grant system was established for lecture load replacement to allow those near to completion to finish their dissertations sooner rather than later. For those at the early stages of doctoral studies, a series of developmental workshops, along with sustained support systems, has been arranged. Together with the Deputy Vice-Chancellor (Academic), the Director of Postgraduate Studies is working towards a one-stop shop for postgraduate students at the University.

To strengthen the partnership between the University and professionals in commerce and industry, we reviewed our policy for honorary/extraordinary academic appointments in the course of the year. A new category of appointment, viz. that of an adjunct appointment, was created. This allows for a professional in the private sector to engage in teaching and learning in selected areas at the University over a short-term period, mutually agreed upon with the relevant department.

As part of the official opening of its building, the **School of Public Health** launched a new Master's Degree in Public Health, funded by the World Health Organization (WHO). The programme will focus on developing the capacity of health policy makers and managers to plan for, develop and manage the health workforce. UWC won the grant in a very competitive process against many consortia from European and American universities. Initially, UWC will collaborate with the National University of Rwanda and Eduardo Mondlane University in Mozambique. The intention is to build a joint teaching platform in the area of health-workforce development in the next few years, which will be available in English, French and Portuguese and will be expanded to include other African countries. UWC has received an initial grant of R10 million from the WHO, which will cover curriculum and materials development, staff and travel costs, as well as student bursaries.

The **Forensic DNA Analysis Laboratory** in the Department of Biotechnology carries out research to improve the existing DNA forensic technology for identifying individuals on the basis of their DNA. One of our senior researchers in the laboratory, Dr Eugenia D'Amato, has now developed a new DNA identifying system that uses the genetic information contained in the Y chromosome (only present in males) to reliably distinguish between male and female individuals. This is a wonderful new development and has already received international attention. This laboratory recently used DNA analysis to identify the bones of anti-apartheid activists after their remains were exhumed from mass graves.

During December, the University launched the **Interdisciplinary Centre of Excellence for Sport Sciences and Development**, with a special keynote address by Mr Wilfried Lemke, the United Nations Special Adviser on Sport for Development and Peace. The Interdisciplinary Centre of Excellence for Sport Science and Development is envisaged to become Africa's leading interdisciplinary centre of excellence, promoting sport as a powerful tool for development, health, wellbeing and social change through high-quality research, teaching and community outreach that combine the areas of sports sciences, community development and wellness. The Centre forms part of the DBBS project and Prof Marion Keim-Lees has been appointed as the Director of the Centre.

BP South Africa has donated R7 million over three years to the **UWC MSc Petroleum Geology and Engineering Programme**, which is delivered within the Applied Geology section of the Department of Earth Sciences. This is the only registered Master's programme in the Petroleum Geosciences in sub-Saharan Africa. It focuses on petroleum systems, petroleum geology and reservoir engineering, with petrophysical analysis and training in reservoir modelling also being provided. Our graduates in this field are highly sought after and the programme boasts a 100% employment record of its graduates. We have recognised an urgent need for the provision of specialised software and equipment for the training of petroleum engineering professionals, and the BP donation will greatly assist the University in achieving this.

The **Southern African National Bioinformatics Institute (SANBI)** received media attention in 2009 for their collaborative cancer research with teams of researchers from Japan, Australia, Europe and the USA. This collaborative research team has discovered the genetic instruction cell used to switch from immature growing cells to fully mature organs. The project utilised in-depth sequencing technologies and invented novel bioinformatics methods to discover the key factors that underlie genome-wide changes in gene expression that occur during cell development. The study of cell growth is intimately linked to the understanding of cancer. By discovering the controlling factors that decide when a cell must divide, and what it should develop into once it has divided, is crucial in finding ways to manipulate the dividing factors in order to halt cancer. This research is expected to result in new therapies for cancer of the blood within the next five years. SANBI is currently applying this research to cancer stem cells that give rise to melanomas, one of the deadliest of cancers.

In Dentistry, 2009 saw the establishment and launch of the new **Dental Simulation Laboratory** in the Faculty of Dentistry's Tygerberg training hospital. This laboratory houses a state-of-the-art facility in simulation technology. The laboratory will be used to train undergraduate and postgraduate dentistry students in basic and advanced dental techniques on simulated, realistic human body models. The simulated models are exact replica of the human head and detailed mouth structures. Each artificial tooth is an exact replica of what students will find in a patient. Each simulator is designed so that it mimics the situation of treating a patient in a dental chair. The simulators are equipped with the latest technology in dental mechanics and cutting-edge instrumentation. Each workstation is linked to a computer and a 19-inch screen, and these, in turn, are linked to the UWC Dental Server in Mitchells Plain. The demonstrator and/or supervisor can demonstrate from his/her machine and teach the students in real time how to cut a "tooth cavity" on the model or how to do a crown procedure, etc. Each student's progress is monitored whilst they are doing their training and errors can be corrected instantly. The software that runs the teaching allows the faculty to grade students and monitor each student's technical ability in real time. The simulation laboratory is fitted with more advanced head models to train postgraduate students to mimic live surgery, place implants or perform advanced microscopic root canal procedures. We have no doubt that this laboratory will assist in putting the institution in the forefront of research, teaching and training in dentistry in Africa and help to make it one of the best in the world.

The **Lignocellulosic Enzymology for Agricultural Feedstocks (LEAF)** programme was launched officially in April 2009. It is a large biofuels research and development programme supported by PlantBio. The PlantBio Trust, based in Pietermaritzburg, is one of the four Biotechnology Regional Innovation Centres (BRICs) supported by the Department of Science and Technology (DST). The LEAF programme brings together four laboratories: the Institute for Microbial Biotechnology and Metagenomics (IMBM) at the University of the Western Cape, researchers from the Department of Microbiology at Stellenbosch University, the Biotransformations and Technical Biology Research Group at the Cape Peninsula University of Technology, and the CSIR. The project is led by Professor Don Cowan, Director of the Institute for Microbial Biotechnology and Metagenomics in the Department of Biotechnology at UWC. In 2009 the IMBM boasted 16 postdoctoral, 11 PhD and 12 Master's students. The total LEAF budget is around R20 million for the four-year project period, of which UWC will receive approximately R9 million. This funding will support a team of 10 researchers at UWC, including five postdoctoral researchers and a project administrator. The project aims to use modern molecular gene discovery methods to identify and produce enzymes suitable for the pre-digestion of agricultural plant biomass prior to fermentation for the production of fuel ethanol. This technology is an important alternative technology to the use of food-grade carbon sources, and can contribute positively to food

security in developing nations. The goal of the project is to develop a series of enzyme cocktails suitable for the efficient digestion of different South African biofuel feedstocks. The pre-digestion of lignocellulosic (agricultural) wastes is an essential first step in the conversion of such feedstocks into fuel ethanol. The genes, enzymes and enzyme cocktails to be developed by the LEAF consortium are all potentially exploitable in international markets by licensing or sale.

The **South African-German Centre for Development Research and Criminal Justice** was launched in partnership with the Ruhr University of Bochum and Humbolt University in Berlin. This Centre is the only one of its kind and UWC was selected from 70 applicants as the site for the Centre. The Centre is one of five collaborative Centres of Excellence in Africa that have been established for the education and training of future leaders, with the support of the German Academic Exchange Service (DAAD) as part of its African Excellence Programme. The other centres are in the DRC, Ghana, Namibia and Tanzania. The UWC Centre will operate in two related divisions – the Criminal Justice Division and the Development Research Division – and funding has been provided for the first five years with the possibility of renewal for a further five years. The proposed Centre is a partnership between the School of Government and the Institute for Development Policy and Development Research at the Ruhr University in Bochum. It will support the academic education and research-oriented training of future leaders in African economic, political and social development through Master's and PhD programmes that will be presented in South Africa and Germany.

The launch of the UWC HIV/AIDS Research Project was an important component of establishing the **Centre for HIV/AIDS Research** to consolidate and synergise HIV/AIDS-related research. The project, which is within the School of Public Health, was launched during a *UWC-VLIR Symposium on HIV Prevention and Care: Addressing Health Systems, Schools and Gender*. One of the objects of the symposium was to provide a forum for information exchange between African researchers and Flemish academics who are linked to UWC through the VLIR-funded Dynamics of Building a Better Society (DBBS) programme. The Centre aims to attract a multidisciplinary team of experts to conduct research that should inform policies and transform the health and education system to improve HIV (and TB) prevention and care; improve the impact of the educational environment, especially on HIV/AIDS prevention at schools; and develop proper responses to the role of gender in HIV/AIDS. The proposed Centre is yet another example of the impact of the DBBS project, and it is good to see how we are now moving to the next level in terms of this collaboration.

A brief synopsis of key UWC research units and focus areas includes the following:

DST Centres of Excellence: UWC hosts a Department of Science and Technology National Centre of Competence, namely the *Competence Centre in Systems Integration, Analysis and Technology Validation*, a flagship project on hydrogen and fuel cell technology, which is also known as the HySA Systems Competence Centre. A National Centre of Excellence, namely the *DST/MinTek Nanotechnology Innovation Centre: Biolabels Unit* is located at UWC, as well as a *NIC BioSensors Unit*. Using a range of technologies for the identification of targets for disease identification and therapeutic intervention in cancer, diabetes and HIV/AIDS, the Biolabels Unit is working on developing novel diagnostics both in vitro and in vivo. The DST has also established a *Nanoscience Centre* at UWC to develop South Africa's human capital needs in this area.

The **Institute for Microbial Biotechnology and Metagenomics (IMBM)** has diverse research interests in the fields of microbial ecology and microbial biotechnology. One of the major fields of study is on microorganisms

that inhabit very cold environments, particularly on the Antarctic continent. IMBM researchers also study microorganisms living in environments with a high temperature.

At the **South African Institute for Advanced Materials Chemistry**, research is focused mainly on novel energy-generation technologies. These include the production, separation, extraction and storage of hydrogen gas from various sources that are available in and specific to South Africa, with the aim of offering novel, efficient solutions to problems that relate to the supply of sustainable energy.

The **South African National Bioinformatics Institute** performs cutting-edge computational biology research and is the African hub for the discipline of Bioinformatics – researching biomedicine and biology through computer technology. The Institute provides long-term skills training to have an impact on diseases prevalent in Africa, focusing in particular on the discovery of genetic factors that contribute to disease resistance in hosts, e.g. HIV and man, and the genetic relationships contributing to cancers.

The leading research platform of the **Centre for Humanities Research** is the Programme on the Study of the Humanities in Africa. The Centre also hosts the Investigation of Multilingual Practices and Cities in Transition, colloquia on War and the Everyday in Africa, Critical Heritages colloquia, the African Programme in Museums and Heritage Studies, and the Aesthetics and Politics study circle.

The UWC **Institute for Poverty, Land and Agrarian Studies (PLAAS)** is a leading research and teaching centre with an international reputation for high quality applied research and critical scholarship. PLAAS engages in research, training, policy development and advocacy in relation to land and agrarian reform, rural governance and natural resource management.

The **South African Herbal Science and Medicine Institute (SAHSMI)** is the only institute in the country accredited to offer research degrees in Herbal Sciences, with a focus on drug discovery and the development of plant medicines for AIDS, opportunistic infections and immune modulation. SAHSMI hosts the International Centre for Indigenous Phytotherapy Studies in Africa, a consortium funded by the National Centre for Complementary and Alternative Medicine and the National Institute of Health (NIH) in the USA.

The **Community Law Centre** played a key role in drafting the South African Children's Act and the 2008 Child Justice Bill, and currently enjoys observer status at the African Commission on Human and People's Rights.

The **School of Science and Mathematics Education** is the only UNESCO/UNITWIN Centre of Excellence in Science and Mathematics education in Africa, and incorporates a UNESCO Chair in Science and Mathematics Education.

UWC hosts the **UNESCO Chair in Hydrogeology** within the Institute for Water Research. It is a major advisor to the African Council of Ministers and trains water scientists in the SADC region. The Institute has a strong focus on groundwater management and is the only institute in the Western Cape where groundwater is offered as a major focus area within an environmental degree.

The **School of Natural Medicine** focuses on systems of medicine that complement and enhance the body's natural capacity to heal by restoring balance without the use of synthetic drugs or chemicals. The School offers programmes in Naturopathy, Phytotherapy (Western herbal medicine) and Chinese Medicine and Acupuncture.

UWC is Africa's leader in the development of Free and Open Source Software, through the work of the **Free Software Innovation Unit**, and is the initiator of AVOIR, a network of African universities in 13 African countries developing free software for use in higher education.

The **UWC/Robben Island Museum Mayibuye Archive** is a national heritage resource, housing South Africa's major collection of documents, photographs, films, posters and art objects concerning the liberation struggle. Initiated by UWC, the project is run in association with the Robben Island Museum, which provides protection for the collection as a national resource.

The **African Centre for Citizenship and Democracy** plays a critical role in mobilising scholars and resources towards a constructive and critical examination of the factors and policy environments that support or inhibit the development of a more inclusive citizenship in the region and on the continent.

Publications

In short, UWC's academics continued to publish academic pieces in a wide range of peer-reviewed international and national journals, while also producing quality monographs, edited books, and chapters in academic books. The year was a good one. In 2009, UWC's academics had a fine year in relation to publishing books and chapters. To begin with monographs, Antjie Krog wrote a book of moral journeys: *Begging to be Black*. Ernst Conradie wrote a Christian critique of consumerism, *The Earth in God's Economy: Reflections on the Narrative of God's Work on Earth*. Premesh Lalu's long-awaited *The Deaths of Hinsta* hit the shelves, as did Gordon Pirie's *Air Empire: British Imperial Aviation 1919-39*. Sally Peberdy wrote on *Selecting Immigrants: National Identity and South Africa's Immigration Policies 1910-2008*.

The Institute for Poverty, Land and Agrarian Studies published a new work on policy alternatives in agrarian reform in South Africa. The book, *Another Countryside? Policy Options for Land and Agrarian Reform in South Africa*, was edited by senior PLAAS researcher Ruth Hall.

One of our students and a Mandela Rhodes Scholarship holder, Thando Mqgolozana, also published in 2009. His book, *A Man Who is Not a Man*, deals with the controversial topic of traditional circumcision rituals. He looks at the tension between the traditional view, whereby these rituals form part of the cultural heritage, in opposition to the view that these rituals should be banned and in terms of which they are often viewed as barbaric and dangerous.

Nico Steytler edited a volume in the Global Dialogue in Federalism, *Local Government and Metropolitan Regimes in Federal Systems*. Duncan Brown edited a book on *Religion and Spirituality in South Africa*, while Shirley Walters co-edited a book on lifelong learning called *Learning/Work*. Marion Keim edited a book called *Umama*, on the recollections of South African mothers and grandmothers. Miranda Pillay was co-editor of *Ragbag Theologies: Essays in Honour of Denise M Ackermann: A Feminist Theologian of Praxis*. Antjie Krog

co-edited a book on the testimony of Notrose Nobumvu Konile at the Truth and Reconciliation Commission: *There was this Goat*. Ephias Makaudze published a book on climate forecasts and crop insurance for Zimbabwean smallholder farmers. Yasien Mohamed co-edited a book on *Islamic Perspectives of the Psychology of Personality*.

Chapters in books were even more wide-ranging. Ciraj Rasool wrote a chapter on contestations around the District Six Museum; Theresa Barnes published on the War in Rhodesia; Wendy Woodward wrote on “Whales, Clones, and Two Ecological Novels”; and Leslie Witz wrote about Apartheid’s last festival, a 1988 re-enactment of Dias’s landing, with a speech by PW Botha. Leslie Witz also wrote on the making of Apartheid museums. Jaap de Visser wrote about federalism and local government.

Patricia Hayes wrote on “The Precolonial and the Postcolonial in Northern Namibian History”; she also wrote a chapter on Goshen: nineteenth century Eastern Owambo. Martin Legassick and Ciraj Rasool returned to the matter of human remains in South Africa’s museums. Bertie Neethling used onomastics, the science of names, to analyse the transformation of South African wine. By contrast, Antjie Krog’s poems, “visioen van ’n nasie” and “grond”, were re-published in a Dutch collection, while Christo Lombard wrote about “the True Calvin” in Afrikaans in a collection of Dutch essays.

Tamara Shefer published a chapter on ethical leadership working through gender and sexuality, while Coleen Howell dealt with it working through education. Continuing the theme of leadership, Premesh Lalu suggested “Subaltern Studies for South African History”, while Stanley Ridge negotiated meaning in the translation question during Langilabelele’s trial.

Ernst Conradie suggested that the “Whole Household of God” could be an ecumenical root metaphor in the environmental debate. Lawrence Piper wrote on faith-based organisations. Marion Keim suggested that the Olympic Truce could be translated into community action in South Africa, and Douglas Lawrie suggested that spirituality might be risky. Miranda Pillay saw things “Through the Eyes of a Mother”. Ernst Conradie also wrote on “The Earth in God’s Womb”.

Najma Moosa published on the history of Indian Law in South Africa. Daksha Kassan wrote on an aspect of the Children’s Act, while Jaqui Galinetti was responsible for a chapter on the rights of children accused of crime. Julia Sloth-Nielsen and Lukas Muntingh reminded us that prisoners [should] have the right to vote in South Africa, and Rose September co-wrote a chapter on children as citizens.

Gabriel Tati wrote a chapter about cross-border migrants from Swaziland in the South African mines, while Andries du Toit’s writing made a contribution in the discussion on chronic poverty in our country. Miranda Pillay dealt with the implications of HIV/AIDS on women in the Church, while Lukas Muntingh and Chris Tapscott looked at HIV/AIDS in prisons. Thandi Puoane wrote about HIV and traditional health practitioners. Tamara Shefer co-wrote a piece on heterosexual negotiation in the context of HIV/AIDS in South Africa. Elma Kortebout was a co-editor and a major chapter contributor to *Communicable Diseases in Southern Africa*. Vivienne Bozalek and Felicity Daniels suggested that critical friends can improve professional identity.

UWC continued to publish chapters on school and further education. Joy Papier wrote about vocational pedagogy, Vuyokazi Nomlomo about teaching language inclusively, and Rajedran Govender suggested how teachers might define geometry. Lena Green published a chapter on how “*Children in South Africa Begin to Philosophise*”. Delia Marshall contributed on methodologies in educational science; she also wrote on approaches to learning in higher education. Shirley Walters situated lifelong learning in global regions. Don Cowan assessed his parts of the biological sciences for the Academy of Science of South Africa. Finally, Priscilla Daniels reminded us that research is conducted in the context of community engagement.

A claim of 246 journal publication units was sent for audit in 2009 before being submitted to the Department of Higher Education for accreditation. This compares to an audited figure of 214 such units in 2008. These 246 units were contained in 350 peer-reviewed academic journal articles. The journals are too numerous to list here, but some famous and less famous names may be given.

UWC authors published in *Andrologra*; *Applied Catalysis*; *Applied Mathematics and Computation*; *Astronomy and Astrophysics*; *BMC Genomics*; *British Journal of Medicine at Sport*; *Desalination*; *Electroanalysis*; *Environmental Microbiology*; *Forensic Science International*; *Genomics*; *Ground Water*; *Instructional Science*; *International Journal of Climatology*; *Journal of Biogeography*; *Journal of Ethnopharmacology*; *Journal of Materials Science*; *Journal of Group Theory*; *Journal of Physics*; *Journal of Research in Science Teaching*; *Journal of Virology*; *Journal of Plasma Physics*; *Marine Biology*; *Materials Chemistry and Physics*; *Molecular Cell*; *Monthly Notices of the Royal Astronomical Society*; *Nature Biotechnology*; *Nature Genetics*; *Physical Review C*; *Plant Physiology and Biochemistry*; *PLOS Genetics*; *Proceedings of the National Academy of Science (USA)*; *Pure and Applied Chemistry*; *Sensors*; *SA Journal of Science*; *SA Medical Journal*; *Thin Solid Films*; *Tuberculosis*; *Virology*; and *Zootaxa*.

More social journals included *African Studies*; *Agenda*; *Current Writing*; *International Journal of Lexicography*; *Journal of Sociolinguistics*; *Onos*; *Lexikos*; *Perspectives in Education*; *Religion and Theology* and the *Tydskrif vir Letterkunde*.

There were also articles in the *Journal of Agrarian Change*; *Journal of Applied Business Research*; *Journal of International Women's Studies*; *Journal of Peasant Studies*; *Local Government Studies*; *British Journal of Sociology of Education*; *Journal of Educational Studies*; *Journal of Family Studies*; *Journal of Pragmatics*; and *Teaching and Teacher Education*.

Other articles appeared in *Comprehensive Psychiatry*; *Disability and Rehabilitation*; *Epidemiology and Social Science*; *International Social Work*; *Journal of Midwifery and Women's Health*; *Qualitative Health Research*; *Social Work*; *Tropical Doctor*; *The Lancet*; *American Journal of Respiratory and Critical Care Medicine*; *Archives for Philosophy of Law and Social Philosophy*; *Industrial Law Journal*; *International Journal of Law Policy and the Family*; *Law and Critique*; and *Tydskrif vir Hedendaagse Romeins-Hollandse Wet*.

Still other writing appeared in *Dental Traumatology*; *European Radiology*; *The International Journal of Oral and Maxillofacial Surgery*; *the Journal of Dental Education*; *the South African Actuarial Journal*; and the *SA Dental Journal*.

NRF Research Funding

The University's partnership with the National Research Foundation (NRF) has been very successful and has shown consistent annual growth. The NRF has an international evaluation (rating system) for academics, and this 14-month process, involving written reviews of the best publications of individual academics by respected international scholars, is probably the best measure we have of the quality of an academic's research publications. In 2007, UWC had 56 rated scholars, and this number grew to 61 in 2008 and 78 by the end of 2009. When comparing the number of NRF-rated academics as a proportion of the total academic staff complement at the different universities, UWC finds itself ranked within the top 20% of South African universities. Whether measured by rated academics per capita, the proportion of scholars holding PhDs in the academic staff, or by accredited publication units per capita, UWC has ranked between fifth and seventh of South Africa's 23 institutions in recent years. This was nowhere near the case 20 years ago. UWC has now established itself as being among the leading research universities in Africa, always remembering that a major purpose of research and publication is the improvement of teaching and learning.

The NRF has two basic funding schemes. One currently caters for focus areas and is funded in open competition, while the other focuses on capacity development and started as a scheme for historically disadvantaged institutions (HDIs). UWC originally played a major role in having this fund established. We have been very successful in the capacity development scheme and continuously get more money than any other university from this scheme, which is now also in open competition and no longer restricted to HDIs. Our success in the research development scheme has enabled us to compete well in the focus areas scheme. The NRF also has a scheme called "Thuthuka", which means "to advance or to make progress". The purpose of all the capacity development schemes is to enable staff to develop to the appropriate level and move into the open competitive schemes of the NRF. We have seen a significant number of staff move from capacity development schemes into the open schemes and also obtaining the precious NRF ratings.

In order to promote excellence and simultaneously develop research capacity, the DST/NRF introduced the prestigious South African Research Chair Initiative (SARChI), a fulltime research position for world-class scholars. The position, allocated by open competition, comes with a substantial budget (more than R2 million) per year for salary, scholarships, postdoctoral fellows and running expenses. At the end of 2009 UWC boasted two NRF SARChI Research Chairs – in Bioinformatics (Prof Alan Christoffels) and Poverty Alleviation (Prof Ben Cousins). The University has also submitted a proposal for a SARChI Chair in Astronomy and Astrophysics.

Community Outreach

UWC's mission makes the student-in-communities the academic point of departure for its community engagement initiatives. This means that UWC, as a university, is challenged to pursue ongoing engagement with the communities from which students come and with those they are necessarily becoming part of as they increasingly equip themselves to compete in a global environment. UWC's community engagement role involves academic work of the highest order that addresses community concerns and is, in turn, informed and enhanced by them. Institutional engagement with local and broader communities occurs through a range of activities and in a variety of forms, often combining teaching, research, advocacy and service. These activities range from faculty-specific programmes organised and coordinated by faculty structures, to centrally coordinated, institution-wide programmes led by either an academic structure or a student structure. These

initiatives have in common a range of transformational concerns that are addressed through a variety of approaches.

Service learning is a key component of community outreach and, for many years, has been an aspect of professional programmes such as teacher training and social work. All faculties have examples of service learning modules that offer community engagement as an integral part of their curricula.

Community-based education can also take other forms. Partnerships with the neighbouring urban and rural communities contribute towards an enabling learning environment in which students work in community settings as part of their course requirements. Good examples of community-based education as integral to the work and approach of students are found in the Faculties of Dentistry and Community and Health Sciences. Central to the success of such programmes is the placement of students in varied clinical settings, and assessment methodologies that evaluate competence in the field.

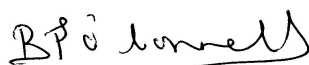
In another venture, the Faculties of Community and Health Sciences and Education engage collaboratively with hospitals and schools in the Health Promoting Schools Project.

Apart from the activities listed above, UWC also engages in a range of other community outreach activities. These, for example, include our students assisting communities through financial literacy programmes, engagement with learners on entrepreneurship and a variety of courses designed to address community needs related to language issues.

Conclusion

As indicated in this report, 2009 was a year in which the University spent considerable time focusing on the way forward and putting in place structures and policies to support the strategic direction. During the next five years, UWC will monitor its performance and achievements against the ambitious goals that the institution has set for itself.

We look forward to building on the existing strengths, nurturing and supporting areas of development, exploring new opportunities and building the partnerships that will take UWC into the future. The challenge in going forward is to embed into practice the excellent policies that have been developed as part of the IOP 2010–2014. In doing so we shall work closely with the faculties to ensure that the academic community takes ownership of the objectives of the Teaching and Learning and Research Goals in the IOP. We have to nurture the new energy that has been generated and continue our endeavours to enhance the academic enterprise at UWC.



Prof Brian O'Connell
Rector and Vice-Chancellor

4. REPORT FROM THE CHAIRPERSON OF THE INSTITUTIONAL FORUM

The Institutional Forum (IF) is an advisory structure which is established in accordance with section 31(1) of the Higher Education Act (Act 101 of 1997), as amended in order to provide the Council of the University with advice. The membership of the IF allows for equal representation of the University's Management, Senate, Council, academic staff, the non-academic staff union, and students.

During 2009 the IF had two meetings one of which provided Council with advice relating to the suitability of candidates for the position of Executive Director: Information and Communication Services. IF debates relating to appointments focus on considerations around the University's ability to deliver on its primary responsibility to offer academic and research programmes of high quality while, at the same time, being able to respond effectively to national and global challenges as well as the internal diversity issues.

In 2007 the Department of Education (DoE) commissioned an independent assessment and evaluation of the functionality of Institutional Forums at universities. During September 2009 the newly established Department of Higher Education and Training (DoHET) arranged an IF National Review meeting that was attended by representatives from all universities, to discuss the findings of the 2007 IF assessment and evaluation. In its second meeting of 2009 the IF deliberated extensively on the recommendations of the National Review meeting and concluded that the University remained serious about transformation and that stakeholders were represented in all governance structures of the institution, which allowed participation in the decision making processes. The IF's feedback to the University Council on the national review will be finalised in 2010.

I wish to express my appreciation to all members who served on the IF which contributed to the strengthening of institutional governance and enabling Council to make decisions based on a broader institutional understanding.



Prof Emmanuel Iwuoha
Chairperson of the Institutional Forum

5. COUNCIL STATEMENT ON CORPORATE GOVERNANCE

Governance Ethos

The University of the Western Cape (UWC) and its Council are committed to the highest standards of corporate governance and endorse the principles contained in the King II Report on Corporate Governance for South Africa 2002 (King II). There are, however, aspects of the application that do not readily translate into the public higher education sector.

In supporting the King II Report, Council recognises the need to conduct the business of the University with integrity and in accordance with generally accepted practices. Monitoring the University's compliance with King II forms part of the responsibility of the Audit Committee of Council.

The University's internal auditors, Deloitte and Touche, perform corporate governance reviews of the University's compliance with the corporate governance requirements of the Higher Education Act, 1997 (Act No. 101 of 1997), and with respect to compliance with the relevant sections of the King II Report, at regular intervals. The findings of such reviews are presented to the Council via its Audit Committee, and the last review indicated that the level of compliance with the requirements of the Higher Education Act and the guidelines of King II were assessed as high, with a few areas still remaining for improvement. Those areas are receiving attention from the University Management.

The Council

The Council comprises academic and non-academic members with an appropriate mix of skills and backgrounds. During 2009, 68% of its members were neither employees nor students of UWC and were appointed in terms of the Institutional Statute. The role of the Chairperson of Council is separated from the role of the University's Rector. Matters dealt with by Council are set out in the Institutional Statute and in the Higher Education Act, 1997 (Act No. 101 of 1997). Council is responsible for the ongoing strategic direction of the University, approval of major developments and the consideration of regular management reports on its day-to-day business. The Council has four scheduled meetings every year and has several subcommittees, including Finance, Remuneration and Conditions of Employment, Membership and Audit Committees. All Council committees are constituted formally and have approved terms of reference.

Council members do not receive remuneration for the meetings they attend. The members ultimately are accountable to the state and are fully cognisant of their collective and individual responsibilities.

Finance Committee

The Finance Committee of Council exercises control over all University funds and advises Council on financial strategy and on financial progress against benchmarks and annual budgets. The Finance Committee is also responsible for the following: assessing the financial planning of the University with respect to its financial viability; evaluating the Annual Financial Statements of the University; advising the University on long-term financing with respect to immovable capital projects; and making recommendations regarding the

mentioned to the Council. The Finance Committee meets at least quarterly and continuously measures and reports on the University's financial performance.

Remuneration Committee

The Remuneration Committee considers and makes recommendations to Council regarding policies, remuneration and prerequisites, and the contracts of staff appointed by Council, which includes the executive management and the deans of faculties. The Annual Financial Statements separately reflect the earnings of the executive management.

Membership Committee

The Council Membership Committee considers nominations for vacancies in the Council in terms of the Institutional Statute and makes recommendations to Council with regard to identifying suitable persons where applicable. The Committee takes decisions about Council members serving on the required subcommittees and is responsible for the implementation of the Code of Conduct for Council members.

Audit Committee

The Audit Committee reviews the findings and reports of the University's internal and external auditors and monitors compliance with the King II code. Both the internal and external auditors have unrestricted access to the Audit Committee, ensuring that their independence is in no way impaired. Meetings are held at least four times a year and are attended by the internal and external auditors and appropriate members of the executive management. The Audit Committee operates in accordance with written terms of reference, confirmed by the Council, and provides assistance to the Council with regard to the four aspects discussed below.

1. External Auditors and External Audit

In this regard, the Audit Committee

- reviews the audit plan and consider areas of special concern, the procedures undertaken to monitor and contain risk, and the audit approach for these areas;
- reviews, with management, reports and letters from the external auditors concerning deviations from and weaknesses in accounting and operational controls, and informs Council of the required action;
- reviews significant accounting issues pertaining to the application of International Financial Reporting Standards (IFRS); and
- obtains assurance that adequate accounting records are being maintained.

2. Financial Reporting and Financial Control

The Audit Committee

- reviews the University's audited Annual Financial Statements;
- reviews significant adjustments resulting from the audit; and
- reviews the basis on which the University has been determined as a going concern.

3. Internal Audit

Here, the Audit Committee

- reviews reports by the internal auditors detailing the adequacy and overall effectiveness of the University's internal control procedures, the scope and depth of audit coverage, reports on internal control and any recommendations, and confirms that appropriate actions have been taken; and
- reviews significant differences of opinion between management and the internal audit function.

4. Compliance

Finally, in this regard the Audit Committee

- reviews reports detailing the extent of compliance with applicable legislation and governance codes.

Statement on Conflict Management

Council agreed in its Code of Conduct to deliberate immediately on matters where conflict arises as a result of, for example, a declaration of vested interest, and to decide upon it in accordance with generally accepted practice in this regard. During 2009 it was not necessary for Council to give effect to this provision.

Executive Management Committee

The Executive Management Committee is responsible for implementing strategies approved by the Council and for managing the affairs of the University. The Executive Management Committee is chaired by the Rector and meets twice a month. The Committee's terms of reference encompass strategy development, collaboration between faculties and units, and maintaining and managing the University's operations in the most effective and efficient way. The Executive Management Committee has the responsibility of ensuring that accounting information systems and the personnel complement are maintaining the accounting records of the institution in good order.

Worker and Student Participation

The University utilises a variety of participating structures in issues that affect employees and students directly and materially and that are designed to achieve good employer/employee and student relations. These structures are designed for the effective sharing of relevant information, consultation and the identification and resolution of conflicts. They embrace goals relating to productivity, career security, legitimacy and identification with the University. The academic staff is well represented in all applicable structures, although not by virtue of union membership, as the academic staff union was dissolved in 2002 due to its inability to retain its membership.

Employment equity is high on the institutional agenda and is steered through an Employment Equity Forum. The University's staff development plan includes gender action programmes.

Statement on Code of Ethics

The Code of Conduct for Council members expects Councillors to observe the highest standard of integrity, behaviour and ethics in order to conduct business through the use of fair commercial practices. In 2009 there were no breaches in terms of the Code of Conduct in this respect. Council members and staff are expected to observe the institution's ethical obligations in order to conduct business through the use of fair commercial practices.

Statement on Risk Exposure and the Management Thereof

The University is proud of its reputation as an institution that produces high quality graduates, excellent research and renowned scholars. It also prides itself in being an institution known for sound financial management and safety at work. Reputational, financial and other areas of risk are key priorities for the Council, the University Executive and the bodies responsible for the management of risk. The Council is ultimately responsible for risk management, which includes evaluating key risk areas and ensuring that processes for risk management and systems of internal control are implemented. The Executive Management, Finance and Audit Committees play an extremely important role in advising Council in terms of risk.

Financial Risks

Financial risks facing the institution continue to include interest rate risk, foreign exchange rate risk, and credit risk. The international economic crisis could impact on the ability of international donors to continue to fund research activities at the expected levels. The position of the rand relative to foreign currencies impacts on the restricted funds, as a large portion of donor income is received in foreign currency. At times, this requires projects to revise their work in order to function within the actual rand value of funds received. Interest rate risk has been eliminated largely by recapitalisation with regard to the cash-flow position of the institution, but new long-term loans are foreseen and, if there are increases in interest rates, these will impact on such loans.

The University has had almost a decade of consistent growth and financial strengthening. It has moved from a position of substantial borrowings and little infrastructure expansion to one of growing reserves and major infrastructure projects. These bring new elements of financial risk, specifically investment risk relating to reserves and price escalation risk relating to long-term projects.

UWC's applicant pool from disadvantaged communities poses a specific credit risk. Students who do not succeed academically, or succeed only partly, may not qualify for continued financial aid (NSFAS or donors) and may not be able to honour their financial obligations to the University. This often results in higher dropout rates, with serious financial implications in terms of debt collection and academic output rates. Improved academic support systems are expected to yield better results in this mission-critical area. The current economic climate could also impact on our success in student debt from previous years.

The management of credit, currency and interest rate exposure is the responsibility of the Executive Director: Finance and Services. Monthly management reports contain details of costs and the market value of financial instruments, and an analysis of exposures against limits established by Council is also provided. The limits principally cover the maximum permitted exposure in respect of:

- Finance lease debts limited to prime;
- Floating rate borrowings in terms of long-term loans; and
- Credit concentrations.

Non-financial Risk

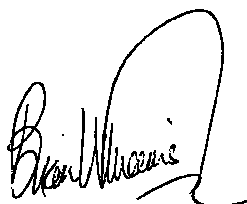
The non-financial factors impacting on UWC include competitive attractiveness, the ability to perform in strategic priority areas, attracting and retaining appropriately skilled staff, reaching student enrolment targets, legislative risks, HIV/AIDS and operational risks resulting from process failures.

All the above-mentioned non-financial factors impacting on the institution do, however, also have financial risk implications. The University has identified a number of key priorities for the next five years and success in these areas will, amongst others, improve student success rates and research output, which would reduce risk in terms of the portion of the state subsidy currently received as a development grant. Initial indications are positive, but performance in these strategic priority areas continues to pose a degree of risk. The University is also required to increase its student intake during the next few years and, if it does not succeed in this area, this would have implications for the University's proportionate share in the annual higher education financial allocation.

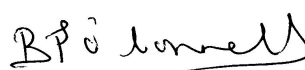
The competitive environment in terms of staff holds the risk of the institution losing highly qualified and skilled staff, who are not easily replaceable, to other higher education institutions or industry.

UWC remains vigilant of the challenge posed by HIV/AIDS and has embarked on several initiatives to raise awareness, offers support programmes and influences students' behaviour through peer education.

Much has been done in the field of information technology to increase levels of security by addressing matters such as weaknesses in change control, firewall security and general-wide network security, but in this area the institution is still exposed to a degree of risk.



Mr B Williams
Chairperson of Council



Prof B P O'Connell
Rector and Vice-Chancellor

6. STATEMENT ON SYSTEMS OF INTERNAL CONTROL

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

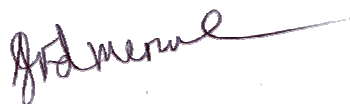
The systems of internal control designed by management include the documentation of organisational structures, division of responsibilities and established policies and procedures in key areas, which are communicated throughout the organisation.

Information systems utilising information technology are in use throughout the organisation. Management intend that systems are designed to promote ease of use for all users whilst balancing control requirements. In utilising electronic technology to conduct transactions with staff and with third parties, Management maintain that control aspects are given close scrutiny and that procedures are designed and implemented to minimise the risk of fraud or error. The development, maintenance and operation of all systems are under the control of competently trained staff.

Internal auditors monitor the adequacy and effectiveness of internal control systems based on coverage plans discussed with Management and approved by the Audit Committee, and report their findings and recommendations to Management and Council via the Audit Committee of Council. Corrective actions are taken by Management to address control deficiencies, and other opportunities for improving systems are identified. The Council, operating through its Audit Committee, provides oversight of the internal control process.

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 provide only reasonable assurance with respect to the preparation of financial statements and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances.

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



Dr Johan van der Merwe
Chairperson
Council Audit Committee



Mr Munier Damon
Director-Enterprise Risk services
Deloitte & Touche

7. REPORT FROM THE EXECUTIVE DIRECTOR: FINANCE AND SERVICES

We reported in the previous year that the global financial markets would continue to show signs of recovery and that the unprecedented recession would abate and force economies and businesses to focus acutely on wastage and efficiencies. The current year was no exception, with job losses and economies shedding inefficiencies. Although the global economic climate experienced a series of extraordinary and tumultuous events, South Africa remained attractive and exciting to investors, and the latter part of 2009 revealed encouraging signs that the recession as a whole was beginning to abate.

The University of the Western Cape survived the trying times, which are still prevalent in 2010, and the institution is proceeding with cautious optimism. The University delivered excellent performance for the financial year 2009, and continues to make good progress on the strategic journey to its newly approved Institutional Operating Plan, which is effective from 2010. The IOP delivers stability and growth for the future and introduces a myriad of strategic interventions, navigating the University into greatness and delivering stakeholder value.

Operating Results

The strategic impact on operating results revealed higher than expected operating surplus for the year. The net operating surplus for the year amounts to R86.2 million (2008: R102.1 million). The positive financial performance is a reflection of the University's ability to grow under difficult conditions without compromising quality and efficiency. The University achieved its financial targets, which achievement can be attributed to, amongst others, the following factors:

- Continuous improvements in fiscal policy;
- Improved administrative efficiency and effectiveness, supporting planned student administration and collections;
- Implementation of strategic special intervention programmes;
- Human capital investment; and
- Student academic performance.

A strong focus within the IOP is the building of capacity to deliver quality and, together with the strategic interventions employed by the University, this translated into positive financial performance.

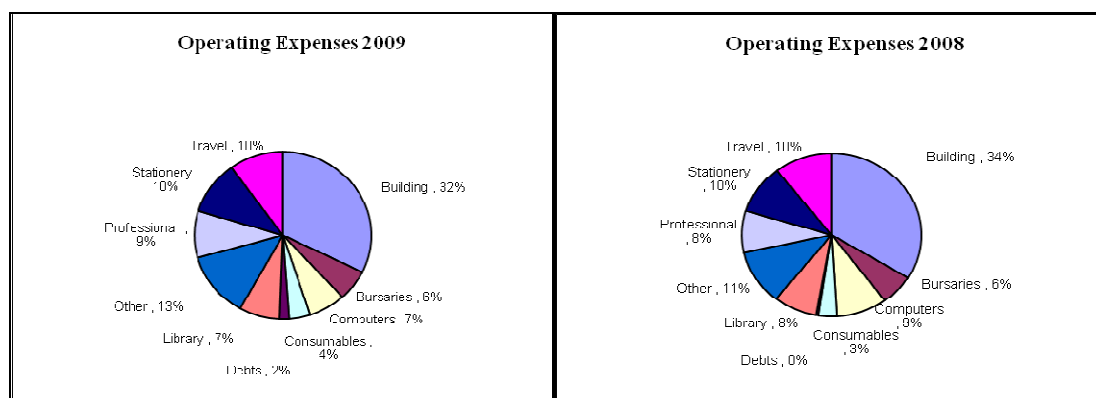
Abridged Statement of Comprehensive Income: Council-controlled and Student Accommodation Funds

	2009		2008		2007		2006
	(Rmil)	% diff	(Rmil)	% diff	(Rmil)	% diff	(Rmil)
TOTAL INCOME:	718.9	7%	670.1	18%	569.0	11%	512.0
State subsidies and grants	418.6	9%	384.9	17%	329.1	9%	302.3
Tuition and accommodation income	232.2	16%	200.0	10%	182.4	6%	172.1
Other recurrent income	68.1	-12%	77.1	34%	57.5	53%	37.6
Other non-recurrent income	0.0	0%	8.1	0%	0.0	0%	0.0
TOTAL EXPENSES:	642.6	14%	562.6	12%	500.5	19%	422.2
Employment costs	387.1	11%	348.8	12%	311.2	7%	290.4
Operating expenses	217.0	19%	181.7	11%	163.5	15%	141.6
Depreciation	38.1	20%	31.6	24%	25.4	12%	22.8
South African Revenue Services	0.0	0%	0.0	0%	0.0	100%	(33.1)
Finance costs	0.4	-8%	0.4	0%	0.4	-14%	0.5
NET SURPLUS	76.3		107.6		68.5		89.8

Net surplus exceeded the budget by R62 million. This is mainly due to state subsidy and investment income returns and deferred plans for future implementation. All income and expenditure represents maintainable operations.

The increase in tuition and accommodation income is attributable to a 10% increase in tuition fees, as well as an approximately 6% increase in the number of registered students. The tuition and accommodation fee increase represents a careful balance between keeping higher education as affordable as possible, and keeping higher education financially feasible.

Employment costs remain the largest cost component for the University. Cognisant of the continued global pressures and intense competition in the market, the University continuously seeks innovative ways to attract and retain skills, as well as develop our internal talent pool.



Operating expenses are stated at R217 million (2008: R181.7 million), which is within budget. Operating expenses include special intervention programmes that accelerate academic and research performance specifically designated to support the IOP.

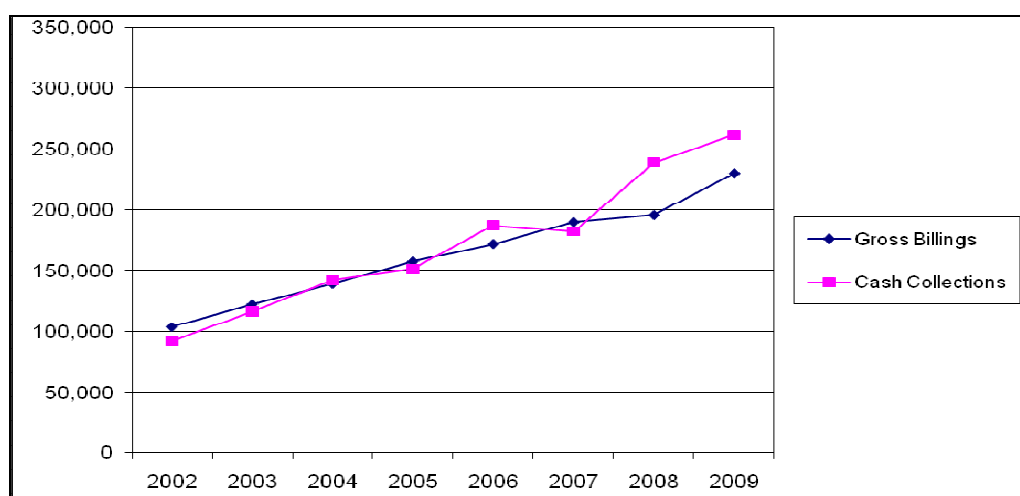
Depreciation is stated at R38.1 million (2008: R31.6 million) as a result of the revised useful lives and revised residual values of property, plant and equipment, as a consequence of the accounting treatment outlined in the International Financial Reporting Standards. The School of Public Health Building and the East Link Road were brought on line at the end of 2008, and this significantly influenced the increase in depreciation. It is expected that depreciation will continue to accelerate significantly in subsequent years as assets reach the end of their useful lives and a significant portion of additions to computer infrastructure and buildings are brought into use.

A noteworthy investment of operating expenses on existing buildings and computer infrastructure is employed to improve the student experience at the University. This is evident from the increased proportional share of the operating expenditure spend.

Student accommodation expenditure continues to apply pressure on the budget because of the inability of the accommodation fund to break even. The engagement with students is ongoing with respect to balancing the fund. The University has unsuccessfully negotiated accelerated accommodation rates to break even. The deficit accrued for 2009 amounts to R9.8 million (2008: R6.3 million). The income and operating costs for the accommodation activity are included in the table above.

Student Debt

The University has consistently improved its collection rate over the years. This is due to numerous improvements in debt-collection processes, and direct engagement with individual students and their parents, student leadership, donors and stakeholders regarding the settlement of debt. The development of the Student Enrolment Management System (SEMS) has resulted in coherent management information and accessible interfaces that translate into improved efficiency and effectiveness. The SEMS programme will continue to be developed over the next year to better support the strategic objectives in this area.



The graph above illustrates gross cash collections versus gross billings. The University has a history of registering academically viable indigent students without the necessary financial resources to pay tuition and residence fees upfront. This links well to its mission statement of providing access and being an engaged university, augmented by students and families taking responsibility for the cost of higher education. At registration, students are required to pay an upfront amount of R3 500 for non-resident students and R3 800 for resident students. Payment settlement agreements are entered into with individual students to stagger payment throughout the year. In most instances, these agreements are honoured by the students. The National Student Financial Aid Scheme (NSFAS), donors and various stakeholders have played a significant role in the success of student debt collection at UWC. In the current economic climate we are very grateful to the parents, guardians and students for their continued commitment to address student debt.

Restricted Funds

Restricted funds represent grants and contracts accounted for during the year. The University continues to yield favourable results for the fund, which reaffirms the University's strategy of strengthening its research and teaching and learning project. Total comprehensive income for the year amounts to R96 million (2008: R86 million). Maintainable income is represented by excluding infrastructure expansion projects and amounts to R260 million (2008: R207.6 million).

Significant Accounting Issues and Disclosures

Change in format

The format of UWC's 2009 annual financial statements has been updated in accordance with IFRS. The updates include a change from income statements to statements of consolidated income, the replacement of the balance sheet with a statement of financial position, and layout changes in the statement of changes in funds.

Prior Year Adjustments

Confirmation of the status of assets in the UWC pension fund and retirement fund, and the University's entitlement to them, resulted in a revision of the pension fund asset disclosed by the University. This resulted in prior year adjustments to the financial statements to recognise the correct retirement benefit assets.

During the planning for the relocation of departments to the new Life Sciences Building, two IBM computers that had been donated to the University were identified as missing from the University's asset register. The computers were donated to UWC in 2006, and a prior year adjustment was required to recognise the donation and assets, as well as the subsequent depreciation

Government Grants and Disclosure for Government Assistance

The University's financial reporting and preparation of financial statements is based on International Financial Reporting Standards (IFRS).

At year end, the government grants relating to assets (note 25) were valued at R215.7 million (2008: R120 million) in the Consolidated Statement of Financial Position. This is as a result of grants received from the Department of Higher Education and Training (DoHET) for infrastructural improvement and expansion

projects. Although this is income received, in terms of IAS20: Accounting for Government Grants and Disclosure for Government Assistance, the grant received shall be recognised as a liability (deferred income) and subsequently recognised as income over the period of the asset's useful life to match the costs to which the asset relates on a systematic basis. The DoHET has committed funding for the next two 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 that the balance sheet will carry a liability for the lifetime of the building that will be reduced systematically over this period of time, even though it does not represent an obligation to be settled in the future.

Infrastructure Improvement Projects

Due to the financial position of the University in prior years, it could not make adequate provision for maintenance and upgrades. From 2005, the University invested significantly in infrastructure upgrades, specifically with regard to teaching facilities and to address the maintenance backlog. The University continued to improve teaching facilities during 2008 and has committed funds in terms of its FYP08 to further accelerate the improvement project systematically. This espouses an enhanced student experience, excellence in academic and research activities, and an update of support and general infrastructure.

New Buildings: Life Sciences Building

The practical completion of this building took place in December 2009, and occupation commenced in 2010. Teaching and research activities commenced in the first term of 2010. Although practical completion of the building was delayed by four months, and it is anticipated that final completion will also be delayed, the completion of the building, as well as its occupation and fitting out, are currently within budget and expected to remain so.

School of Public Health Building

Practical completion of this building took place in December 2008, and occupation commenced in 2009. Teaching and research activities commenced in the first semester of 2009, and a number of events and conferences have been conducted successfully in the building. Building, occupation and fitting out of the building have all been within budget.

Metrology Building

During 2008 the University received a donation of R10 million from Petroleum South Africa for the construction of a Metrology Building headed by the University's South African Institute of Advanced Materials Chemistry. Construction commenced during 2009 and completion is scheduled for November 2010.

Residences

The University has entered into a memorandum of understanding with a company, Kovacs, for the construction of residential accommodation, offering 1 800 beds at a cost of R280 million on the East campus adjacent to Symphony Way. Negotiations are under way and the first phase of construction is expected to commence during 2010.

Residence Upgrades

The DoHET granted UWC funding of R30 million in 2010/11, to be complemented by R1.5 million from the University, to build kitchen facilities and upgrade the ablution facilities in four of the University's cluster residences. These upgrades will result in a substantial improvement in the quality of life of residence students.

Conclusion

The favourable financial results for 2009 are a tribute to the efforts of the Council, its Finance and Audit Committees, Management and the campus community, who all applied sound fiscal discipline. We will continue the annual strategic prioritisation in the budgeting process and provide the required financial support to sustain the institutional objectives of the IOP. The established financial planning processes, as articulated in the FYP, will continue to be adhered to and will guide the financial decisions of the University. As we look beyond the current downturn, it is clear that we are very well positioned with a quality team of people. The future is exciting for UWC as it is steered to success, drawing on innovation, core competencies and leadership.



Mr. Abduraghman Regal CA (SA)
Executive Director: Finance and Services

8. COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

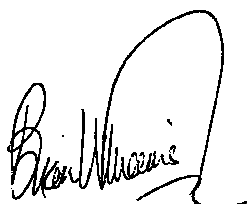
The Council is responsible for the preparation, integrity and fair presentation of the financial statements of the University of the Western Cape (UWC).

The financial statements presented on pages 65 to 92 of the 2009 Annual Report have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Minister of Education in the regulations in terms of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgments and estimates made by the management. The Council has also approved the Council Statement on Corporate Governance and confirms its accuracy and consistency with the financial statements.

The financial statements have been audited by Ernst and Young Inc., 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 65 to 92 of this Annual Report were approved by Council on 10 June 2010 and are signed on its behalf by:



Mr Brian Williams
Chairperson of Council



Prof Brian O'Connell
Rector and Vice-Chancellor

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF THE WESTERN CAPE

Report on the Financial Statements

We have audited the annual financial statements of the University Of The Western Cape, which comprise the statement of financial position as at 31 December 2009, the statement of comprehensive income, the statement of changes in funds and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 65 to 92.

Council's Responsibility for the Financial Statements

The Council are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Minister of Education in terms of section 41 of the Higher Education Act, No. 101 of 1997 (as amended). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the University as of 31 December 2009, and of the financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Minister of Education in terms of section 41 of the Higher Education Act, No. 101 of 1997 (as amended).


ERNST & YOUNG INC.
REGISTERED AUDITOR
June 30 2010
Cape Town

Chief Executive: Philip Hourquebie
A full list of Directors is available from the website.



UNIVERSITY of the
WESTERN CAPE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

		ZAR	ZAR	ZAR
			Restated *	Restated *
	Notes	2009	2008	2007
ASSETS		1,619,788,022	1,354,569,071	1,038,913,992
Non-current Assets		1,073,472,253	785,449,475	539,453,667
Property, plant and equipment	2	972,422,239	690,044,340	429,867,568
Investments		67,291,583	54,692,789	77,054,811
Marketable Securities	3	64,216,048	51,634,218	74,010,993
Other investments	3	3,075,535	3,058,571	3,043,818
Post Employment Fund surpluses		33,552,331	40,476,783	32,326,551
Retirement fund surplus	10.1 & 27.2	6,532,331	6,449,805	-
Pension fund surplus	10.1 & 27.3	27,020,000	34,026,978	32,326,551
Staff loans	4	206,100	235,563	204,737
Current Assets		546,315,769	569,119,596	499,460,325
Inventories	5	625,672	521,430	274,584
Investments	3	2,948,669	2,729,132	2,495,372
Accounts receivable		71,634,012	77,603,470	61,602,516
Student fee debtors	6	56,411,248	48,161,832	48,718,482
Other receivables	7	15,222,764	29,441,638	12,884,034
Cash and cash equivalents	8	471,107,416	488,265,564	435,087,853
FUNDS AND LIABILITIES		1,619,788,022	1,354,569,071	1,038,913,992
Funds available		1,260,157,146	1,087,747,246	894,216,833
Council controlled funds		106,480,538	237,095,750	199,520,508
Restricted use funds		206,785,316	186,646,580	270,182,231
Student accommodation funds		(40,708,034)	(33,345,393)	(29,546,491)
Property, plant and equipment funds		972,422,238	690,044,340	429,867,568
Fair value adjustments reserve		15,177,088	7,305,969	24,193,017
Non-Current Liabilities		267,049,969	174,730,385	88,726,572
Interest bearing borrowings	9	2,300,000	2,300,000	2,300,000
Government grant relating to assets	25	215,717,000	120,000,000	40,000,000
Leave pay provision	11	49,032,969	52,430,385	46,426,572
Current Liabilities		92,580,907	92,091,440	55,970,587
Accounts payable and accrued liabilities	12	75,111,054	79,100,200	43,204,190
Current portion of leave pay provision	11	14,565,083	9,580,782	8,927,428
South African Revenue Services Provision	13	1,279,320	1,279,320	1,279,320
Student deposits	16	1,625,450	2,131,138	2,143,146
Current portion of interest bearing borrowings	9	-	-	416,503

* Certain numbers shown here do not correspond to the 2008 financial statements and reflects adjustments made as detailed in note 27.

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

Notes	Council controlled funds	Restricted use funds	Student accommodation funds	Property, plant and equipment funds	Fair value adjustments reserve	Total available funds
FOR THE YEAR ENDED 31 DECEMBER 2009						
	237,095,750	186,646,580	(33,345,393)	690,044,340	7,305,969	1,087,747,246
	86,277,119	88,103,384	(9,841,722)	-	7,871,119	172,409,900
	86,277,119	88,103,384	(9,841,722)	-	-	164,538,781
3	-	-	-	-	595,704	595,704
3	-	-	-	-	7,275,415	7,275,415
2	(247,034,230)	(72,628,973)	(773,497)	320,436,700	-	-
2	34,806,224	-	3,252,578	(38,058,802)	-	-
23	538,938	(538,938)	-	-	-	-
	(5,203,263)	5,203,263	-	-	-	-
	106,480,538	206,785,316	(40,708,034)	972,422,238	15,177,088	1,260,157,146
FOR THE YEAR ENDED 31 DECEMBER 2008						
	167,193,957	270,182,231	(29,546,491)	419,222,902	24,193,017	851,245,616
27	32,326,551	-	-	10,644,666	-	42,971,217
	199,520,508	270,182,231	(29,546,491)	429,867,568	24,193,017	894,216,833
	113,799,079	102,912,320	(6,293,938)	-	(16,887,048)	193,530,413
	113,799,079	102,912,320	(6,293,938)	-	-	210,417,461
3	-	-	-	-	(3,863,533)	(3,863,533)
3	-	-	-	-	(13,023,515)	(13,023,515)
	-	-	-	-	-	-
2	(100,856,266)	(190,475,643)	(461,853)	291,793,762	-	-
2	28,660,101	-	2,956,889	(31,616,990)	-	-
23	160,795	(160,795)	-	-	-	-
	(4,188,467)	4,188,467	-	-	-	-
	237,095,750	186,646,580	(33,345,393)	690,044,340	7,305,969	1,087,747,246



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

	Notes	ZAR 2009	ZAR Restated * 2008
TOTAL INCOME		1,009,996,559	948,375,046
Recurrent revenue		990,366,156	899,333,311
State subsidies and grants	15	466,938,449	429,261,042
Student fee revenue		232,201,778	199,951,543
Income from contracts		167,085,563	112,512,995
For research		146,272,041	92,085,889
For other activities		20,813,522	20,427,106
Other service revenue		2,533,175	2,349,081
Private gifts and grants	20	57,672,373	58,175,872
Other recurrent income	18	13,581,019	22,033,252
Sub-Total		940,012,357	824,283,785
Interest received	16	48,865,285	70,975,299
Dividends received	16	1,488,514	4,074,227
Non-recurrent items		19,630,403	49,041,735
Realised gain of marketable securities	16	-	3,863,533
Other non-recurrent income	18	47,877	28,970
Post employment fund surpluses			
Retirement fund surplus income	27.2	82,526	6,449,805
Pension fund surplus income	27.3	-	1,700,427
Private gifts and grants			
Infrastructure expansion projects	20	19,500,000	36,999,000
TOTAL EXPENDITURE		845,457,778	737,957,585
Recurrent items		835,502,662	729,986,167
Personnel		461,307,659	407,091,703
Academic professionals	17	228,852,603	209,992,060
Other personnel	17	232,455,056	197,099,643
Other operating expenses	18	335,727,026	290,832,251
Depreciation	2	38,058,802	31,616,990
Sub-Total		835,093,487	729,540,944
Finance costs	19	409,175	445,223
Non-recurrent items		9,955,116	7,971,418
Loss on disposal of PPE		2,352,434	7,971,418
Realised loss on disposal of marketable securities	16	595,704	-
Post employment fund surpluses			
Pension fund surplus expenditure		7,006,978	
NET SURPLUS FOR THE YEAR		164,538,781	210,417,461
Fair value adjustment reserves realised	3	595,704	(3,863,533)
Unrealised fair value adjustment gains	3	7,275,415	(13,023,515)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		172,409,900	193,530,413
The surplus for the year is analysed as follows:			
Council Controlled Funds		86,277,119	113,799,079
Accommodation Funds		(9,841,722)	(6,293,938)
Infrastructure expansion projects	20	19,500,000	36,999,000
Restricted Funds - Normal activities		68,603,384	65,913,320
NET SURPLUS FOR THE YEAR		164,538,781	210,417,461

* Certain numbers shown here do not correspond to the 2008 financial statements and reflects adjustments made as detailed in note 27.



UNIVERSITY of the
WESTERN CAPE

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	ZAR 2009	ZAR 2008
TOTAL INCOME		687,909,608	641,925,753
Recurrent revenue		687,827,082	633,775,521
State subsidies and grants	15	418,630,000	384,938,000
Student fee revenue		201,092,523	171,709,712
Income from contracts		13,268,522	11,809,928
For other activities		13,268,522	11,809,928
Other service revenue		2,533,175	2,349,081
Private gifts and grants		3,767,123	3,246,689
Other recurrent income	18	9,687,730	14,356,484
Sub-Total		648,979,073	588,409,894
Interest received	16	38,840,589	45,365,627
Dividends received	16	7,420	-
Non-recurrent items		82,526	8,150,232
Post employment fund surpluses			
Retirement fund surplus income	27.2	82,526	6,449,805
Pension fund surplus income	27.3	-	1,700,427
TOTAL EXPENDITURE		601,632,489	528,126,674
Recurrent items		592,273,077	520,123,176
Personnel		377,763,065	340,178,977
Academic professionals	17	197,390,625	183,192,261
Other personnel	17	180,372,440	156,986,716
Other operating expenses	18	179,294,613	150,838,875
Depreciation		34,806,224	28,660,101
Sub-Total		591,863,902	519,677,953
Finance costs	19	409,175	445,223
Non-recurrent items		9,359,412	8,003,498
Loss on disposal of PPE		2,352,434	8,003,498
Post employment fund surpluses			
Pension fund surplus expenditure		7,006,978	-
NET SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		86,277,119	113,799,079



UNIVERSITY of the
WESTERN CAPE

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	ZAR STUDENT ACCOMMODATION FUNDS 2009	ZAR 2008
TOTAL INCOME		31,132,132	28,270,801
Recurrent revenue		31,109,255	28,241,831
Student fee revenue		31,109,255	28,241,831
Non-recurrent items		22,877	28,970
Other non-recurrent income	18	22,877	28,970
TOTAL EXPENDITURE		40,973,854	34,564,739
Recurrent items		40,973,854	34,564,739
Personnel		9,337,073	8,650,516
Other personnel	17	9,337,073	8,650,516
Other operating expenses	18	28,384,203	22,957,334
Depreciation		3,252,578	2,956,889
NET DEFICIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(9,841,722)	(6,293,938)



UNIVERSITY of the
WESTERN CAPE

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

		ZAR	ZAR
		RESTRICTED USE FUNDS	
		2009	2008
TOTAL INCOME		290,954,819	278,178,492
Recurrent revenue		271,429,819	237,315,959
State subsidies and grants	15	48,308,449	44,323,042
Income from contracts		153,817,041	100,703,067
For research		146,272,041	92,085,889
For other activities		7,545,000	8,617,178
Private gifts and grants		53,905,250	54,929,183
Other recurrent income	18	3,893,289	7,676,768
Sub-Total		259,924,029	207,632,060
Interest received	16	10,024,696	25,609,672
Dividends received	16	1,481,094	4,074,227
Non-recurrent items		19,525,000	40,862,533
Realised gain of marketable securities	16	-	3,863,533
Other non-recurrent income	18	25,000	-
Private gifts and grants			
Infrastructure expansion projects	20	19,500,000	36,999,000
TOTAL EXPENDITURE		202,851,435	175,266,172
Recurrent items		202,255,731	175,298,252
Personnel		74,207,521	58,262,210
Academic professionals	17	31,461,978	26,799,799
Other personnel	17	42,745,543	31,462,411
Other operating expenses	18	128,048,210	117,036,042
Non-recurrent items		595,704	(32,080)
Profit on disposal of PPE		-	(32,080)
Realised loss on disposal of marketable securities	16	595,704	-
NET SURPLUS FOR THE YEAR		88,103,384	102,912,320
Fair value adjustment reserves realised	3	595,704	(3,863,533)
Unrealised fair value adjustment gains	3	7,275,415	(13,023,515)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		95,974,503	86,025,272
Analysed as follows:			
Normal activities		68,603,384	65,913,320
Less infrastructure expansion projects	20	19,500,000	36,999,000
Net surplus		88,103,384	102,912,320



UNIVERSITY of the
WESTERN CAPE

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	ZAR 2009	ZAR 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus before interest and dividends	26.1	114,594,157	135,813,158
Adjusted for:			
Depreciation		38,058,802	31,616,990
Net loss / (gain) on disposal of investments		595,704	(3,863,533)
Impairment of computer software		-	6,948,028
Loss on disposal of property, plant and equipment		2,352,434	1,023,392
		155,601,097	171,538,035
Increase in inventory		(104,242)	(246,846)
Decrease / (increase) in receivables		5,969,458	(16,000,954)
Increase / (decrease) in staff loans		29,463	(30,826)
Increase in retirement fund surplus		(82,526)	(6,449,804)
Decrease / (increase) in pension fund surplus		7,006,978	(1,700,427)
(Decrease) / increase in payables and provisions		(2,402,261)	42,553,177
Decrease in student deposits		(505,688)	(12,008)
		165,512,279	189,650,347
Cash generated from operations		165,512,279	189,650,347
Interest received		48,373,422	70,471,424
Dividends received		1,488,514	4,074,227
Finance costs		(409,175)	(445,223)
		214,965,040	263,750,775
Net cash flows from operating activities		214,965,040	263,750,775
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(324,347,916)	(299,868,576)
Proceeds on disposal of property, plant and equipment		1,558,781	103,394
Purchase of marketable securities		(16,591,181)	(16,591,968)
Proceeds on disposal of marketable securities		11,284,766	25,945,228
Proceeds on disposal of other investments		255,362	255,362
		(327,840,188)	(290,156,560)
Net cash flows from investing activities		(327,840,188)	(290,156,560)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		-	(416,504)
Government grant relating to assets received	25	16	80,000,000
		16	79,583,496
Net cash flows from financing activities		16	79,583,496
Net (decrease) / increase in cash and cash equivalents		(112,875,132)	53,177,711
Opening cash and cash equivalents	26.2	488,265,564	435,087,853
Closing cash and cash equivalents	26.2	375,390,432	488,265,564



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

UNIVERSITY of the
WESTERN CAPE

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The annual financial statements set out on pages 56 to 84 are prepared in accordance with and comply with International Financial Reporting Standards and in the manner required by the Minister of Education in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended. The annual financial statements are prepared on the historical cost basis, except for marketable securities which are measured at their fair value.

Unless otherwise indicated, all amounts are expressed in South African Rands, which is the University's functional currency.

Statement of compliance

The financial statements are prepared in compliance with both IFRS and Interpretations of those Standards as adopted by the International Accounting Standards Board.

Changes in Accounting Policy and Disclosure

The principal accounting policies applied in the preparation of these financial statements are set out below and are consistent with those adopted in the previous year, except as follows:

The University has adopted the following new and amended International Financial Reporting Standards (IFRS). Amendments that are not considered applicable to the University's operations are not disclosed.

IAS 1 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The University has elected to present one statement. In the University's case this means that all items of income and expenses are reported in the statement of comprehensive income whilst fund movements are disclosed in the consolidated statement of changes in funds.

IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 3. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 21.

1.2 FUND CATEGORIES

The income statement is prepared on a segmented reporting basis in the manner required by the Minister of Education in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended. Income shown as Council Controlled relates to funds over which the council has legal control and discretionary control. Income shown as Restricted Use relates to funds generated in terms of legally enforceable requirements by the donor or grantor. Income shown as Student Accommodation relates to funds generated from student accommodation. Management continuously reviews the classification of the various funds and periodically reclassifies them, where deemed appropriate, for changes in the circumstances and conditions relating to them.

The consolidated statement of changes in funds is grouped according to the same criteria as the income statement and also includes a property, plant and equipment fund and a fair value adjustments reserve. Funds for the acquisition of property, plant and equipment are transferred to the property, plant and equipment fund, which thereafter carries the funds representing the carrying value of the items of property, plant and equipment. The fair value adjustments reserve carries those gains and losses on available-for-sale investments that are not recognised in the income statements. The Restricted Use Funds represent the unspent portion of funds received which the University has an obligation to spend in terms of a mandate.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES *(continued)*

1.3 REVENUE RECOGNITION

Revenue is recognised if it is probable that the economic benefits associated with the transaction will flow to the University and the amount can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any discounts, rebates and related taxes.

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 appropriations and grants for general purposes are recognised as income in the financial year to which the subsidy relates. Appropriations for specific purposes are brought into the appropriate fund 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. When a grant relates to an asset, the recognition of revenue is deferred and released to income over the expected useful life of the relevant asset.

Student fee revenue

Tuition, registration and residence fee revenue are recognised in income in the period to which they relate.

Income from contracts

Income from contracts for research activity is recognised over the duration of the associated research activity. Income from contracts for other activities is recognised when such activities occur.

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.

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.

Other recurrent income

Other recurrent income is recognised when it accrues to the University.

Interest and dividends

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

Recapitalisation

Government grants not expected to recur on an annual basis are recorded in the income statement and disclosed as non-recurrent items when they accrue to the University.

1.4 FINANCIAL INSTRUMENTS

Financial instruments recognised on the balance sheet include investments, staff loans, accounts receivable, cash and cash equivalents, accounts payable and accrued liabilities, interest bearing borrowings and student deposits. Financial instruments are recognised when the University becomes party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognised on the trade date.

When financial assets and financial liabilities are recognised initially, they are measured at fair value, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised on derecognition or impairment as well as through the amortisation process.

Unless otherwise disclosed under the relevant balance sheet item note, financial assets and liabilities are carried at fair value subsequent to initial recognition. The methods and assumptions used to determine initial fair value, as well as measurement subsequent to initial recognition are as follows:

Investments

Marketable securities are considered to be "available for sale" where there is no specific date of disposal and are classified as non-current assets. Other investments, where the intention of the University is to hold the investment to maturity, are considered to be "held-to-maturity" investments and are measured at amortised cost using the effective interest method. Marketable securities are held at fair value. The fair value of marketable securities is their market value calculated by reference to stock exchange quoted selling prices at year end. Movements in the fair value of marketable securities are recognised in the statement of changes in funds until such time as the investment is sold or impaired, whereupon any surplus or deficit will be recognised in the income statement. The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments.

The estimated fair value of fixed interest bearing deposits is based on discounted cash flow using prevailing money-market interest rates for instruments with similar credit risk and maturity.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

UNIVERSITY of the
WESTERN CAPE

1 ACCOUNTING POLICIES (continued)

1.4 FINANCIAL INSTRUMENTS (continued)

Staff loans

Staff loans are considered to be "loans and receivables" and are carried at amortised cost. An impairment is made, when there is objective evidence that the University will not be able to recover the loans, for the full irrecoverable amount.

Accounts receivable

Accounts receivable are considered to be "loans and receivables".

Student fee debtors

Student fee debt is non-interest bearing, and minimum payments are required on registration and on prescribed subsequent dates. Student fee debt is carried at amortised cost using the effective interest method less an allowance for impairment. Amounts are impaired when there is objective evidence that the University will not be able to collect the debt.

Other receivables

Other receivables comprise non-interest bearing items with no fixed terms of payment. Other receivables are carried at amortised cost.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less. Cash on hand in banks and short term deposits are carried at amortised cost. In the cash flow statement these amounts are stated net of outstanding bank overdrafts.

Interest bearing loans and borrowings

Interest bearing loans and borrowings are considered to be "financial liabilities at amortised cost". They are measured at amortised cost using the effective interest method, being original debt value less principal repayments and amortisations. Gains and losses are recognised in income when the liabilities are derecognised as well as through the amortisation process. The interest expense is calculated using the effective interest rate and recognised in the income statement in the year in which it is incurred.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities comprise a variety of items, which are non-interest bearing and are considered to be "financial liabilities at amortised cost". 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. Trade and other payables are initially measured at fair value and subsequently carried at amortised cost. Income received in advance is disclosed as non-current liabilities and represents cash received for income which will only accrue to the University in the subsequent year.

Student deposits

Student deposits are amounts held to cover damages that may arise during use of certain University facilities by students and are considered to be "financial liabilities at amortised cost". These deposits are initially measured at fair value and subsequently measured at amortised cost.

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Offset

Financial assets and liabilities are offset and reported on a net basis when the University 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 of financial assets and liabilities

A financial asset is derecognised where:

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

A financial liability is derecognised when the obligation under the liability is discharged, is cancelled or expires.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

UNIVERSITY of the
WESTERN CAPE

1 ACCOUNTING POLICIES *(continued)*

1.4 FINANCIAL INSTRUMENTS *(continued)*

Impairment

Impairment of financial assets

The University assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables

For financial assets carried at amortised cost, the University first assesses whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the University determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the University. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Available-for-sale financial investments

For available-for-sale financial investments, the University assesses at each balance sheet date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of 'Interest and similar income'. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES (continued)

1.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the University's accounting policies, management has made certain judgements, apart from those involving estimations, which have significant effects on the amounts recognised in the financial statements as discussed below.

Estimation uncertainty

Key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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 most recent external opinion was obtained in June 2006. 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.

The carrying value of property, plant and equipment at 31 December 2009 was R972,422,239 (2008: R690,044,340).

Student fee debtors and other receivables

Appropriate rates for the discounting of student fee debtors are approximated with reference to prevailing market rates that would be available to the University on low risk deposits. The probability and timing of cash flows are estimated based on historical trends. The fair value of Student fee debtors at 31 December 2009 was R56,411,248 (2008: R48,161,832).

Leave pay provision

The pattern of staff retirements used in the leave pay calculation were estimated with reference to actuarial data pertaining to the University's staff. The pattern of leave utilisation was estimated with reference to historic information.

The fair value of the leave pay provision at 31 December 2009 was R63,598,052 (2008: R62,011,167).

Defined benefit fund

The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions which are disclosed in note 10.

Accounts payable and accrued liabilities

Appropriate rates for the discounting of accounts payable and accrued liabilities are approximated with reference to prevailing market rates that are being earned on cash deposits financed by these liabilities. The fair value of the accounts payable and accrued liabilities at 31 December 2009 was R75,111,054 (2008: R79,100,200).

Held to maturity investments

Judgement is made with regard to investments classified as held to maturity. This judgement is based on management's intention to hold the instrument to maturity at initial recognition. The fair value of endowment policies at 31 December 2009 was R1,713,405 (2008: R1,820,222).

1.6 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. Certain property, plant and equipment acquired on gaining autonomy are recorded at a cost, based on South African Post Secondary Education (SAPSE) norms using replacement value as at April 1984 as the basis, less depreciation. Property, plant and equipment transferred as part of the Tygerberg Oral Health Centre incorporation, were recorded at fair value at date of incorporation. Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for and depreciated as separate components of property, plant and equipment.

Subsequent costs are included in an asset's carrying amount, or are recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits will flow to the University, and the cost of the item can be measured reliably. Maintenance and repairs, which do not meet these criteria, are charged against income as incurred. Depreciation is charged to the income statement 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.

The estimated useful lives are as follows:

Buildings		Vehicles	4 years
- Primary Structure	10 to 66 years	Computer Equipment	3 to 10 years
- Components	10 to 15 years	Furniture and equipment	5 to 10 years

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

Residual values and remaining useful lives, are reassessed annually.

The University assesses at the end of each financial reporting period whether there is any indication that an asset may be impaired.

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 the income statement. 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 the income statement.

Gains and losses from the disposal of assets are determined by reference to their carrying amounts and are taken into account in determining the net surplus or deficit.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.



UNIVERSITY of the
WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES *(continued)*

1.7 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 estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

1.8 LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership have transferred from the lessor to the lessee. Assets subject to finance leases are capitalised at their fair value or, if lower, at the present value of the minimum lease payments, with the related lease obligation being recognised at the same value. Finance charges are charged directly against income. Such assets are depreciated in terms of the accounting policy on property, plant and equipment. Lease finance charges are allocated to accounting periods over the duration of the leases by the effective interest method, which reflects the extent and cost of finance leases utilised in each accounting period.

All other leases are treated as operating leases and are recognised on a straight line basis over the lease term, except for contingent rentals which are recognised as incurred or accrued.

1.9 POST-EMPLOYMENT BENEFITS

The University operates both a defined benefit pension fund and a defined contribution fund for its employees. The benefits in respect of the defined benefit pension fund are funded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses are recognised as income or expense in full when incurred.

Past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less past service costs not yet recognised and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any plan asset recognised is restricted to the sum of any past service costs not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

1.10 PROVISIONS

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

1.11 PERSONNEL COSTS

Personnel costs comprise remuneration for services and other employee benefits. Remuneration and contributions in respect of defined contribution retirement benefit plans are charged to the income statement as the staff render their services to the University and costs relating to defined benefit retirement plans are charged to the income statement according to IAS 19 and as further detailed in note 10.

1.12 OPERATING EXPENSES

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

1.13 FOREIGN CURRENCIES

The University's financial statements are presented in 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 balance sheet date. All differences are taken to the income statement. 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.

1.14 CONSOLIDATION

Separate accounting entities are created for funds separately identified for specific research or operational activities. These entities 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 ACCOUNTING POLICIES (continued)

1.15 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

IFRS and IFRIC Interpretations not yet effective

The following standards, not yet effective, that could impact future financial statements have been issued or revised. They will be adopted no later than the effective dates.

Annual Improvements to IFRS (2009)

During the year the IFRS Committee approved various minor amendments to existing IFRS.

The application of these minor amendments will have no material impact on the University's financial statements. These amendments become effective for periods beginning on or after 1 January 2010.

IFRS 9 - Financial instruments

The aim of this statement is to simplify the requirements in IAS 39, specifically how an entity should classify and measure financial assets. Effective date: Years beginning on or after 1 January 2013.

IAS 24 - Related party disclosures

This amendment has been revised to simplify the definition of a 'related party' and confirm the application of disclosure requirements in environments where government control is pervasive. Effective date: Years beginning on or after 1 January 2011.

2. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings ZAR	Furniture & equipment ZAR	Computer equipment ZAR	Vehicles ZAR	Total ZAR
Year ended 31 December 2009					
Opening net book value	568,034,674	63,834,050	53,952,694	4,222,922	690,044,340
Additions	252,029,400	38,498,179	32,168,353	1,651,984	324,347,916
Disposals	(117,808)	(313,033)	(3,065,770)	(414,604)	(3,911,215)
Depreciation charge	(13,709,492)	(8,331,439)	(15,250,566)	(767,305)	(38,058,802)
Closing net book value	806,236,774	93,687,757	67,804,711	4,692,997	972,422,239
At 31 December 2009					
Gross carrying amount	939,172,480	187,366,209	120,976,946	9,229,191	1,256,744,826
Gross accumulated depreciation	(132,935,706)	(93,678,452)	(53,172,235)	(4,536,194)	(284,322,587)
Net book value	806,236,774	93,687,757	67,804,711	4,692,997	972,422,239
Year ended 31 December 2008					
Opening net book value	325,017,692	55,065,176	47,015,034	2,769,666	429,867,568
Additions	255,894,570	15,338,241	26,572,876	2,062,889	299,868,576
Disposals	-	(911,816)	(6,992,156)	(170,842)	(8,074,814)
Depreciation charge	(12,877,588)	(5,657,551)	(12,643,060)	(438,791)	(31,616,990)
Closing net book value	568,034,674	63,834,050	53,952,694	4,222,922	690,044,340
At 31 December 2008					
Gross carrying amount	687,621,135	149,424,842	156,154,132	8,474,763	1,001,674,872
Gross accumulated depreciation	(119,586,461)	(85,590,792)	(102,201,438)	(4,251,841)	(311,630,532)
Net book value	568,034,674	63,834,050	53,952,694	4,222,922	690,044,340

Land and Buildings

Main campus, Modderdam Road, Bellville, described as whole or remainders of Erf numbers 14869, 17018, 31230, 31229, 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 from the University of Stellenbosch has not taken place.)

Dentistry Building, Mitchells Plain Medical Centre, described as unit 2 of sectional title scheme 248 in Mitchells Plain, 29388, Province of the Western Cape.

Certain land and buildings that comprise the main campus of the University were brought to account with the granting of autonomous status to the University. Such land and buildings were valued on a replacement cost basis as at April 1984, based on SAPSE norms.

Certain property, plant and equipment was transferred to the University as part of the Tygerberg Oral Health Centre incorporation in 2004. The valuation of the Tygerberg dentistry building was performed by independent professional property valuers.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

3. INVESTMENTS

3.1 NON-CURRENT INVESTMENTS

Available-for-sale :

Marketable Securities

	ZAR	ZAR
	2009	2008
Local equity and mutual funds	53,623,024	34,313,037
State stocks and bonds	5,077,903	10,164,001
Stocks/Debentures in Public Corps	-	1,206,592
Off shore investments	5,515,121	5,950,588
	<u>64,216,048</u>	<u>51,634,218</u>
Opening value	51,634,218	74,010,993
Additions	16,591,181	16,591,968
Disposals	(11,284,766)	(25,945,228)
Movement in fair value adjustments reserve	7,275,415	(13,023,515)
Closing value	<u>64,216,048</u>	<u>51,634,218</u>

Marketable securities are administered by portfolio managers, comprise listed instruments and are classified as available for sale. They have no fixed maturity date or coupon rate.

In the cash flow statement, proceeds from the disposal of marketable securities comprise:

Net value	11,880,470	22,081,695
Realised (loss) / gain on disposal of marketable securities	(595,704)	3,863,533
Proceeds on disposal of marketable securities	<u>11,284,766</u>	<u>25,945,228</u>

Held to maturity :

Other Investments

	Endowment policies	Zero Coupon Bond	TOTAL 2009	Endowment policies	Zero Coupon Bond	TOTAL 2008
Opening net book amount	1,820,222	1,238,349	3,058,571	1,918,288	1,125,530	3,043,818
Additions/(redemptions)	(255,362)	-	(255,362)	(255,362)	-	(255,362)
Interest earned and reinvested	148,545	123,781	272,326	157,296	112,819	270,115
Closing net book amount	<u>1,713,405</u>	<u>1,362,130</u>	<u>3,075,535</u>	<u>1,820,222</u>	<u>1,238,349</u>	<u>3,058,571</u>

The Zero Coupon Bond is stated at initial amount invested plus capitalised interest, which represents its fair value, and is security for the loan from Public Investment Commissioner as described in note 9. The Zero Coupon bond has an effective interest rate of 9.56%, maturing in June 2015. The endowment policy is a held to maturity instrument at a fixed interest rate of 8.45%, maturing in December 2019 and is stated at amortised cost which is the fair value.

3.2 CURRENT INVESTMENTS

Endowment Policies

Opening net book amount		2,729,132	2,495,372
Interest earned and reinvested		219,537	233,760
Closing net book amount	16	<u>2,948,669</u>	<u>2,729,132</u>

The endowment policy, stated at amortised cost, is an available-for-sale instrument.

The carrying value of the endowment policy approximates its fair value.

3.3 FAIR VALUE HIERARCHY

The University uses the hierarchy 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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

Assets measured at fair value

	31-Dec-09	Level 1	Level 2	Level 3
Available for sale financial assets				
Local equity and mutual funds	53,623,024	53,623,024	-	-
State stocks and bonds	5,077,903	5,077,903	-	-
Offshore investments	5,515,121	5,515,121	-	-
Guaranteed investments	2,948,669	-	2,948,669	-
Total	<u>67,164,717</u>	<u>64,216,048</u>	<u>2,948,669</u>	<u>-</u>

During the reporting period ending 31 December 2009, 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.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	ZAR 2009	ZAR 2008
4. STAFF LOANS		
Gross Amount	893,742	330,778
Less impairment	<u>(687,642)</u>	<u>(95,215)</u>
	<u>206,100</u>	<u>235,563</u>

These loans are unsecured and attract interest at 15% with repayment terms varying from 1 to 36 months.

Movement in the provision for impairment of staff loans were as follows:

At 1 January 2009	(95,215)	(95,215)
Charge for the year	(592,427)	-
Utilised during the year	-	-
	<u>(687,642)</u>	<u>(95,215)</u>

5. INVENTORIES

Stationery (at cost)	-	-
Maintenance store (at cost)	625,672	521,430
	<u>625,672</u>	<u>521,430</u>

Amounts expensed relating to inventory are included under other operating expenses.

6. STUDENT FEE DEBTORS

Gross Amount	160,712,806	154,247,375
Less impairment	<u>(104,301,558)</u>	<u>(106,085,543)</u>
	<u>56,411,248</u>	<u>48,161,832</u>

Student fee debt is non-interest bearing, and 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 irrecoverable 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 carrying amounts approximates the fair value.

The debtors book of the University is subject to collective impairment with the exception of R4,924,206 (2008: R14,378,007) which is past due by less than one year but not impaired. This relates to NSFAS amounts which are considered fully receivable.

Movement in the provision for impairment of student fee debtors were as follows:

At 1 January	106,085,543	105,471,958
Charge for the year	<u>(1,783,985)</u>	613,585
At 31 December	<u>104,301,558</u>	<u>106,085,543</u>

7. OTHER RECEIVABLES

Prepayments	5,362,579	4,939,931
Government subsidies and grants	-	10,969,000
Provincial subsidies and grants	1,604,209	1,110,527
Gross Amount	<u>10,380,965</u>	<u>7,221,174</u>
Less Impairment	<u>(8,776,756)</u>	<u>(6,110,647)</u>
Other receivables in respect of subsidies, contracts and grants	2,947,428	11,263,589
Sundry receivables	5,308,548	1,158,591
Gross Amount	<u>5,617,196</u>	<u>1,334,248</u>
Less Impairment	<u>(308,648)</u>	<u>(175,657)</u>
	<u>15,222,764</u>	<u>29,441,638</u>

The impairment of R8,776,756 represents salary recoveries payable by the Provincial Government of the Western Cape of which the recovery rate of claims is being addressed and the impairment of R308,648 in respect of residence billings is in the process of being resolved. Other receivables comprise non-interest bearing items with no fixed terms of payment. They are not discounted and their carrying amounts approximate their fair value.

Impairment: Provincial grants

Movement in the provision for impairment of provincial subsidy and grants were as follows:

At 1 January 2009	(6,110,647)	(6,211,673)
(Charge) / recovery for the year	(2,666,109)	101,026
Utilised during the year	-	-
	<u>(8,776,756)</u>	<u>(6,110,647)</u>

Impairment: Sundry receivables

Movement in the provision for impairment of provincial subsidy and grants were as follows:

At 1 January 2009	(175,657)	(319,958)
(Charge) / recovery for the year	(132,991)	144,301
Utilised during the year	-	-
	<u>(308,648)</u>	<u>(175,657)</u>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

8. CASH AND CASH EQUIVALENTS

	ZAR 2009	ZAR 2008
Cash at bank and on hand	264,523,005	14,751,141
Short term bank deposits	206,584,411	473,514,423
	<u>471,107,416</u>	<u>488,265,564</u>

Short term bank deposits comprise term deposits, the majority of which mature within 3 months. These deposits are at market related fixed rates of between 5.82% and 7.8% (2008: 10.49% and 13.10%) and their carrying amounts approximate fair value. They are classified as cash equivalents as management consider them to be accessible prior to prescribed maturity.

9. INTEREST BEARING BORROWINGS

Non-Current

Non-current portion of long term loans	<u>2,300,000</u>	<u>2,300,000</u>
Total non-current borrowings	<u>2,300,000</u>	<u>2,300,000</u>

A R2,300,000 loan from the Public Investment Commissioner, repayable on 30 June 2015, is secured by a zero coupon bond of R300 000 currently valued at R1,362,130 (2008: R1,238,349),

At year end the University had an unutilised overdraft facility of R15,000,000 (2008: R15,000,000).

Effective interest rates on long term loans	14.15%	14.15%
---	--------	--------

Carrying amount and fair value

The carrying amounts and fair values of fixed interest-bearing long term loans are as follows:

	Carrying amounts		Fair Values	
	2009	2008	2009	2008
Fixed interest bearing long term loans	2,300,000	2,300,000	2,684,358	2,413,732

The fair values are based on the discounted cash flows using a discount rate based upon the borrowing rate that the management expects would be available to the University at the balance sheet date of 9.50% (2008: 13%).

	ZAR	ZAR
	2009	2008
Maturity of fixed interest bearing borrowings		
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
Over 5 years	2,300,000	2,300,000
	<u>2,300,000</u>	<u>2,300,000</u>

10. POST EMPLOYMENT BENEFIT INFORMATION

The University contributes to the University of the Western Cape Retirement Fund, a defined contribution fund, and to the University of the Western Cape Pension Fund, a defined benefit fund. Both funds were established when the University took the decision to leave its previous fund. Members of the previous fund were given the option to transfer to either fund. These funds are registered under and governed by the Pensions' Fund Act, 1956 as amended. The assets of both these funds are held independently of the University's assets in separate trustee administered funds.

Total employer contributions for the year were R34,241,801 (2008: R30,163,929).

10.1 University of the Western Cape Pension Fund

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



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

10. POST EMPLOYMENT BENEFIT INFORMATION *(continued)*

10.1 University of the Western Cape Pension Fund *(continued)*

	ZAR	ZAR
	2009	Restated 2008
Net benefit expense		
Current service cost	15,326,000	16,128,000
Interest cost on benefit obligation	25,339,000	26,182,000
Expected return on plan assets	(32,719,000)	(35,406,000)
Net actuarial losses recognised in the year	17,482,000	36,450,000
Limitation on surplus	(494,022)	(26,656,000)
Net benefit expense	<u>24,933,978</u>	<u>16,698,000</u>
Actual return on plan assets	24,725,000	12,505,000
Net benefit asset		
Net present value of future obligations	(389,938,000)	(353,904,000)
Net market value of plan assets	416,958,000	388,425,000
Net surplus	27,020,000	34,521,000
Unrecognised surplus	-	(494,022)
Net benefit asset	<u>27,020,000</u>	<u>34,026,978</u>
Movements in the defined benefit obligation		
Opening defined benefit obligation	353,904,000	323,235,000
Interest cost	25,339,000	26,182,000
Current service cost	15,326,000	16,128,000
Benefits paid	(14,119,000)	(25,190,000)
Actuarial losses on obligation	9,488,000	13,549,000
Closing defined benefit obligation at 31 December 2009	<u>389,938,000</u>	<u>353,904,000</u>
Changes in the fair value of plan assets		
Opening fair value of plan assets at 1 January 2009	388,425,000	382,712,000
Expected return on plan assets	32,719,000	35,406,000
Contributions	17,927,000	18,398,000
Transfers into the fund	-	-
Benefits paid	(14,119,000)	(25,190,000)
Actuarial loss on plan assets	(7,994,000)	(22,901,000)
Fair value of plan assets at 31 December 2008	<u>416,958,000</u>	<u>388,425,000</u>
The University expects to contribute R17,372,870 to its defined benefit pension plan in 2010.		
Major categories of plan assets		
Old Mutual Absolute Growth Fund	231,975,000	230,493,000
Oasis Market value Portfolio	102,408,000	89,736,000
Old Mutual Balanced Portfolio	78,695,000	67,382,000
Sanlam Cash Deposit account	182,000	(1,270,000)
Value of Assured pensions	4,968,000	3,443,000
Net Creditors	(1,270,000)	(1,359,000)
	<u>416,958,000</u>	<u>388,425,000</u>

The expected return on plan assets is determined on Government bonds as at the date of financial position and is estimated at 9.02% (2008: 716%).



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

10. POST EMPLOYMENT BENEFIT INFORMATION *(continued)*

10.1 University of the Western Cape Pension Fund *(continued)*

	ZAR	ZAR
	2009	2008
The principal assumptions used in determining plan obligations are:		
Discount rate	6.11%	5.13%
Expected rate of return on assets	9.02%	7.16%
Future salary increases	7.32%	5.56%
Future pension increases	0.00%	4.00%

The investment return assumption is based on the yield of the R186 government bond. The post retirement rate used targets pension increases of 50% of CPI (2008: 50% of CPIX), in line with the policy of the fund.

Amounts for the current and previous four years are as follows:

	2009	2008	2007	2006	2005
Defined benefit obligation	(389,938,000)	(353,904,000)	(323,235,000)	(261,909,000)	(253,529,000)
Plan assets	416,958,000	388,425,000	382,712,000	334,169,000	257,015,000
Surplus/(deficit)	<u>27,020,000</u>	<u>34,521,000</u>	<u>59,477,000</u>	<u>72,260,000</u>	<u>3,486,000</u>
Experience adjustments					
On plan assets:	(6,337,000)	(21,441,000)	27,586,000	47,885,000	
On plan liabilities	44,980,000	9,278,000	1,532,000	16,996,000	

The above disclosures are according to an IAS 19 actuarial valuation performed as at 31 December 2009, and not a full statutory actuarial valuation. The most recent actuarial statutory valuation of the fund was performed as at 1 March 2009 liabilities for all members was determined at R344,637,000 and the actuarial value of the plan assets was R328,906,000.

The fund therefore has a statutory deficit of R72,333,000 at 1 March 2009.

The next statutory valuation is to be performed as at 1 March 2010.

10.2 University of the Western Cape Retirement Fund

When the fund was established, the transfer payments from the previous fund were significantly less than the benefits accumulated by the members. The most recent actuarial valuation of the fund was performed as at 1 March 2007. The actuarial value of liabilities for all members was determined at R332,692,000 and the actuarial value of the plan assets was R332,858,000. The fund therefore has a surplus of R166,000. The next statutory actuarial valuation will be performed as at 1 March 2010. The University contributed R18,277,463 (2008: R15,418,728) to the fund.

The surplus apportionment date of the fund was 1 March 2004. The surplus apportionment exercise of the fund was completed and approved by the Registrar of Pension Funds on 22 September 2008. 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 R6,532,331 on 31 December 2009 (2008: R6,449,805) after adding investment return.

11. LEAVE PAY PROVISION

Opening balance	62,011,167	55,354,000
Provision released during current year	(2,438,616)	(2,443,316)
Additional provision raised	4,025,501	9,100,483
	<u>63,598,052</u>	<u>62,011,167</u>
Total leave pay liability	63,598,052	62,011,167
Current portion shown under current liabilities	14,565,083	9,580,782
Long-term portion	49,032,969	52,430,385

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 balance sheet date. These benefits vest with the employee in the year in which they accrue. In the case of annual leave, the benefits are non-accumulative and in the case of study leave they are accumulative. The University has made the same assumptions regarding the pattern of future staff retirements as has been used for the calculation of retirement benefit information. These assumptions have been used to determine whether and when leave will be taken or encashed.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade payables	29,649,461	45,547,180
Salary deductions	204,520	2,160,807
Students with credit balances	17,777,299	13,841,437
Bursaries payable	3,201,174	2,810,539
Voluntary severance package and retrenchment cost liability	252,354	248,162
NRF Deposit	7,382,000	7,427,000
Other payables	16,644,246	7,065,075
	<u>75,111,054</u>	<u>79,100,200</u>

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. Included in other payables are cheques not yet presented at the bank amounting to R8,831,093

(2008: R7,077,178). Accounts payable and accrued liabilities are not discounted.

Their carrying amounts approximate fair value.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

13. SOUTH AFRICAN REVENUE SERVICES PROVISION

	ZAR 2009	ZAR 2008
Opening balance	1,279,320	1,279,320
Provision settled	-	-
Provision for SARS assessment (payroll taxes)	<u>1,279,320</u>	<u>1,279,320</u>

During 2005, a letter of assessment was issued by SARS listing the University's various areas of exposure due to past practices and policies which SARS deemed to be in breach of taxation legislation and quantifying the associated liability, inclusive of interest and penalties.

Following a settlement of dispute process, SARS issued a revised assessment in 2007, reducing the liability to R8,190,554. The University settled a portion of the reassessed provision in 2007, while the remaining R1,279,320 was still being disputed.

14. STUDENT DEPOSITS

Hostel deposits	1,625,450	2,131,138
	<u>1,625,450</u>	<u>2,131,138</u>

Hostel deposits are held to cover damages that may arise during use of hostel facilities by students. Their carrying amounts approximate fair value.

15. STATE SUBSIDIES AND GRANTS

State subsidy for general purposes	418,630,000	384,938,000
State grants and contracts for research (Restricted use)	48,308,449	44,323,042
	<u>466,938,449</u>	<u>429,261,042</u>

16. INCOME FROM INVESTMENTS

	Council controlled	Restricted use	TOTAL 2009
Interest received			
Investments	-	1,516,769	1,516,769
- Available for Sale	-	1,244,443	1,244,443
- Held to maturity	-	272,326	272,326
Cash and cash equivalents	38,144,316	8,507,927	46,652,243
Student fee debtors	696,273	-	696,273
	<u>38,840,589</u>	<u>10,024,696</u>	<u>48,865,285</u>
Dividends received	7,420	1,481,094	1,488,514
	<u>38,848,009</u>	<u>11,505,790</u>	<u>50,353,799</u>
Realised loss on disposal of marketable securities	-	(595,704)	(595,704)
TOTAL INCOME FROM INVESTMENTS	<u>38,848,009</u>	<u>10,910,086</u>	<u>49,758,095</u>

	Council controlled	Restricted use	TOTAL 2008
Interest received			
Investments	-	25,609,672	25,609,672
- Available for Sale	-	25,339,557	25,339,557
- Held to maturity	-	270,115	270,115
Cash and cash equivalents	40,223,015	-	40,223,015
Student fee debtors	5,142,612	-	5,142,612
	<u>45,365,627</u>	<u>25,609,672</u>	<u>70,975,299</u>
Dividends received	-	4,074,227	4,074,227
	<u>45,365,627</u>	<u>29,683,899</u>	<u>75,049,526</u>
Realised gain on disposal of marketable securities	-	3,863,533	3,863,533
TOTAL INCOME FROM INVESTMENTS	<u>45,365,627</u>	<u>33,547,432</u>	<u>78,913,059</u>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

17. PERSONNEL COSTS

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2009 TOTAL ZAR
Academic professionals				
Salaries	172,181,956	30,753,388	-	202,935,344
Post employment benefit contributions	25,208,669	708,590	-	25,917,259
Total - academic professionals	197,390,625	31,461,978	-	228,852,603
Other personnel				
Salaries	161,996,071	41,911,361	8,126,109	212,033,541
Post employment benefit contributions	18,376,369	834,182	1,210,964	20,421,515
Total - other personnel	180,372,440	42,745,543	9,337,073	232,455,056
TOTAL PERSONNEL COSTS	377,763,065	74,207,521	9,337,073	461,307,659

Average monthly personnel employed by the University during the 2009 year:

Full time	1,021
Part time	1,283
	2,304

Remuneration of key management -

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	Annualised Amount R '000s
O'Connell BP	Rector	12	1,050	159	1,210	1,210
Tshiwula L	Vice Rector: - Student Development and Support	12	774	125	899	899
Miller IM	Registrar	12	661	107	768	768
Regal A	Executive Director: - Finance and Services	12	731	127	858	858
Hambrook-Glaeser A	Executive Director: - Human Resources	12	763	-	763	763
Ridge S	Pro Vice Chancellor:	12	880	-	880	880
Bharuthram R	Vice Rector:	12	1,113	230	1,344	1,344

16

Deans:	Faculties:					
Christie RL	Research Development	12	718	133	851	851
Desai ZK	Education	12	625	117	742	742
Brown D	Arts	12	881	(9)	872	872
Moola MH	Dentistry	12	117	-	117	117
Sloth-Nielsen J	Law	12	779	111	890	890
Mpofu RMB	Community and Health Sciences	12	630	138	768	768
Tapscott CPG	Economic and Manage- ment Sciences	12	782	67	849	849
Van Bever Donker JM	Natural Sciences	12	629	117	746	746

Exceptional payment amounts - each exceeding in annual aggregate R249,999

Name	Reason for payment	Amount R '000s
Bharuthram R	Recruitment allowance	585

Payments for attendance at meetings of the council and its subcommittees

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

17. PERSONNEL COSTS (continued)

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2008 TOTAL ZAR
Academic professionals				
Salaries	160,832,418	26,013,016	-	186,845,434
Post employment benefit contributions	22,359,843	786,783	-	23,146,626
Total - academic professionals	183,192,261	26,799,799	-	209,992,060
Other personnel				
Salaries	141,332,477	30,750,450	7,581,810	179,664,737
Post employment benefit contributions	15,654,239	711,961	1,068,706	17,434,906
Total - other personnel	156,986,716	31,462,411	8,650,516	197,099,643
TOTAL PERSONNEL COSTS	340,178,977	58,262,210	8,650,516	407,091,703

Average monthly personnel employed by the University during the 2008 year:

Full time	989
Part time	1,229
	<u>2,218</u>

Remuneration of key management -

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	Annualised Amount R '000s
O'Connell BP	Rector	12	966	143	1,109	1,109
Tshiwula L	Vice Rector: - Student Development and Support	12	644	98	741	741
Miller IM	Registrar	12	597	96	693	693
Regal A	Executive Director: - Finance and Services	12	666	114	780	780
Hambrook-Glaeser A	Executive Director: - Human Resources	12	694	-	694	694
Keats DW	Executive Director: - Information and Communication Services	12	643	103	746	746
Ridge S	Pro Vice Chancellor:	12	752	-	752	752
Bharuthram R	Vice Rector:	12	1,018	220	1,238	1,238

16

Deans:

Faculties:

Christie RL	Research Development	12	608	121	729	729
Desai ZK	Education	12	572	106	678	678
Fredericks GH	Arts - (Acting)	12	402	-	402	402
Brown D	Arts	1	179	9	187	749
Moola MH	Dentistry	12	111	-	111	111
Moosa N	Law	12	586	104	690	690
Mpofu RMB	Community and Health Sciences	12	553	121	674	674
Tapscott CPG	Economic and Manage- ment Sciences	12	785	62	847	847
Van Bever Donker JM	Natural Sciences	12	570	102	672	672

Exceptional payment amounts - each exceeding in annual aggregate R249,999

Amount

Name	Reason for payment	R '000s
Bharuthram R	Recruitment allowance	585
Bharuthram R	Resettlement allowance	667

Payments for attendance at meetings of the council and its subcommittees

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	ZAR Council controlled	ZAR Restricted use	ZAR Student Accommodation	ZAR 2009 TOTAL
18. OTHER OPERATING REVENUES AND EXPENSES				
18.1 OTHER RECURRENT INCOME	9,687,730	3,893,289	-	13,581,019
Other recurrent income arises from activities associated with the University's core teaching and research activities, but not directly derived there from.				
18.2 OTHER NON-RECURRENT INCOME	-	25,000	22,877	47,877
Other non-recurrent income arises from transactions that are not part of the normal activities of the University.				
18.3 OTHER OPERATING EXPENSES				
Academic consumable material	7,798,709	16,059,660	114,322	23,972,691
Advertising	4,900,235	1,780,577	24,677	6,705,489
Bad debts written off/Impairments	3,061,230	-	448,969	3,510,199
Bursaries and prizes	11,271,335	32,784,665	-	44,056,000
Cleaning	6,942,294	46,424	6,624,566	13,613,284
Computer maintenance and licensing	13,929,127	1,628,906	5,102	15,563,135
Electricity and water	11,470,266	21,561	5,229,376	16,721,203
Entertainment	3,721,234	5,822,095	546,759	10,090,088
Food provisions	68,296	64,264	126,945	259,505
Hire of equipment	91,224	52,975	16,125	160,324
Insurance	2,141,103	47,389	369,645	2,558,137
Journals and subscriptions	13,551,845	1,189,449	-	14,741,294
Library and art acquisitions	1,743,954	589,866	-	2,333,820
Postage and telephone	5,162,737	1,929,569	299,423	7,391,729
Printing and stationery	12,988,394	4,931,636	3,067,374	20,987,404
Professional services	18,602,740	9,953,384	1,313	28,557,437
Property rates	7,582,467	-	-	7,582,467
Protective clothing	138,820	35,573	233,304	407,697
Rebate on fees	1,045,922	-	-	1,045,922
Rent of buildings	1,132,223	248,107	2,680,534	4,060,864
Repairs and maintenance	14,093,624	959,180	2,119,912	17,172,716
Security contracts	5,453,734	88,623	2,041,949	7,584,306
Staff meals: food services	1,365,104	1,054,522	40,847	2,460,473
Sundries	12,639,217	21,085,873	1,009,365	34,734,455
Travel and subsistence	17,032,234	27,349,542	3,230,322	47,612,098
Vehicle expenses	1,366,545	324,370	153,374	1,844,289
				-
	179,294,613	128,048,210	28,384,203	335,727,026

Rebates on fees represent the cost to the University of certain policies, and are disclosed under other operating expenses instead of being set-off against tuition fees in order to better present the impact of these policies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	ZAR Council controlled	ZAR Restricted use	ZAR Student Accommodation	ZAR 2008 TOTAL
18. OTHER OPERATING REVENUES AND EXPENSES (continued)				
18.1 OTHER RECURRENT INCOME	14,356,484	7,676,768	-	22,033,252
Other recurrent income arises from activities associated with the University's core teaching and research activities, but not directly derived there from.				
18.2 OTHER NON-RECURRENT INCOME	-	-	28,970	28,970
Other non-recurrent income arises from transactions that are not part of the normal activities of the University.				
18.3 OTHER OPERATING EXPENSES				
Academic consumable material	5,716,662	15,419,101	59,916	21,195,679
Advertising	3,502,228	1,391,522	7,600	4,901,350
Bad debts written off/Impairments	700,899	20	-	700,919
Bursaries and prizes	9,774,709	28,772,956	-	38,547,665
Cleaning	6,504,564	20,383	4,933,540	11,458,487
Computer maintenance and licensing	15,793,993	777,644	399	16,572,036
Electricity and water	9,181,784	46,558	3,273,425	12,501,767
Entertainment	3,725,507	2,233,399	870,148	6,829,054
Food provisions	93,564	181,808	2,857	278,229
Hire of equipment	169,437	71,440	35,604	276,481
Insurance	2,035,559	40,446	336,041	2,412,046
Journals and subscriptions	12,020,766	24,664	-	12,045,430
Library and art acquisitions	1,513,156	606,102	-	2,119,258
Postage and telephone	4,447,503	2,379,290	367,720	7,194,513
Printing and stationery	11,983,799	4,025,925	305,176	16,314,900
Professional services	14,430,045	13,602,823	1,596	28,034,464
Property rates	6,795,616	-	-	6,795,616
Protective clothing	124,916	18,938	88,968	232,822
Rebate on fees	824,454	71,090	-	895,544
Rent of buildings	399,469	552,342	2,378,088	3,329,899
Repairs and maintenance	13,193,193	1,195,318	1,909,673	16,298,184
Security contracts	3,800,060	60,369	3,906,715	7,767,144
Staff meals: food services	1,118,213	530,945	79,984	1,729,142
Sundries	6,583,020	20,710,363	1,186,441	28,479,824
Travel and subsistence	14,937,327	23,838,280	3,029,116	41,804,723
Vehicle expenses	1,468,432	464,316	184,327	2,117,075
	150,838,875	117,036,042	22,957,334	290,832,251

Rebates on fees represent the cost to the University of certain policies, and are disclosed under other operating expenses instead of being set-off against tuition fees in order to better present the impact of these policies.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

19. FINANCE AND RELATED COSTS

Finance costs

Long term loans
Bank and other borrowings

ZAR **ZAR**
Council Controlled
2009 **2008**

325,450	325,450
83,725	119,773
<u>409,175</u>	<u>445,223</u>

Other related costs

Portfolio administration costs

<u>377,106</u>	<u>374,440</u>
----------------	----------------

20. PRIVATE GIFTS AND GRANTS

The University has commenced on a major infrastructure expansion program, which has been partly funded by private grants specifically earmarked for these projects. These private grants have been classified as non recurrent income. The portion of net surplus attributable to these grants has been separately identified for meaningful presentation, amounting to R19,500,000 (2008: R36,999,000).

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The University's financial liabilities includes long term loans, accounts payable and student deposits. The financial assets such as investments, student fee debtors, accounts receivable and cash and short term deposits arise directly from its operations. The main risks arising from the University's financial instruments are cash flow interest rate risk, liquidity risk, credit risk and price risk. Management reviews and agrees policies for managing each risk are summarised below.

Credit risk management

The University deposits only 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. The maximum exposure to credit risk is the carrying amounts disclosed in note 4: staff loans - R206,100 (2008: R235,563); note 6: student fee debtor - R 56,411,248 (2008: R48,161,832) and note 7: other receivables excluding prepayments - R9,860,185 (2008: R24,501,707). Credit risk in respect of student credit is managed by the application of credit monitoring procedures and enrolment processes. All student fee debtors at year end reflect debt that is past it's due date and not impaired.

The University has no concerns over the credit quality of assets that are neither past due nor impaired.

Interest rate risk management

Long term loans are at fixed rates and therefore the associated cash flows are fixed. Interest rate risk on investments and cash is managed by utilising a mix of fixed and variable rate instruments that avoid a concentration of risk.

Interest rate risk table:

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all variable held constant, of the University surplus. There is no material impact on the University equity.

Interest rate changes	2009	2008
The effect of a 1% increase in interest rate on net surplus	4,799,506	4,917,533
The effect of a 1% decrease in interest rate on net surplus	(4,799,506)	(4,917,533)

Liquidity risk management

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 R15m available. Refer to note 9 and note 12 for contractual maturing of financial liabilities.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value

The management of the University is of the opinion that the book value of financial instruments approximates their fair value except for fixed interest rate borrowings which are stated at amortised cost using the effective interest rate method and the fair value separately disclosed. Refer to note 3 and note 9.

Price risk

There is an exposure to price risk on listed shares 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 agent.

Price risk table:

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

	ZAR	ZAR
	2009	2008
Price risk changes		
The effect of a 5% increase in price risk on funds	3,106,339	2,734,639
The effect of a 5% decrease in price risk on funds	(3,106,339)	(2,734,639)

22. COMMITMENTS AND CONTINGENT LIABILITY

Capital commitments

Amounts allocated for capital expenditure at the financial position date, but not contracted.	264,984,000	59,100,000
Capital expenditure contracted for at year end, but not yet incurred	78,900,000	277,000,000
Total planned capital expenditure	<u>343,884,000</u>	<u>336,100,000</u>

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

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

Not later than 1 year	3,578,233	3,641,648
Later than 1 year and not later than 5 years	3,158,290	1,090,216
	<u>6,736,523</u>	<u>4,731,864</u>

16

Operating lease commitments relate to rental of buildings and of photocopy equipment. The amounts disclosed above are the minimum lease payments, in addition to which the photocopy equipment agreements provide for contingent rentals based on usage.

Contingent liability

A contingent liability exists in respect of collateral security of R73,960 (2008: R95,560) advanced by the University to financial institutions to enable staff to obtain housing loans. Management is of the opinion that there is no transfer of significant risk to the University, based on the historical behaviour of the beneficiaries and the fact that the University has security in the form of the staff member's retirement fund.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

23. TRANSFERS TO CLEAR DORMANT ENTITIES

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

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

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

	ZAR	ZAR
	2009	2008
Transfers to clear entities with credit balances	(953,893)	(1,184,508)
Transfers to clear entities with debit balances	414,955	1,023,713
	<u>(538,938)</u>	<u>(160,795)</u>

Entities with debit balances mainly comprise entities previously cleared as dormant now being reinstated.

24. RELATED PARTIES

Due to the nature of the University's operations and the composition of its Council (being drawn from public and private sector organisations) it is possible that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arms length and in accordance with the University's regulations and normal procurement procedures. The Department of Education is a related party and transactions with them comprise various subsidies and grants received amounting to R466,938,449 (2008: R429,261,042). St Patrick's Investment CC and Gorralla Enterprises (Pty) Ltd controlled by Dr Pat Gorralla, a council member provides residence and transport services to the students amounting to R905,109 (2008: R1,819,270).

25. GOVERNMENT GRANT RELATING TO ASSETS

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 Government grant received is earmarked for the Life Sciences Building currently under construction. The R80m is the final part of the R200m committed by Government. The building was estimated to be completed in 2009, but was subsequently completed in 2010. An additional Government grant received of R15.7m is earmarked for the Clinical Training project for the purchase of equipment and building improvements. The deferred revenue will be recognised as income on a systematic and rational basis over the useful life of the assets.

	ZAR	ZAR
	2009	2008
At 1 January	120,000,000	40,000,000
Deferred during the year	95,717,000	80,000,000
At 31 December	<u>215,717,000</u>	<u>120,000,000</u>

26. NOTES TO THE CASH FLOW STATEMENT

26.1 NET SURPLUS BEFORE INTEREST AND DIVIDENDS

Net surplus/(deficit) from		
Council controlled funds	86,277,119	113,799,079
Restricted use funds	88,103,384	102,912,320
Student accommodation funds	(9,841,722)	(6,293,938)
Consolidated net income	164,538,781	210,417,461
Separately disclosable items	(49,944,624)	(74,604,303)
Interest received	(48,373,422)	(70,471,424)
Interest earned and reinvested	(491,863)	(503,875)
Dividends received	(1,488,514)	(4,074,227)
Finance costs	409,175	445,223
Net surplus before interest and dividends	114,594,157	135,813,158

26.2 CASH, BANK AND CASH EQUIVALENTS

Cash at bank and on hand	264,523,005	14,751,141
Short term bank deposits	206,584,411	473,514,423
	<u>471,107,416</u>	<u>488,265,564</u>

At 31 December 2009 the University had available R41,985,000 (2008: R47,700,000) of undrawn committed facilities in respect of which all conditions precedent had been met.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

UNIVERSITY of the
WESTERN CAPE

27 PRIOR YEAR ADJUSTMENTS

27.1 PROPERTY PLANT AND EQUIPMENT

An asset was donated to the University in 2006. This was not adequately accounted for in the accounting records and the following adjustments were processed to rectify this:

ZAR 2008

Consolidated statement of changes in funds

Property plant and equipment fund

Accumulated funds as at 1 January 2008

10,644,666

Transfer for acquisition / disposal of PPE.

2,776,869

Statement of comprehensive income

16

Recurrent items

Depreciation

2,776,869

Statement of financial position

Property plant and equipment as 1 January 2008

10,644,666

27.2 RETIREMENT FUND SURPLUS

An asset on the fund was apportioned to the University in 2008. This was not adequately accounted for in the accounting records and the following adjustments were processed to rectify this:

Statement of financial position

Non-current asset

Retirement fund surplus

6,449,805

Statement of comprehensive income

Other non - recurrent income

Retirement fund surplus

6,449,805

27.3 PENSION FUND SURPLUS

An asset on the fund was apportioned to the University in 2008 as part of the future surplus apportionment exercise. This was not adequately accounted for in the accounting records and the following adjustments were processed to rectify this:

ZAR ZAR
31 Dec 2008 01 Jan 2008

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

Council control fund

34,026,978 32,326,551

Statement of comprehensive income

Other-non recurrent income

Restatement of Pension fund surplus

1,700,427 -

Statement of financial position

Non-current asset

Fund surpluses

Pension fund

34,026,978 32,326,551

11. ANNEXURES: COMPOSITION, MEMBERSHIP AND ATTENDANCE OF KEY COMMITTEES

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

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

The Rector and Vice-Rectors

Prof Brian O'Connell
Prof Lulu Tshiwula
Prof Ramashwar Bharuthram

Five persons appointed by the Minister of Education

Dr Patricia Gorvalla
Dr Yvonne Dladla
Ms Gugulethu Nyanda
Ms Laura Schultz
Mr Hlengani Mathebula

Two members of Senate

Prof Emmanuel Iwuoha
Prof A Fataar (resigned – last meeting: 18 June 2009)
Prof Olajide Oloyede (replaced Prof Fataar)

One academic employee

Prof Charlene Africa

One non-academic employee

Mr Samuel Marcus

Two registered students

Mr Mxolisi Vilakazi (SRC President)
Mr Yonela Mvana

Two donors

Mr Nick Christodoulou (last meeting 18 June 2009)
Ms Karen Barry (replaced Mr Christodoulou)
Mr John Matthews

One member of the City of Cape Town

Cll Leon Jansen Van Rensburg (Resigned 19 March 2009)
Dr Johannes van der Merwe (From 10 June 2009)

Two persons elected by Convocation

Mr Brian Williams
Prof Desmond Roberts (Until 30 June 2009)
Mr Randall Titus (From 1 July 2009)

One member of organised business in the Western Cape

Dr Nokuthula Mathe (Until May 2009)
Mr Oscar Solomons (Replaced her from 19 June 2009)

One member of organised business in South Africa

Ms Mmabatho Matiwane

One member of organised labour in South Africa

Mr Bradley Skei (Until June 2009)

One member of organised labour in the Western Cape

Mr Jonavan Rustin (Until 30 June 2009)

One person designated by the Premier of the Western Cape

Dr Gertrude Fester

A minimum of four and a maximum of six additional members

Ms Beryl Kerr (Until May 2009)

Mr Ashiek Manie (Until May 2009)

Mr Mbulelo Bikwani

Mr Michael Abel

Mr Sedick Jappie

Dr Anwah Nagia (From 19 June 2009)

Ms Gayle Kaylor (From 19 June 2009)

Mr Nick Christodoulou (From 12 August 2009)

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

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

Two members of Council

Dr Johannes Van der Merwe

Mr Hlengani Mathebula

Two persons appointed by Council

Mr Iqbal Khan

Vacant

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

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

The Rector

Prof Brian O'Connell

The Vice-Rectors

Prof Lulu Tshiwula

Prof Ramashwar Bharuthram

The Executive Director: Finance

Mr Manie Regal

An additional member of the Management Committee

Ms Amanda Hambrook-Glaeser

The Dean designated annually by the Executive Committee of Senate

Prof Ratie Mpofo

The Dean of Research

Prof Renfrew Christie

Two members of Senate

Prof Ebrahiem Arnold

Prof Kobus Visser

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

Mr Nick Christodoulou (Chairperson)
Mr Ashiek Manie (Until May 2009)
Mr M Bikwani (alternate) [Until 30 June 2009]
Ms Mmabatho Matiwane
Ms Karen Barry (From 1 July 2009)

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

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

Three representatives of the Management

Prof Brian O'Connell
Prof Lulu Tshiwula
Ms Amanda Hambrook-Glaeser

Three representatives of the Senate

Prof Uma Mesthrie
Ms Birgit Schreiber

Three representatives of Council

Dr Johannes van der Merwe
Mr John Matthews
Vacant

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

Prof Emmanuel Iwuoha
Ms Bongazana Mahlangu
Dr Nomafrench Mbombo

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

Ms Lucille Teegler
Mr Samuel Marcus
Mr John Manuals

Three representatives of the students elected by the Student Representative Council

Ms Sakile Mvana
Mr Loyiso Ngoma
Vacant

A maximum of four persons not being in the employ of the university

Not appointed

ATTENDANCE OF COUNCILLORS OF COUNCIL, FINANCE AND AUDIT COMMITTEE MEETINGS IN 2009

COUNCILLOR	COUNCIL: 4 meetings	FINANCE: 6 meetings	AUDIT: 6 meetings
1. Prof Brian O'Connell	4/4	4/6	5/6
2. Prof Lulu Tshiwula	¾	5/6	
3. Prof Ramashwar Bharuthram	¾	4/6	
4. Mr Hlengani Mathebula	¾		3/5
5. Ms Gugulethu Nyanda	3/4		
6. Dr Patricia Gorvalla	4/4		
7. Ms Laura Schultz	4/4		
8. Dr Yvonne Dladla	4/4		
9. Prof Emmanuel Iwuoha	4/4		
10. Prof Aslam Fataar	2/2 (resigned)		
11. Prof Olajide Oloyede	2/2 (replaced Fataar)		
12. Prof Charlene Africa	4/4		
13. Mr Arnold Josephs	0 (passed away 9/2/09)		
14. Mr Samuel Marcus	2/2 (replaced Josephs)		
15. Mr Yonela Mvana	1/3		
16. Mr Dananai Muchemenye	1/1 (replaced Mvana)		
17. Mr Mxolisi Vilakazi	1/3		
18. Ms Vuyokazi Malafu	1/1 (replaced Vilakazi)		
19. Mr John Matthews	1/2 (started 1/7/09)	0/2	
20. Ms Estelle Yach	0/2 (term ended 30/6/09)		
21. Ms Karen Barry	1/2 (started 1/7/09)	0/2	
22. Cll Leon Jansen van Rensburg	Resigned 19/3/09		
23. Dr Johannes Van der Merwe	2/3 (started 9/6/09)		2/2
24. Dr Nokuthula Mathe	1/1 (replaced by Solomons)		3/3 (replaced)
25. Mr Oscar Solomons	1/2		
26. Ms Matilda Matiwane	4/4	2/5	
27. Mr Jonavan Rustin	1/2 (term ended 6/09)		
28. Mr Bradley Skei	0/2 (term ended 30/6/09)		

29. Dr Gertrude Fester	4/4		
30. Prof Desmond Roberts	2/2 (term ended 30/6/09)		
31. Mr Randall Titus	1/2 (replaced Roberts)		
32. Mr Brian Williams	4/4		
33. Ms Beryl Kerr	1/1 (term ended 8/5/09)		
34. Mr Ashiek Manie	0/0 (resigned 06/01/09)		
35. Ms Gayle Kaylor	2/2 (started 19/06/09)		
36. Dr Anwah Nagia	2/2 (started 19/6/09)		
37. Mr Sedick Jappie	4/4		
38. Mr Nick Christodoulou	0/4	5/6	
39. Mr Michael Abel	3/4		
40. Mr Mbulelo Bikwani	3/4	1/3	
41. Mr Shu'ayb Patel	0/0 (term ended 17/3/09)		1/1

Attendance of Finance Committee meetings by non-Council members	
1. Mr Manie Regal (Exec. Director: Finance)	5/6
2. Ms Amanada Hambrook-Glaeser (Exec. Director: Human Resources)	5/6
3. Prof Ebrahiem Arnold	3/4
4. Prof Renfrew Christie	5/6
5. Prof Kobus Visser	6/6